Innovative progress, High quality development

2018 Annual Report

大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.
Stock Code: 00991

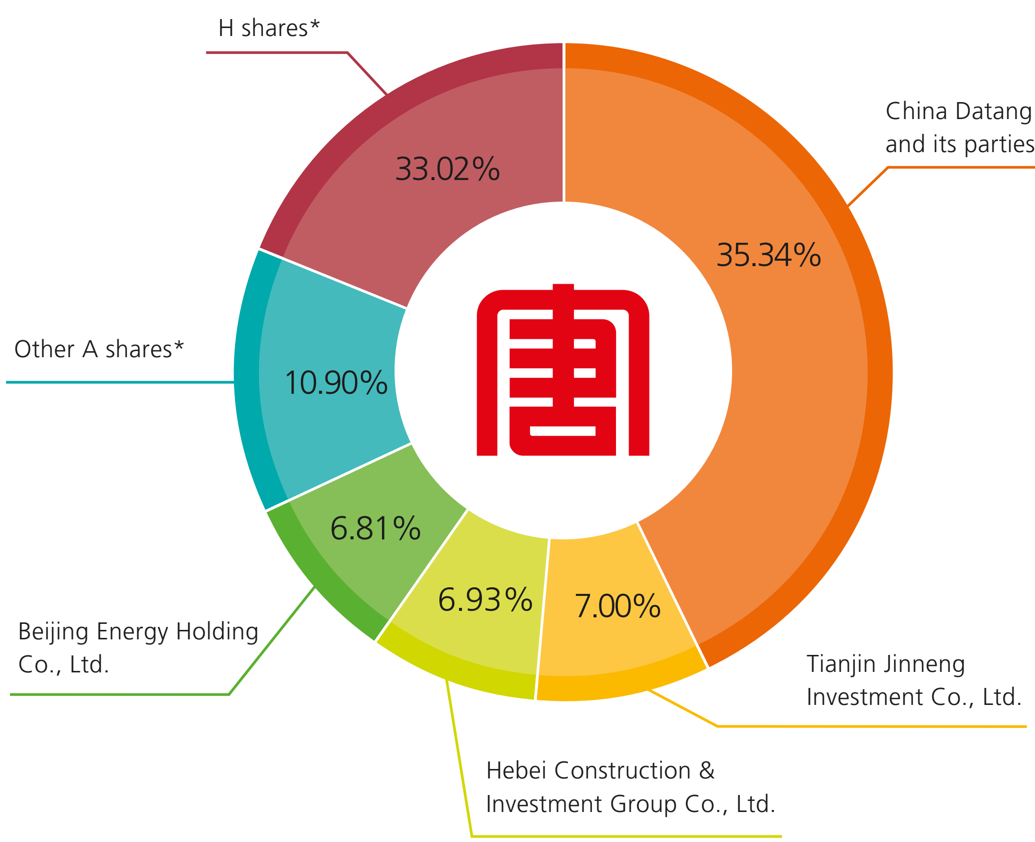
Contents

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 2018, the total consolidated assets of the Company and its subsidiaries amounted to approximately RMB288.250 billion. Total installed capacity under management of the Company amounted to 62,853.30MW, and the power generation businesses of the Company and its subsidiaries are mainly distributed across 20 provinces (including municipalities and autonomous regions) throughout the country.

EQUITY STRUCTURE AND SHAREHOLDING OF THE COMPANY



EQUITY STRUCTURE:

* Excluding the equity interest held by China Datang Corporation Ltd. ("CDC") and its parties acting in concert

Note:

In March 2018, the Company completed the non-public issuance of A-Shares and H-Shares. As of 31 December 2018, the total number of shares of the Company was 18,506,710,504 shares, CDC and its subsidiaries held a total of 9,825,068,940 shares of the Company, representing approximately 53.09% of the Company's total issued shares, being the controlling shareholder of the Company.

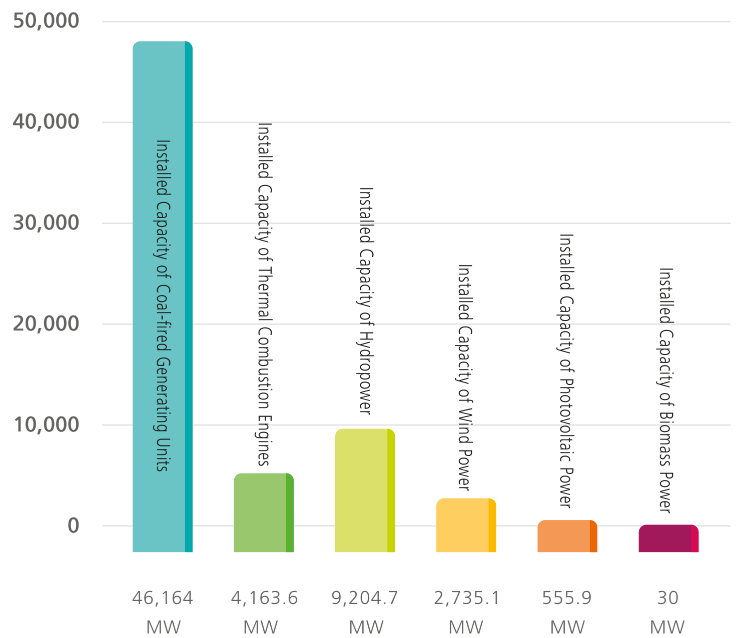
Facilitation of continuous structure optimisation

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 develops renewable energy vigorously, speeds up the layout of distributed energy, keeps on optimising the thermal power structure, fosters the heat industry proactively, strengthens the management of power sales business constantly, and expands the overseas market steadily. By leveraging the balance of innovation-driven power industry, Datang Power fully promotes its development and green low carbon development and follows up the reform in power system, with focus on advancing the scientific development of Datang Power.

Installed capacity structure of the Company

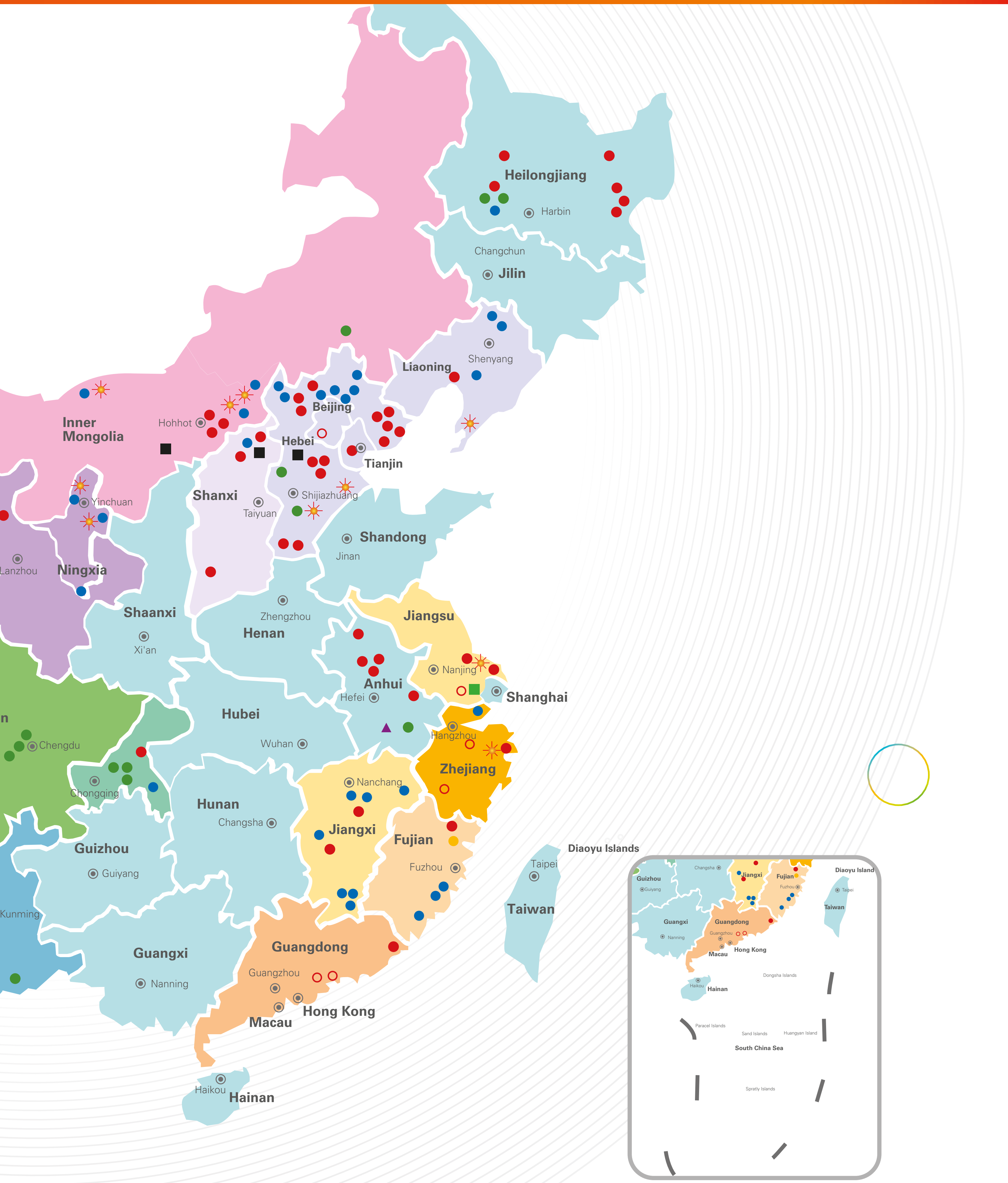


Managed an installed capacity of approximately 62,853.3 MW.

Completed power generation of approximately 269.704 billion kWh.

DISTRIBUTION OF PROJECTS

- Coal-fired Power Project
- Gas Power Project
- Hydro Power Project
- Wind Power Project
- Nuclear Power Project
- Photovoltaic Power Project
- Biomass Power
- Shipping Project
- Coal Mine Project



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

FINANCIAL AND OPERATING HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts expressed in millions of RMB)

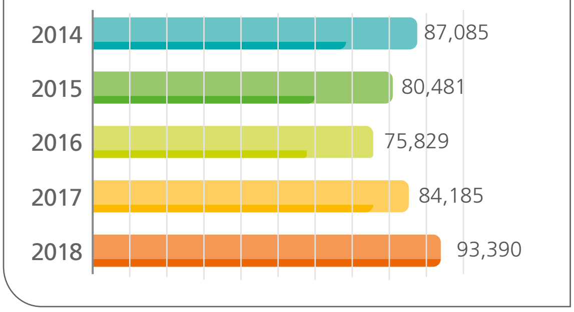
For the year ended 31 December	2014	2015	2016	2017	**2018**
Operating revenue	87,085	80,481	75,829	84,185	**93,390**
Profit before tax	11,010	13,383	10,832	2,858	**4,166**
Income tax (expense)/credit	(3,392)	(4,051)	237	(677)	**(1,379)**
Profit for the year attributable to:					
– Owners of the Company	5,659	7,581	4,954	1,495	**1,232**
– Non-controlling interests	1,959	1,751	6,115	686	**1,555**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

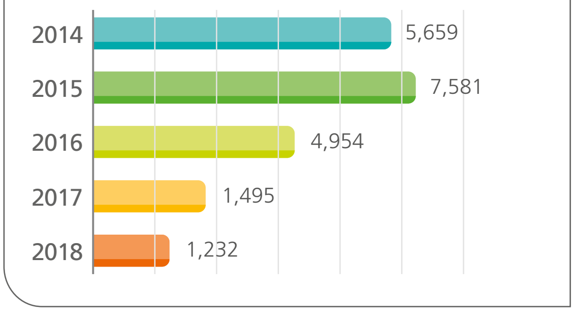
(Amounts expressed in millions of RMB)

As at 31 December	2014	2015	2016	2017	**2018**
Total assets	352,732	351,527	276,263	279,123	**288,250**
Total liabilities	280,475	276,640	204,768	207,044	**217,760**
Non-controlling interests	20,805	20,075	20,540	19,832	**20,015**
Equity attributable to owners of the Company	51,452	54,812	50,955	52,247	**45,475**

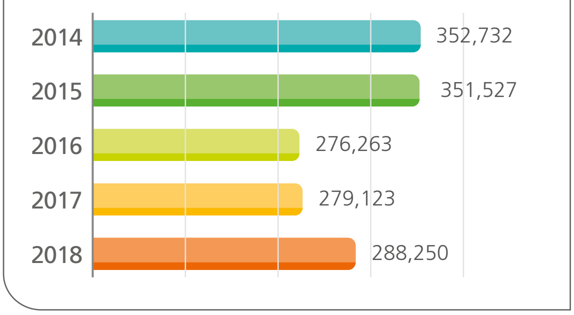
CONSOLIDATED OPERATING REVENUE
(RMB million)



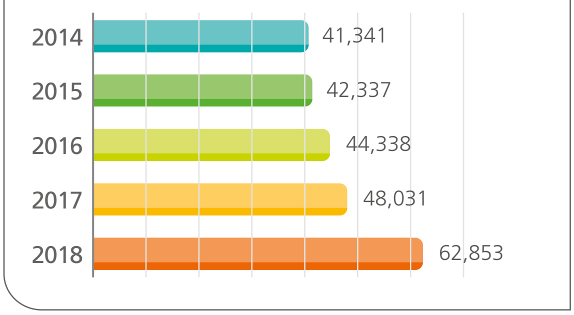
CONSOLIDATED PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RMB million)



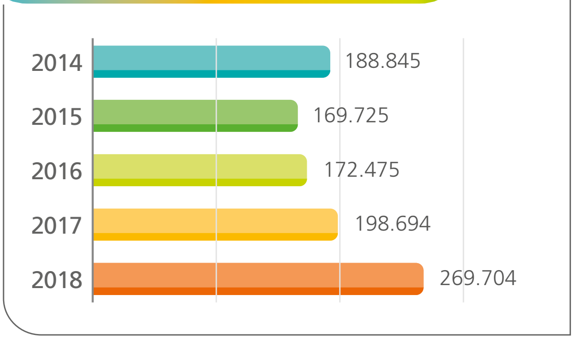
CONSOLIDATED ASSETS
(RMB million)



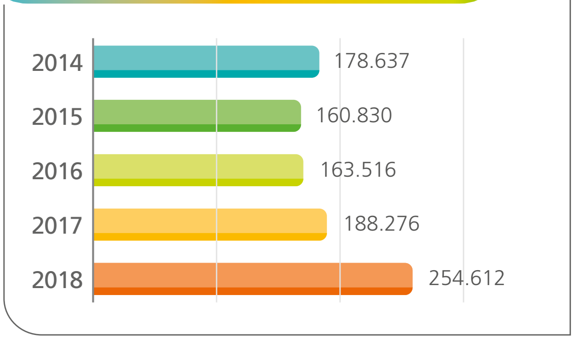
TOTAL INSTALLED CAPACITY
(MW)



TOTAL POWER GENERATION
(billion kWh)



TOTAL ON-GRID POWER GENERATION
(billion kWh)




大唐托电
DATANG TUO POWER

In 2018, facing the complicated market environment, the Company insisted on building a world class energy company as its goal pursued persistently, adhered to "Act with First Class Standard, be the World Class Energy Group", while surmounting difficulties and forging ahead to fully promote high-quality development, which made accomplishments in all objective tasks for the year.

Maintaining the stability of overall production safety. The Company always regarded safety and stability as the key task of overriding importance by insisting on the concept of safe development and "macro-safety", putting efforts on the implementation of responsibilities and systems, as well as changes in regard to disciplines. The Company maintained overall stability in safety production and continuously improved its safety operation and equipment reliability, so as to lay a solid foundation for achieving various production and operation goals, including the important tasks of electricity power maintenance, heat supply maintenance and protection of people's well-being, were successfully completed and 10 power generating units won awards in the national appraisal of the reliability of power generating units.

Sustaining good achievements in operating results. Under the condition that coal prices continued to stay at a high level, positive operating results were still achieved by the Company through seizing advantages such as the rapid growth rate of electricity consumption of the entire society and improvement in consumption of clean energy. The power generation of the Company accumulated to 269.704 billion kWh, representing a year-on-year increase of 5.31% as compared to the restated power generation in 2017; the on-grid power generation accumulated to 254.612 billion kWh, representing a year-on-year increase of 5.26% as compared to the restated on-grid power generation in 2017; operating revenue was approximately RMB93,390 million, representing a year-on-year increase of 10.93% as compared to the previous year; net profit attributable to equity holders of the Company was approximately RMB1,232 million.

Optimising development to achieve breakthroughs. The Company adhered to structural adjustment of power generation and positively promoted the implementation of major projects. Power supply projects of the Company with a total capacity of 2,308MW were approved, including 2 coal power projects with a total capacity of 219MW; 1 combustion engine project with a capacity of 800MW; 1 hydropower project with a capacity of 525MW; 5 wind power projects with a total capacity of 764MW. The installed capacity of clean energy accounted for 90.51% and 12 power supply projects were in operation with a total capacity of 1,586.19MW. Jiangxi Fuzhou Thermal Power Project won the "2018 China Power Quality Engineering Award". The joint supply project of gas, heating, power and cooling for Guangdong Foshan Gas Thermal Power Project introduced the "Internet +" smart energy new business development model, striving to build the Company's first low-carbon environmental protection and technology-leading digital intelligent gas-fired power plant.

Steady advancement in capital operation. The Company successfully completed the non-public issuance of A-Shares and H-Shares, issuing 2,794,943,820 H-Shares with gross proceeds of approximately HK$6,222 million raised and 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised, which provided a strong guarantee for the Company's subsequent development. The equity transfer of Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. was completed by the Company and the installed capacity of the Company has been increased by 13,913MW, which enhanced the Company's power supply capacity and increased its market share in East China, North China and northeast region, strengthening the core business and influence of the Company's power generation.

In 2019, the Company will uphold Xi Jinping's ideology of socialism with Chinese characteristics in the new era as guidance, further implement the spirit of the 19th CPC National Congress as well as of the second and third plenary sessions of the 19th Central Committee of CPC. By insisting on seeking progress while maintaining stability, high-quality development and first-class standard, and leveraging reform and innovation to forge ahead in unity, the Company will continue to enhance safety management and control, competitive advantage, assets quality, governance capability and team quality, with a view to stepping up efforts in building a world class energy company.

All members of the Board and I deeply believe that with support of all shareholders and different sectors in the society and under hard work jointly undertaken by the Board, the Supervisory Committee, the management and all staff, Datang Power will be able to achieve sustainable development with higher quality and increased effectiveness, and to provide better reward for shareholders and society with excellent results.

Mr. Chen Feihu
Chairman

In 2018, facing the grim production and operation situation, the Company nonetheless made remarkable achievements in various aspects, including production safety, development optimisation, capital operation, energy conservation and emission reduction, through comprehensive implementation of the general requirements of "Act with First Class Standard, be the World Class Energy Group".

(I) Overview

The Company is one of the largest independent power generation companies in the People's Republic of China (the "**PRC**"). The power generation businesses of the Company and its subsidiaries cover 20 provinces, municipalities and autonomous regions across the country, whereas coal-fired power generators of the Company are centralised in the Beijing-Tianjin-Hebei and southeast coastal regions. Most of the hydropower projects are located in the southwest region. Wind power and photovoltaic power projects are distributed across the country in areas with abundant resources.

In 2018, facing the grim production and operation situation, the Company nonetheless made remarkable achievements in various aspects, including production safety, development optimisation, capital operation, energy conservation and emission reduction, through comprehensive implementation of the general requirements of "Act with First Class Standard, be the World Class Energy Group".

(II) Review on the Operating Results of Principal Businesses

During the Year, the power generation of the Company accumulated to approximately 269.704 billion kWh, representing an increase of approximately 5.31% as compared to the restated power generation of corresponding period in 2017; the on-grid power generation of the Company accumulated to approximately 254.612 billion kWh, representing an increase of approximately 5.26% as compared to the restated on-grid power generation of corresponding period in 2017.

As of 31 December 2018, the total consolidated assets of the Group amounted to approximately RMB288,250 million, representing a year-on-year increase of RMB9,128 million; the total consolidated liabilities of the Group amounted to approximately RMB217,761 million, representing a year-on-year increase of RMB10,717 million.

1. Maintaining the stability of overall production safety. In 2018, the Company has fulfilled the significant power preservation tasks such as "Two Sessions" and "China-Africa Cooperation Forum" through constantly maintaining a intensive safety management and upholding the deep-rooted concept of safe development. The Company adheres to controlling minor matters to prevent the occurrence of material issues and strengthens accountability to further improve a dual-prevention mechanism, which features the identification and elimination of hidden dangers, as well as risk management and control. Through carrying out "Four Don'ts and Two Directs", it supervises the rectification of major safety matters and constantly tightens safety management responsibilities. It also continues to deepen reliability management, as well as energy conservation and environmental protection, and prepares a three-year action plan for energy consumption to continuously improve the energy consumption level of the generating units. A total of 21 generating units were awarded at the National Energy Efficiency Benchmarking Competition and a total of 10 generating units won the title of "National Reliable Power Generation Units – Gold Medal".

2. Optimising development to achieve breakthroughs. Based on the principle of "Act with First Class Standard, be the World Class Energy Group" and "Reserving, Increasing and Reducing Inventory", the Company focuses on developing the key projects. During the reporting period, the newly installed capacity of the Company was approximately 14,822.1MW, including thermal power projects with a capacity of 13,812.8MW, hydropower projects with a capacity of approximately 258.4MW, wind power projects with a capacity of 545MW, photovoltaic power projects with a capacity of 175.9MW and biomass power generation with a capacity of 30MW. During the Year, a total of 9 power supply projects of the Company with a total capacity of 2,308MW were approved, including thermal power projects (including coal-fire projects) with a capacity of 1,019MW, hydropower projects with a capacity of 525MW, wind power projects with a capacity of 764MW, and the installed capacity of clean energy accounted for 90.51%, which further optimised the power supply structure of the Company.

3. Steady advancement in capital operation. During the reporting period, the Company successfully completed the non-public issuance of A-Shares and H-Shares. The Company completed the issuance of H-Shares on 19 March 2018, issuing 2,794,943,820 H-Shares with gross proceeds of approximately HK$6,222 million raised; and completed the issuance of A-Shares on 23 March 2018, issuing 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised. In April 2018, the equity transfer of Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. was completed by the Company and the installed capacity of the Company has been increased by 13,913MW after the completion.

4. Making solid progress towards energy conservation and emission reduction. During the reporting period, total coal consumption of the Company for power supply was 299.71g/kWh, representing a year-on-year decrease of 0.94g/kWh. Electricity consumption rate of power plants was 3.70%, representing a year-on-year increase of 0.1 percentage point. The operation rate of desulfurization amounted to 100%, while the operation rate of denitrification amounted to 99.76%. The performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.11g/kWh, 0.16g/kWh, 0.025g/kWh and 0.035kg/kWh, respectively. The Company completed ultra-low emission environmental transformation projects on 68 thermal power generating units with capacity of 30,980MW in total, reaching a transformation rate of 97%.

(III) Major Financial Indicators and Analysis

As a result of the acquisition of subsidiaries under common control during the year, the following financial analysis was performed based on the restated comparative figures using the merger basis of accounting.

1. Operating Revenue

During the Year, the Group realized a consolidated operating revenue of approximately RMB93,390 million, representing an increase of approximately 10.93% compared with the Previous Year, which was mainly attributable to the year-on-year increase of 8.61% in revenue from power generation segment.

2. Operating Costs

During the Year, total operating costs of the Group amounted to approximately RMB84,021 million, representing an increase of approximately RMB7,450 million or approximately 9.73% compared with the Previous Year, which was mainly attributable to the year-on-year increase of 6.95% in the operating costs of power generation segment.

3. Net Finance Costs

During the Year, finance costs of the Group amounted to approximately RMB7,647 million, representing an increase of approximately RMB773 million or approximately 11.25% over the Previous Year. The increase was primarily due to the increase in the scale of financing and the commencement of operation of the new power generating units.

4. Total Profit

During the Year, the Group reported a total profit before tax amounting to approximately RMB4,166 million, representing an increase of approximately 45.77% compared with the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB1,232 million, while net profit attributable to equity holders of the Company for the year of 2017 amounted to approximately RMB1,495 million.

Power generation segment of the Company realized a total profit before tax of approximately RMB4,459 million, representing a year-on-year increase of approximately RMB1,106 million.

5. Financial Position

As of 31 December 2018, total assets of the Group amounted to approximately RMB288,250 million, representing an increase of approximately RMB9,128 million over the Previous Year. The increase in total assets was mainly due to an increase in cash balance by 78.00% as at the end of the reporting period compared with the beginning of the reporting period, which was mainly due to the fact that the proceeds of A-Shares raised were not yet used up and financing was secured as at the end of the year.

Total liabilities of the Group amounted to approximately RMB217,761 million, representing an increase of approximately RMB10,717 million compared with the Previous year. The increase in total liabilities was mainly due to an increase of 20.87% in current liabilities, which was mainly caused by the super short-term debentures issued by the Company with total financing amount of RMB16,000 million, closing balance of RMB11,000 million as at the end of the period and no closing balance of nil as at the end of the previous period.

Net profit attributable to equity holders of the Company amounted to approximately RMB1,232 million, representing a decrease of approximately RMB262 million compared with the Previous Year. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB2.73, representing a decrease of approximately RMB1.19 per share compared with the Previous Year.

6. Liquidity

As at 31 December 2018, the assets-to-liabilities ratio of the Group was approximately 75.55%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 233.87%.

As at 31 December 2018, cash and cash equivalents of the Group amounted to approximately RMB11,542 million, among which deposits that were equivalent to approximately RMB22 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Year.

As at 31 December 2018, short-term loans of the Group amounted to approximately RMB24,772 million, bearing annual interest rates ranging from 3.4029% to 7.5%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB105,649 million and long-term loans repayable within one year amounted to approximately RMB16,160 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.2% to 6.2225%. Loans equivalent to approximately RMB107 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 2018, the staff of the Group totaled 33,483. The Company has adopted the basic salary system on the basis of position-points salary distribution, and implemented a variety of incentive mechanisms so as to attract and retain talents. By leveraging on implementing policies such as providing allowance for employees who work in remote and underdeveloped areas, plateau regions, high-temperature conditions, as well as allowance for team leaders, the Company persisted in distributing total salaries in favour of enterprises in underdeveloped, remote areas and plateau regions with good performance and high efficiency, while it also adhered to the value orientation in distribution of internal income in favour of employees in front-line production and key positions. By establishing and enhancing the performance assessment and appraisal system for employees, the Company strives to strengthen the performance-based salary system by fully utilising remuneration as incentives.

(IV) Outlook for 2019

In 2019, by insisting on the principle of seeking progress while maintaining stability and comprehensively implementing the general requirements of "Act with First Class Standard, be the World Class Energy Group", the Company will also reform and innovate, unite all work forces to continue to enhance safety management and control, competitive advantage, assets quality, governance capability and team quality, so as to step up its efforts in promoting high-quality development of the Company and building a world-class energy company.

1. Constantly solidifying the foundation of safety

Firmly establish a "macro-safety" concept, fully implement safety main responsibility, control minor matters to prevent the occurrence of material matters, and maintain intensive safe production. Firstly, by improving a dual-prevention mechanism against risk, the Company will establish and improve the hierarchical control of risks system to realize the transfer of risk management and control from results management to prevention. Secondly, by making steady progress in energy consumption plan, the Company will continue to deepen "optimising operation, ensuring safety, reducing cost and increasing efficiency". Thirdly, through all fronts and determination to fight the battle of pollution prevention and treatment, the Company will strength bottom-line and red-line awareness of resource and environment with a focus on enhancing the environmental management standard of existing generating units, advancing the environmental transformation and governance of key projects in a steady pace and fully implementing the responsibility of ecological environmental protection. Fourthly, by improving the safety standard of equipment, the Company will strictly manage and control the process of inspection and repair, consolidate the foundation of equipment technical management and promote the reform of mechanism for system inspection and repair.

2. Making great efforts towards quality improvement and efficiency enhancement

Persisting in targeting at the market, the Company will spare no efforts to increase power generation, lower coal price and control costs, etc.. In respect of the increase in power generation, by proactively adapting to the new situation of national macroeconomic development and new requirements for power market reform, the Company will further improve the power marketing management system and control mechanism of enterprises at all levels of Datang International, and pay close attention to benchmarking and exploring market potentials, and actively seize all efficient power. In respect of costs control, the Company will further improve the level of dedicate management, tighten the control over costs and expenses, and strive for preferential policies. In respect of capital operation, the Company will put more efforts in research and analysis on the capital market and power industry for proactive exploration the potential of diversified and low cost financing models, and fully leverage the resource advantages of listed companies. The Company will also continue to promote the "leaner and healthier" and disposal of assets of "low or no efficiency", intensify the efforts to clean up and dispose of the equity investment that is of less relevance, no evident strategic significance, or not for the principal business.

3. Strive to promote high quality development

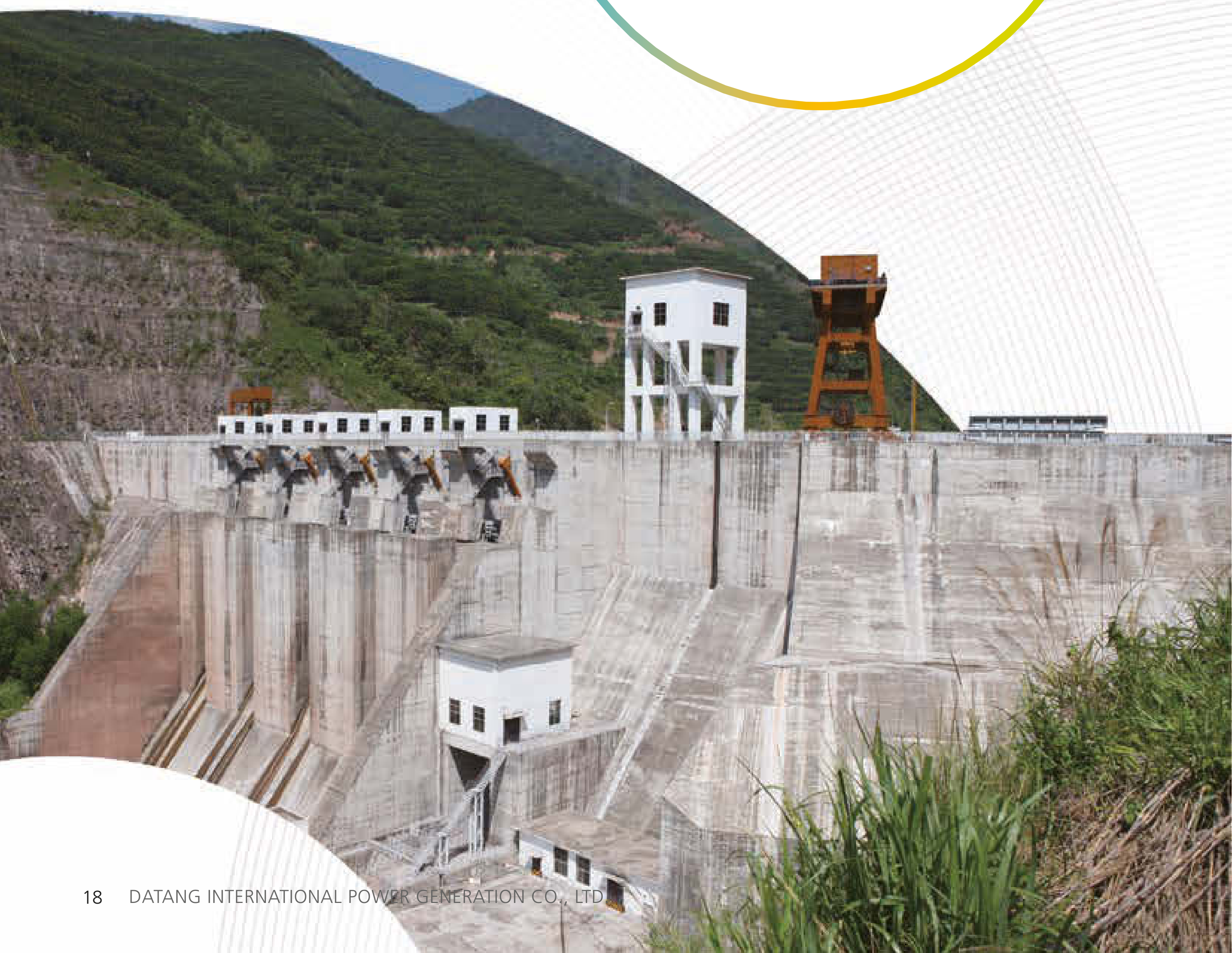
Focusing on the coordinated development of Beijing-Tianjin-Hebei, Xiong'an New District, Guangdong-Hong Kong-Macao Greater Bay Area, the "Belt and Road Initiative" and other national strategies, the Company will seize opportunities to promote high-quality development with new ideas. It will further rationalize the bidding development model of new energy projects, strengthen the possession and reserves of offshore wind power resources, and advance the preliminary work of photovoltaic power generation projects in a steady pace. In accordance with the introduction of the policies of national warning, equal capacity replacement and coal and electricity production joint venture, the Company will accelerate the development and layout of millions of coal power generation units and H-class gas power generation projects, and promote the transformation and upgrading of coal power units. The Company will attach great importance to the sustainability and long-term efficiency of the new thermal power grid, and develop "the integration between grid and source" smart thermal power project with regard to local conditions and continuously create new profit growth points. Through strengthening the control over the quality of construction process, the Company will intensify the quality supervision and tighten the acceptance criteria, so as to further improve the quality of construction of projects.

4. Further enhance the corporate governance capability

By adhering to General Secretary Xi Jinping's key deployment plan on three critical missions of "fend off and defuse material risks", the Company will further enhance the lawful corporate governance system "based on systematic management, adhering to the rules and implementing according to the process". Firstly, the Company will improve the efficiency of management and control, continue to promote reform and innovation, clarify management interface, straighten out the power and responsibility system and optimize business processes, so as to strengthen the system execution. Secondly, the Company will strengthen the internal control system, continue to optimize the risk prevention and control system, improve the prevention and mitigation measures, with a view to strengthening the annual assessment of major risks prevention and control. Thirdly, the Company will also reinforce its market value management to boost investors' confidence, build the "Datang Power" brand and continuously stimulate its vitality as a listed company.

FULFILLMENT OF SOCIAL RESPONSIBILITIES

In 2018, keeping our mission in mind, we have proactively fulfilled the concept of social responsibility and reconciled business growth with environmental protection. We strive to build a Datang Power featured with quality, efficiency, vitality, beauty and happiness, and spare no effort to open a new road for the high-quality development in new era, building a world class energy company.



I. Our responsibility

In 2018, keeping our mission in mind, we have proactively fulfilled the concept of social responsibility and reconciled business growth with environmental protection. We strive to build a Datang Power featured with quality, efficiency, vitality, beauty and happiness, and spare no effort to open a new road for the high-quality development in new era, building a world class energy company.

Stick to the Bottom Line of "Quality".

Regarding lawful and compliant corporate governance as the policy and foundation for corporate governance and development, we have strengthened the awareness of safety production and enhanced the level of compliance management, to safeguard the high-quality development of all enterprises. In 2018, the Company's 10 generating units won the title of "National Reliable Power Generation Units – Gold Medal (A-class)", accounting for 71% of the total number of 14 generating units of Group.

Promoting the Reform of "Efficiency".

We have adhered to scientific development by improving the comprehensive utilisation rate of energy and supply of electricity, actively responding to the reform in power system, and innovating in management mechanism for expansion of power market, with a view to achieving the continuous improvement in the efficiency of production and operation. In 2018, the power generation of the Company accumulated to approximately 269.704 billion kWh, representing an increase of 5.31% as compared to the restated power generation of corresponding period in previous year.

Inspiring the Source of "Vitality".

Driven by innovation, we have built an innovation platform for employees to release their infinite energy through improving the innovation system and mechanism, fostering innovation teams, and strengthening the team with science and technology talents of enterprises. In 2018, the Company obtained 287 patents, increasing by 101 as compared to last year.

Pursuing the Vision of "Beauty".

Keeping in mind that blue sky and green mountains and water environment are the top priorities for the sustainable development, we have incorporated the concept of responsibility into ultra-low emission transformation of generating units, and regarded the provision of clean energy and ecological environment protection as our responsibilities, sharing green future with public. In 2018, the Company's clean and renewable energy accounted for 26.55% and 5.28% of the total installed capacity respectively, the power generation projects of the Company with the installed capacity were 2,308MW in total, among which, the installed capacity of clean energy accounted for 90.51%.

Uniting the Energy of "Happiness".

We have proactively contributed to satisfying the "demand for good lives" of all parties through improving the well-being for the people, promoting community development, and providing a platform for the spread of love from staff, which enabled them to be well-recognition by society in the process of giving others help. In 2018, the Company carried out 36 poverty alleviation projects, with a donation of more than RMB15 million to all poverty alleviation targets, and helped 1,601 people who were on the records of the poor households to lift themselves out of poverty.

II. Stakeholder management

We continued to strengthen communication and exchanges with stakeholders such as the government, shareholders, staff, customers and community, establish diversified communication mechanisms and communication channels, listened to voices from stakeholders, and timely responded to stakeholders' aspirations to win their supports.

Stakeholders	Concerns	Communication Methods	Performance Indicators	Main practices in 2018
Government	National policies and energy security Power and heat supply Legal compliance Tax Structural optimization of energy Increasing employment Management and technical innovation	Laws, regulations and policies Relevant meetings Report works Statistical statements Information submission High-level meetings	Power generation capacity Total Profit and tax Jobs provided Innovation results	• The Company undertook 2 projects of National and Provincial Key Technology R&D Program, organised and participated in the compilation of 2 industrial and higher-level standards. • Hebei Xiahuayuan Power Plant and the People's Government of Xiahuayuan District of Zhangjiakou signed the Cooperation Framework Agreement for the Integration Project of Gird and Power of Datang Hebei Xia Xiahuayuan (《大唐河北下花園網源一體化項目合作框架協議》).
Shareholders	Profit level Standardised operations	General meetings Company announcements Periodic reports Contracts and agreements	Shareholder dividends Shareholder rights and interests Sales income Company profit	• The 2018 Interim Results Presentation was held in Shanghai and Hong Kong. • 7 wholly-owned or holding electricity companies achieved substantial operations with annual sales of 7 billion kWh of electricity, representing a year-on-year increase of 143%, and realised a total profit of RMB30.9 million.
Staff	Democratic rights Health and safety Salary and wellbeing Personal development Education and training	Staff representative's meeting Reasonable suggestions Interview Collective contracts Labor contracts Openness of company affairs	Work environment Accident rate Labor union membership rate Collective contract coverage ratio Salary levels Investment in staff training Staff turnover rate	• Hebei Tangshan Thermal Power Company invited medical experts to give special lectures on the prevention and health care of cardiovascular and cerebrovascular diseases that are prone to sudden heat in summer. • The 4th "Zhengchuang Cup" Staff Badminton Competition was held at Inner Mongolia Branch Company.
Community	Harmonious community Public welfare cause Safety and environmental protection	Collaborative construction Public welfare activities Safety and environmental protection publicity	Investments in community building Public welfare investment Number of pollution complaints	• Hebei Douhe Power Plant launched the "Show your love and send your warmth" event to purchase rice, noodles, oil and other daily necessities for poor households, and sent corporate care to their homes. • Beijing Gaojing Thermal Power Plant organised the "3th Capital State-owned Enterprises Open Day" event, integrating the open days of state-owned enterprises and family visits at various positions.

Stakeholders	Concerns	Communication Methods	Performance Indicators	Main practices in 2018
Client	Safe and stable supply Electricity price and heat price	Contracts and agreements Power and heat products Relevant technical services	Client satisfaction level	• Zhejiang Shaoxing Jiangbin Thermal Power Company regularly visited heat users, provided door-to-door service of invoice delivery, and regularly organised heat supply coordination meetings with local governments to continuously improve service quality. • Liaoning Jinzhou Thermal Power Company completed a total of 1,627 million kWh of electricity in various markets.
Partner	Honesty and legal compliance Long-term cooperation	Contracts and agreements Products and services	Honesty level Contract completion rate Period of cooperation Responsible purchasing Profit	• The Company strictly controlled the bargaining on procurement, managed emergency procurement, eliminated "favor coal", and did a good job in the market price control of coal and "Yang Guan" procurement. • Inner Mongolia Tuoketuo Power Generation Company signed a strategic cooperation agreement with and Shenyang Engineering College.
Environment	Energy conservation and emission reduction Biodiversity protection Green operation	Environmental information disclosure Energy conservation and emission reduction promotion Environmental impact assessment	Installed capacity Ultra-low emission transformation of units Proportion of clean and renewable energy Energy conservation indicators Emission reduction indicators	• Clean and renewable energy accounted for 26.55% and 5.28% of the total installed capacity of the Company respectively. • Chongqing Pengshui Hydropower Company and Sichuan Ganzi Hydropower Company organised the proliferation and release of rare fish.
Social Organization	Contributions Impact on sustainable development	Meetings Activities	Frequency and depth of participation in activities Membership fee amount	• Yunnan Binchuan Renewable Power Company organised women's federation of local county, government units and medias to participate in the "Enterprises Open Day" event. • Heilongjiang Suihua Thermal Power Company organised volunteers to visit the Suihua Children's Welfare Institute and hosted a volunteer service event of "Big Hands Holding Little Hands, Show Love from Datang".

COMPANY HISTORY

Datang International Power Generation Co., Ltd. was founded in December 1994. The Company is a power generation enterprise and its headquarters are in Beijing. In 1997, Datang Power was listed on the Hong Kong Stock Exchange (SEHK) and London Stock Exchange (FTSE). In 2006, the company was listed on the Shanghai Stock Exchange. Over the past 25 years, Datang Power has grown from four thermal power plants with an installed capacity of 2,850MW into one of the largest comprehensive energy companies in China. Headquartered in northern China, we are rooted in western China, and expanding towards China's coasts. We have subsidiaries and ongoing projects in 20 provinces. With power generation as the major business, we cover various sectors and industries including coal, transportation, circular economy and electricity sales. We have transformed from a thermal power generation company to an integrated energy

1994

Datang Power founded; installed capacity 2,850MW.

1997

Datang Power was the first Chinese power company listed on the Hong Kong Stock Exchange (SEHK), and the first Chinese company listed on London Stock Exchange (FTSE).

2006

Datang Power was listed on the Shanghai Stock Exchange (SSE) making it the first power company to be listed on the SEHK, FTSE, and SSE; installed capacity exceeded 20,000MW.

2009

Datang Power was included on the Fortune Global 500 and received the "Gold Award for Company" from Asset Magazine; installed capacity exceeded 30,000MW.

2011

Datang Power was awarded the "Titanium Award for Corporate Governance, Social and Environmental Responsibility, and Investor Relations" and received the "Award for Listed Company of the Greatest Investment Value during the 12th Five-Year Plan Period"; installed capacity reached 38,484MW.

enterprise with operations in different sectors and industries. In 2018, we continued to strengthen structural adjustment with focus on the improvement of development quality and business performance, helping the high quality development of Chinese economy.

2013

Datang Power was recognized as "the Most Socially Responsible Listed Company" and "China's Top 10 Listed Company in Corporate Governance"; installed capacity reached 39,187MW.

2014

Datang Power was included in "Top 250 Global Energy Companies" by Platts for the eighth consecutive year; installed capacity exceeded 40,000MW.

2015

Datang Power was named a "Gold Award Financial Performance,Corporate Governance, Social and Environmental Responsibility and Investor Relations Management" by Asset Magazine; installed capacity 42,337MW.

2016

Datang Power accelerated its implementation of the "13th Five-Year Plan" and executed structural reforms. The Company was among the "Top 250 Global Energy Companies" by Platts for the tenth straight year and received a "Top 100 Listed Companies in China" prize; installed capacity 44,338MW.

2017

With an installed capacity of 48,031MW, in 2017, the Company was listed into the "Top 250 Global Energy Companies" by Platts for eleven consecutive years and awarded "Top 100 Listed Companies in China". It also broke several records including the highest single-day power generation, highest single-month power generation, and highest cumulative power generation.

2018

With an installed capacity of 62,853MW, the Company was listed into the "Top 250 Global Energy Companies" by Platts for twelve consecutive years, building the first digital and intelligent gas-fired power plant featured with low carbon and environmental protection and advanced technology for the Company.

HUMAN RESOURCES OVERVIEW

1. Composition of employees (specialty, educational background)

Total number of employees: 33,483. By category: Management: 7,082; professional technicians: 4,490; production personnel: 18,461; financial personnel: 771; Sales personnel: 288; other staff: 2,391. By educational background: Postgraduate and above: 869; Undergraduate: 16,503; College graduate: 8,410; Secondary technical or below: 7,701.

2. Training

In 2018, a total of 1,732 employees of the Company passed professional and technical qualification assessments, of whom 82 received senior titles; 592 received intermediate titles; and 1,058 received junior titles. 14 people obtained senior technician qualification with the total accumulated number of 210 and 73 acquired technician qualification with the total accumulated number of 1,204.

3. Implementing measures

(1) Continuing to strengthen the construction of leadership bodies and cadre team. The Company adhered to the standards of good cadres and the requirements of leaders of state-owned enterprises in the new era, firmly established the correct orientation of selection and appointment of personnel and constantly built up a high-quality professional cadre team which is loyal and clean-handed. On-time completion of the annual assessment of the leadership team and leaders at all levels of the company system. We strengthened the supervision and management of the performance of leaders at all levels. In the daily supervision, we put efforts in reporting the relevant matters of the leaders, the filing of cases for private travel abroad and the review of cadres' personnel files. In terms of performance supervision, we strengthened the supervision and management of the performance of leaders at all levels.

(2) Strengthening the construction of organization structure. The Company continuously improved the management and control mode, newly established 3 regional branches, approved the establishment of 16 project companies to provide organizational guarantee for the sustainable and healthy development of listed companies. The Company strengthened the construction of the marketing system as the layout of electricity sales companies of Datang Power have basically covered the main areas where power generation enterprises are located.

(3) Optimizing human resource deployment. The Company strengthened the deployment of human resources, ensured the human resources needs through multiple channels, completed the recruitment of college graduates and social recruitment in high quality and fully leveraged the advantages of human resources stocks to coordinate the allocation within the system, and to solve issues such as labor arrangement for newly constructed projects, optimization of personnel structure for long-established enterprises, labor supply for enterprises that are lacking of workforce. Besides, the Company strived to build up the capability of equipment maintenance and overhaul and improved the security for safe production.

(4) Reinforcing the remuneration incentives. The Company adhered to the unity of benefit-oriented and maintenance-fairness, strengthened the linkage between total wages and efficiency and, at the same time, coordinated and controlled the distribution gap by appropriate orientation in favour of low-income enterprises and enterprises in poverty areas to ensure effective incentives, fairness and reasonableness. We also adhered to the distribution orientation in favour of outstanding high-skilled talents and front-line production workers, strengthened the attraction, retention and incentives of key positions and cadres and promoted the reasonable internal income distribution structure.

(5) Strengthening the training and improvement of the ability and quality of employees. Adhering to the principle of "adapting to local conditions the suit the measures and teaching employees according to their aptitude", the company has carried out various trainings with the goal of comprehensively improving the staff's ability and quality. The Company continuously strengthened the construction of expert team, in which 18 outstanding technical and high-skilled personnel were selected into the first "company-level expert talents" and one was awarded the 14th "National Technical Expert". Professional services technicians and front-line production technicians participated in professional technical qualification assessment and vocational skill level appraisal. A total of 1,732 employees of the Company passed professional and technical qualification assessments during the year, of whom 14 obtained senior technician qualification and 73 obtained technician qualification. Employees actively participated in various competitions of the industry and intra-group and achieved excellent performance.

4. Directors, supervisors and senior management (as at the date of this report)

Chen Feihu

Chairman and Non-executive Director

Mr. Chen, aged 57, is a senior accountant with a bachelor's degree. He participated in work since August 1981 and has been a director of the ninth session of the Board of the Company since 28 March 2019. He was the Deputy Chief of the Electric Enterprise Division of Economic Regulation Bureau of Ministry of Energy; the Deputy Chief of Finance Department of China Electricity Council; the Chief and Deputy Director of the Economic Regulation Division of Economic Regulation Bureau of the Ministry of Electric Power; the Deputy Head of Financial and Economic Department, Deputy Head of the General Manager Service Department (office) and the Head of the Office for Structural Reform, Head of the General Manager Department (office), and the Chief Economist of State Power Corporation; the Deputy General Manager and a member of the Party Committee, the Director, the President and the Deputy Party Committee Secretary of China Huadian Corporation; the Chairman of GD Power Development Co., Ltd. (600795.SH); the Director, General Manager and the Deputy Party Committee Secretary of CDC. He is currently the Chairman and the Secretary of the Party Committee of CDC; and concurrently serves as the Chairman of China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司) (1798.HK).

Wang Sen

Vice Chairman of the Company, Non-executive Director

Mr. Wang, aged 56, is a senior postgraduate engineer with a bachelor's degree and he is entitled to special government allowances by the State Council. He participated in work since July 1986 and has been a director of the ninth session of the Board of the Company since 28 March 2019. He was the Deputy Director, the Director of the Office and the Chief of the Secretariat (for three terms) of Qinshan Nuclear Power Co., Ltd.; the Assistant to General Manager and the Office Director, Director of Foreign Affairs Office, Deputy General Manager and the Director of the Office, Deputy Party Committee Secretary (in charge of the work of the Party), Deputy General Manager, Party Secretary, Deputy General Manager (in charge of the administrative work), General Manager and Party Secretary of Qinshan No.3 Nuclear Power Co., Ltd.; a Party Committee Member and the Head of the party discipline inspection committee of China National Nuclear Corporation; a member of the Party Committee and the Deputy General Manager of CDC. He is currently the Director and the Deputy Party Committee Secretary of CDC; and concurrently serves as the Chairman of Guangxi Guiguan Electric Power Company Limited (600236.SH).

Wang Xin
Executive Director, General Manager

Mr. Wang, aged 58, is a senior engineer with postgraduate qualifications. He participated in work since August 1978 in Tianjin First Power Plant and has been a director of the ninth session of the Board of the Company since 1 July 2016. He was once the 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 Head of 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 CDC, Secretary of the Party Committee and General Manager of Datang Heilongjiang Power Generation Co., Ltd., Head of the General Manager Office (International Cooperation Department) and Assistant of the General Manager and Head of the Office (Policy and Legal Department and International Cooperation Department) of CDC.

Liang Yongpan
Non-executive Director

Mr. Liang, aged 52, is a senior engineer with a bachelor's degree. He participated in work in Lanzhou No. 2 Thermal Power Factory since August 1988 and has been a director of the ninth session of the Board of the Company since 1 July 2016. He was once the General Manager of Lanzhou Xigu Thermal Power Co. Ltd., Member of Party Committee, Deputy General Manager and Chairman of the Labour Union of 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., the Head of Planning and Marketing Department of CDC, the Director of Safety Production Department of CDC. He is currently the Assistant of the General Manager of CDC and the Chairman and the Party Secretary of Datang Beijing-Tianjin-Hebei Energy Development Co., Ltd. and the Head of Beijing-Tianjin-Hebei Branch Company of Datang International Power Generation Co. Ltd.

Ying Xuejun
Executive Director, Deputy General Manager, Company Secretary

Mr. Ying, aged 52, is a senior engineer with a bachelor's degree. He participated in work in Douhe Power Plant since July 1985 and has been a director of the ninth session of the Board of the Company since 1 July 2016. He was once the Deputy General Manager of Douhe Power Plant, the Deputy General Manager of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited. He served as the Chief of the Integrated Planning Department, the Deputy Chief Economist and the Chief of the Integrated Planning Department, Chief Economist and the Chief of the Securities and Capital Department, Deputy General Manager, Party Committee Member and the Chief of the Securities and Capital Department of the Company.

Zhu Shaowen
Non-executive Director

Mr. Zhu, aged 53, is a master's degree holder and a senior engineer with postgraduate qualifications and has been a director of the ninth session of the Board of the Company since 1 July 2016. Mr. Zhu has successively served 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), Manager and Manager of Project Development Department of Tianjin Jinneng Investment Co., Ltd., General Manager (concurrent) of Tianjin Jinneng Wind Power Co., Ltd. He is currently the Manager of Electric Power Department of Tianjin Energy Investment Group Limited.

Cao Xin

Non-executive Director

Mr. Cao, aged 47, is a principal senior economist and a doctoral candidate from Renmin University of China. Mr. Cao started to work at Hebei Construction Investment Company in July 1992 and has been a director of the ninth session of the Board of the Company since 1 July 2016. He served as the Project Manager and Assistant to Manager of the Industrial Branch Office of Hebei Construction Investment Company, Assistant to Manager and Deputy Manager of the Asset Management Branch Company of Hebei Construction Investment Company, Manager of Public Utilities Second Department of Hebei Construction Investment Company cum General Manager of Hebei Construction Investment New Energy Co., Ltd., Assistant to General Manager of Hebei Construction Investment Company cum 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. (00956.HK), Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd. He is currently a member of the standing committee of Party Committee and Deputy General Manager of Hebei Construction & Investment Group Co., Ltd. and the Chairman of China Suntien Green Energy Corporation Ltd. (0956.HK).

Zhao Xianguo

Non-executive Director

Mr. Zhao, aged 49, is a senior engineer with a postgraduate degree. Mr. Zhao started his career in the electric branch of Xingtai Power Generation Plant in 1990 and has been a director of the ninth session of the Board of the Company since 1 July 2016. He has been the Engineer Head of the Office of the Electric Repair Branch of Xingtai Power Generation Plant, an Assistant to the Head of the Electric Repair Branch and an Assistant to the Head, Deputy Head and Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy Chief Economist and the Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy General Manager of Hebei Construction & Investment Xuanhua Thermal Power Company Limited. He is currently the Deputy General Manager of the Appraisal and Evaluation Department of Hebei Construction & Investment Group Co., Ltd.

Zhang Ping

Non-executive Director

Mr. Zhang, aged 51, is a Senior Economist as well as a Senior Political Officer with a bachelor's degree and a postgraduate degree and has been a director of the ninth session of the Board of the Company since 16 March 2018. Mr. Zhang was the Secretary of the Party Committee of Inner Mongolia Electricity Bureau and the Office of Diversification of Operation and Management Bureau, the Manager of Political Affairs of Inner Mongolia Mengxi Silicon & Electricity Enterprise Corporation, the Deputy Director of Party-masses Work Department, the Director of General Manager Work Department and an Assistant to the General Manager of Inner Mongolia Daihai Electric Power Generation Co., Ltd., as well as the Secretary of the Communist Party Discipline Supervisory Committee and the Chairman of the Labor Union of Inner Mongolia Daihai Electric Power Generation Co., Ltd. He also served as the Manager of the Comprehensive Management Department and the Vice President of Beijing Jingneng International Energy Co., Ltd., the Secretary of the Communist Party and the Manager of Inner Mongolia Daihai Electric Power Generation Co., Ltd. and the General Manager of Beijing Jingneng Thermal Power Co., Ltd. He has been the Deputy Chairman, the Secretary of the Party General Branch and the General Manager of Beijing Jingneng Power Co., Ltd. (600578.SH), and the Director of Beijing Jingneng Coal & Electricity Asset Management Co., Ltd. He is currently the Assistant to the General Manager and Group Office Director of Beijing Energy Holding Co., Ltd. and also the Vice President of Beijing Jingneng Power Co., Ltd. (600578.SH).

Jin Shengxiang

Non-executive Director

Mr. Jin, aged 44, a senior engineer with a bachelor's degree and a postgraduate degree and has been a director of the ninth session of the Board of the Company since 16 March 2018. Mr. Jin was a cadre of Turbine Research Institute of Beijing Electric Power Research Institute, a cadre of Turbine Research Institute of North China Electric Power Research Institute Co., Ltd., the Manager of the Infrastructure Commissioning Project of Turbine Research Institute and the Deputy Head of Turbine Research Institute. He served as the Manager of the Production Safety Department and the Vice President of Beijing Jingneng International Energy Co., Ltd. and the Deputy Director and the Director of Production and Operation Department and the Director of the Production Management Department of Beijing Energy Investment Holding Co., Ltd. He has been the Director of the Production Management Department of Beijing Energy Holding Co., Ltd. since December 2014. He is currently the Director and the General Manager of Beijing Jingneng Power Co., Ltd. (600578.SH) and also the Director of Beijing Jingneng Clean Energy Co., Limited (0579.HK).

Liu Jizhen

Independent Non-executive Director

Mr. Liu, aged 67, is a professor, a tutor of doctoral students and an academician of the Chinese Academy of Engineering and has been a director of the ninth session of the Board of the Company since 29 December 2016. Mr. Liu has successively served as the Head of the Faculty of Power of North China Power College; served as the Vice Dean of the North China Power College, the Vice Principal of the North China Electric Power University and the Principal of Baoding Campus; served as the Principal of the School of Water Resources and Hydropower Engineering, Wuhan University; and served as the Principal of the North China Electric Power University. He currently serves as the Head of the State Key Laboratory of Alternate Electrical Power System with Renewable Energy Sources, the chief scientist of the "973 Programme" and Independent Director of Huaneng Power International Inc. (600011.SH, 00902. HK). He concurrently serves as the Vice President of the China Electricity Council, the Vice President of Chinese Society for Electrical Engineering, the Vice President of Chinese Society of Power Engineering and a Fellow of the Institution of Engineering and Technology (FIET).

Feng Genfu

Independent Non-executive Director

Mr. Feng, aged 61, a professor and a doctoral supervisor who holds a doctorate degree in Economics and has been a director of the ninth session of the Board of the Company since 1 July 2016. Mr. Feng served as the Director and Chief Editor of the Journal Editorial Department, and the dean, doctoral supervisor and professor of Business School of Shaanxi University of Finance and Economics. He served as the dean, doctoral supervisor and professor of the School of Finance and Economics of Xi'an Jiaotong University. Dr. Feng served as an Independent Director of AVIC Aircraft Co., Ltd. (000768.SZ), China Non-ferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (000758.SH), Shaanxi Broadcast & TV Network Intermediary Co., Ltd. (600831.SH), Shaanxi Aerospace Power Hi-Tech. Co., Ltd. (600343.SH) and Shaanxi Fenghuo Electronics Co., Ltd (000561. SZ), and Bode Energy Equipment Co., Ltd. (300023.SH), an Independent Director of Hubei Biocause Pharmaceutical Co., Ltd. (000627.SZ), Executive Vice President of China Industry Economic Research Institute and the Vice President of Chinese Institute of Business Administration. He currently serves as a professor and a doctoral supervisor of the School of Finance and Economics of Xi'an Jiaotong University, and an Independent Director of Changchai Co., Ltd. (000570.SZ) and CSC Financial Co., Ltd. (601066.SH, 6066.HK).

Luo Zhongwei

Independent Non-executive Director

Mr. Luo, aged 63, holds a doctorate degree in Economics. He has been a director of the ninth session of the Board of the Company since 1 July 2016. Mr. Luo served as an Independent Director of Zhejiang China Commodities City Group Co., Ltd. (600415.SH) and Sichuan Langsha Holding Ltd. (600137.SH). 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. He concurrently serves as a Councilor of Chinese Society of Technology Economics and Investment Advisory Committee of the Investment Association of China, a member of the Management Modernisation Working Committee of China Enterprise Confederation, an Independent Director of Greatwall Wealth Asset Management Co., Ltd., and a Director of Beijing Red Date Technology Co., Ltd.

Liu Huangsong

Independent Non-executive Director

Mr. Liu, aged 50, is a Master of Science and holds a doctorate degree in Economics from Fudan University. He has been a director of the ninth session of the Board of the Company since 1 July 2016. 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 Deputy 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 (02345. HK), Jingwei Textile Machinery Co., Ltd. (00350. HK), Changan Fund Management Co., Ltd., Changan International Trust Co., Ltd. and Shanghai Xinhua Media Co., Ltd. (600825.SH). Mr. Liu is currently the Chief Economist of Hengdeli Holdings Limited, the Deputy Director of the Center for Securities Studies of Fudan University (concurrent), Vice President of Shanghai Finance Society, as well as the Independent Director of Shanghai Zijiang Enterprise Group Co., Ltd. (600210.SH).

Jiang Fuxiu

Independent Non-executive Director

Mr. Jiang, aged 49, has a doctorate degree in Economics and is Postdoctoral Scholar in Management (Accounting). He has been a director of the ninth session of the Board of the Company since 1 July 2016. Mr. Jiang served as the Independent Director of Lancy Co., Ltd. (002612.SZ) and Northcom Group Co., Ltd. (002359.SZ). He is currently the professor and Doctoral Supervisor of the Finance Department of the School of Business of Renmin University of China, the Independent Director of Yantai Longyuan Power Technology Co., Ltd. (300105.SZ), Beijing UTour International Travel Service Co., Ltd. (002707.SZ) and Zhejiang Unifull Industrial Fibre Co., Ltd. (002427.SZ).

Yu Meiping

Chairman of the Supervisory Committee

Ms. Yu, aged 56, has a bachelor degree. She is a senior economist as well as a senior political officer. She has been a supervisor of the ninth session of the Supervisory Committee of the Company since 1 July 2016. Ms. Yu started her career in the economic research centre of Xi'an Municipal Government in September 1984. She has been 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, a Party Committee Member, Head of the disciplinary inspection committee and the Chairman of Labour Union of the Company. She is currently a member of the Party Committee and the Secretary of Committee for Discipline Inspection of the Company.

Zhang Xiaoxu

Vice Chairman of the Supervisory Committee

Mr. Zhang, aged 55, is a senior accountant with a bachelor degree. He has been a supervisor of the ninth session of the Supervisory Committee of the Company since 1 July 2016. Mr. Zhang commenced his career in Liaoning Fushun First Construction Company in 1982. He served as an accountant in Liaoning Fushun First Construction Company, Accountant and Chief Accountant of Financial Department of Liaoning Power Plant; and Deputy Head and Head of Finance Department, Deputy Chief Accountant, Chief Accountant of Liaoning Nenggang Power Generation Co., Ltd. and the Vice Manager and Manager of Financial Department of Tianjin Jinneng Investment Co., Ltd.. He currently serves as the Manager of the settlement center of Tianjin Energy Investment Group Co., Ltd.

Liu Quancheng

Member of the Supervisory Committee

Mr. Liu, aged 55, is a senior accountant with university education. He has been a supervisor of the ninth session of the Supervisory Committee of the Company since 1 July 2016. He started his career as the Chief Accountant of Xinxiang Coalfired Plant in August 1983. He served the Chief Accountant of Luoyang Shouyangshan Electricity Plant; the Head of the supervisory audit department, the Deputy Chief Accountant and the Head of financial and asset management department and the Chief Accountant of Henan Branch of CDC; the Deputy Head of financial management department of CDC; the Chief Accountant of the Company. He currently serves as the Head of financial management department of CDC, a Director of Datang Huayin Electric Power Co., Ltd. (600744.SH).

Guo Hong

Member of the Supervisory Committee

Ms. Guo, aged 49, is a senior economist with a postgraduate master degree. She has been a supervisor of the ninth session of the Supervisory Committee of the Company since 1 July 2016. Ms. Guo started his career in China National Water Resources & Electric Power Materials & Equipment Co., Ltd. in July 1991. She 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 office of the human resources department of CDC, and has been an officer of the human resources department of the Company. She is currently worked as the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of the Company.

Jiang Jinming

Chief Accountant

Mr. Jiang, aged 55, is a senior accountant with a bachelor's degree. He has been a member of the senior management of the Company since 6 August 2018. Mr. Jiang served as the Deputy General Manager of Datong First Power Plant (大同第一熱電廠); Deputy General Manager of Jinneng Datong Energy Development Company (晉能大同能源發展公司); Deputy General Manager and Chief Accountant of Shanxi Datang Pingwang Heat and Power Co., Ltd. (山西大唐平旺熱電有限責任公司); Deputy General Manager and Chief Accountant of Shanxi Datang Yungang Heat and Power Co., Ltd. (山西大唐雲岡熱電有限責任公司); Deputy Chief Accountant and Chief Accountant of Datang Shaanxi Power Generation Co., Ltd. (大唐陝西發電有限公司); a Party member, Deputy General Manager and Chief Accountant of Datang Shandong Power Generation Co., Ltd. (大唐山東發電有限公司); Deputy General Manager and a Party member, the Party Secretary and Deputy General Manager, the General Manager and Party Secretary of China Datang Finance Co., Ltd.

5. Resigned directors, supervisors and senior management (as at the date of this report)

(1) Due to work adjustment, as considered and approved by general meeting of the Company, each of Mr. Liu Haixia and Ms. Guan Tiangang, both of whom were non-executive Directors of the Company, resigned on 16 March 2018. Mr. Chen Jinhang who was Chairman and non-executive Director of the Company and Mr. Liu Chuandong who was a non-executive Director of the Company resigned on 28 March 2019.

(2) As considered and approved by the Board of the Company, Mr. Hong Shaobin who was Deputy General Manager, Mr. Meng Fankui who was Deputy General Manager and Mr. Duan Zhongmin who was Deputy General Manager resigned respectively on 6 June 2018. Mr. Li Zengfang, Chief Accountant, resigned on 6 August 2018.

(3) As considered and approved by the Board of the Company, Mr. Mok Chung Kwan, Stephen ceased to be the joint company secretary of the Company since 29 October 2018.

(4) Biographies of the Directors, supervisors and senior management who resigned before the date of this report, are as follows:

Chen Jinhang: aged 63, is a professor-grade senior engineer with postgraduate qualifications. Mr. Chen had been the Chairman and a Non-executive Director of the Company. He started to work at First Power Plant in Heze, Shandong in December 1972, and has successively served as a 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 Chairman and Party Secretary of CDC.

Liu Chuandong: aged 56, holder of a postgraduate degree, is a senior accountant. Mr. Liu had been a Non-executive Director of the Company. Mr. Liu started to work in Shandong Jining Power Plant in July 1981. He worked as the 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 as well as Party Committee Secretary of China Datang Corporation Capital Holding Company, Director of the Financial Management Department of CDC as well as Party Committee Secretary of China Datang Corporation Capital Holding Company, Chief Accountant and Party Committee Member of CDC and Director of Datang Environment Industry Group Co., Ltd.* (大唐環境產業集團股份有限公司 (1272.HK)).

Liu Haixia: aged 57, is a senior engineer with a postgraduate degree. He had been a Non-executive Director of the Company. Mr. Liu joined Beijing Electric Power Company in 1983. He has been Assistant to President of Beijing International Power Development and Investment Company; the Assistant to President and Vice President of Beijing Energy Investment (Group) Company Limited. He is currently the Vice President of Beijing Energy Holding Co., Ltd.

Guan Tiangang: Aged 51, is a senior engineer with a postgraduate degree. She had been a Non-executive Director of the Company. Ms. Guan started her career in Beijing Shijingshan Thermal Power Plant in 1990. She then became the Deputy Manager of the Power Investment and Management Department and Manager of the Power Generation and Operation Department of Beijing International Power Development and Investment Company; the Manager of the Power Generation and Operation Department of Beijing Energy Investment (Group) Company; Vice President and the Secretary to the Board of Directors of Beijing Jingneng International Energy Company Limited and Chief Engineer of Beijing Energy Investment (Group) Company Limited. She is currently served as the Chief Engineer of Beijing Energy Holding Co., Ltd.

Hong Shaobin: aged 52, is senior engineer with postgraduate qualifications. He started his career in National Electricity Dispatching and Communication Centre in April 1991. 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) of China National Water Resources & Electric Power Materials & Equipment Co., Ltd., General Manager, Deputy Party Secretary of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. and the Party Committee Member, the Deputy General Manager and Chairman of Labour Union of the Company.

Meng Fankui: aged 55, is senior engineer who holds a postgraduate degree. Mr. Meng participated in work in Xia Hua Yuan Power Plant in December 1982. He has been Mr. Meng 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 (Person-in-Charge) and Deputy General Manager of Datang Hebei Power Generation Co., Ltd. and the Party Committee Member and Deputy General Manager of the Company.

Duan Zhongmin: aged 58, is senior engineer with university education. Mr. Duan commenced his career in Electric Power Industry Bureau in Gansu Province in August 1983. He served as the deputy manager of Hydropower Maintenance and Overhaul Company under Electric Power Industry Bureau in Gansu Province, the manager of Gansu Electric Power Construction and Installation Engineering Company, the deputy general manager of Liujiaxia Hydropower Plant, general manager of Bikou Hydropower Plant, the chief engineer of Gansu Branch Company of CDC, the general manager of Datang Yantan Hydropower Plant, the vice secretary of the party committee and the deputy general manager of Sichuan Branch Company of CDC, the secretary of the party committee and the general manager of Sichuan Branch Company of CDC. He worked as a Party Committee Member and Deputy General Manager of the Company.

Li Zengfang: aged 48, is a university graduate and an accountant. Mr. Li started his career in Shandong Power Transmission and Transformation Engineering Company in July 1993. He served as the Deputy Head and Head of accounting office of financial assets department of China Huadian Corporation, the Chief Financial Officer and Chief Legal Counsel of China Huadian Hong Kong Company Limited, the Deputy Director of financial and risk management of China Huadian Corporation, the Chief Financial Officer and a Party Committee Member of Huadian Power International Corporation Limited. He served as a Party Committee Member and the Chief Accountant of the Company.

Mok Chung Kwan, Stephen: aged 54, is a solicitor as defined in the Legal Practitioners Ordinance and currently a partner of Eversheds Sutherland. Mr. Mok graduated from the University of New South Wales in Australia with Bachelor of Commerce (Accounting) and Bachelor of Laws degrees. He 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and securities-related laws of Hong Kong. Mr. Mok served as the joint company secretary of the Company.

The resignations of the abovementioned Directors, supervisors and senior management were all in compliance with the Listing Rules and the relevant procedures and regulations of the Hong Kong 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 2018, the Company conducted active and sincere communication with investors and analysts by various channels including results presentations, domestic and overseas roadshows, reverse roadshow, investor forums, company visits and telephone conferences as well as through answering enquiry phone calls and replying to emails, of which, the Company met 273 analysts and fund managers through results presentations, domestic and overseas roadshows and reverse roadshow, 283 analysts and fund managers at investor forums, and 631 analysts and fund managers through company visits and telephone conferences.

Major investor relations activities conducted in 2018

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	UBS Securities Greater China Conference	Yes	7	18
April	Annual Results Domestic Presentation	Yes	–	29
	Annual Results Overseas Presentation	Yes	–	53
	Annual Results Hong Kong Roadshow	No	10	15
	Company's First Quarter Results Telephone Conference	No	–	87
May	JP Morgan China Investors Forum	No	9	29
	Changjiang Securities Investment Strategic Conference	No	13	13
	7th Morgan Stanley China Industries Summit	No	6	23
June	CSC 2018 Interim Investment Strategic Conference	No	4	19
	Guotai Junan 2018 Interim Investment Strategic Conference	No	3	21
	China Everbright Securities 2018 Interim Investment Strategic Conference	No	3	23
	Shenwan Hongyuan 2018 Interim Investment Strategic Conference	No	5	25
August	Company's Interim Results Domestic Presentation	Yes	–	44
	Company's Interim Results Overseas Presentation	Yes	–	29
	Company's Interim Results Roadshow in Hong Kong	No	7	7
October	Third Quarter Report Telephone Conference	Yes	–	84
November	Credit Suisse 2018 China Investment Forum	No	9	27
	Bank of America Merrill Lynch China Investment Summit	No	10	31
	11th Citi China Investor Conference	No	6	19
	Europe Roadshow	No	8	9
December	Essence Securities Annual Investment Strategic Conference	No	3	16
	CSC Annual Investment Strategic Conference	No	4	19

1. What is the Company's view on the trend of nationwide supply and demand of electricity in 2019?

(I) The growth rate of electricity consumption of the entire society will be lower than that of 2018

With changes and worries weighed on stable current economic operation, the external environment is complex and grave, and the economy is presented with downward pressure, resulting in increased uncertainties of electricity consumption growth. In light of the international and domestic situation, industrial operation and local development, as well as the impact of large amount in 2018, it is expected that the growth rate of electricity consumption of the entire society will ease steadily in 2019. In the circumstance with moderate precipitation or runoff and without extreme temperature in a large area, it is expected that the power consumption of the whole society throughout the year will increase by approximately 5.5%.

(II) The total installed capacity will be approximately 2,000 million kW as at the end of the year, and the proportion of non-petrochemical energy will be further increased

It is estimated that the newly-installed generating capacity of infrastructure throughout the country for the whole year will be approximately 110 million kW, of which, newly-installed generating capacity of non-petrochemical energy will be approximately 62 million kW. It is estimated that as at the year end of 2019, the installed generating capacity throughout the country will be approximately 2,000 million kW, representing a year-on-year increase of approximately 5.5%, of which, hydropower will be 360 million kW, grid-connected wind power will be 210 million kW, solar power generation will be 200 million kW, nuclear power will be 50 million kW, and biomass power generation will be approximately 21 million kW. The newly-installed generating capacity of non-petrochemical energy will be approximately 840 million kW in total, and the proportion of the total installed capacity will be approximately 41.8%, which is 1 percentage point higher than previous year.

(III) The supply and demand of electricity nationwide will remain in a general balance, while certain regions will meet temporary tight supply and demand of electricity

In 2019, the installed capacity of new energy power generation will continue to increase; the proportion of the tertiary industry and residential electricity consumption will continue to increase, resulting the peak-to-valley difference of the system with insufficient capability in the adjustment of temporary peak of the system. Coal prices will stay at a high level, and coal consumption for power generation will remain regional and seasonal tight supply and demand. Under the combined and interactive effects of multiple factors, it is expected that the national supply and demand of electricity will remain in a general balance for the whole year, while certain regions will meet tight supply and demand of electricity during the peak hours of electricity consumption. Among which, North China and Central China will meet regional and temporary tight supply and demand of electricity; the supply and demand of electricity in East China will remain in a general balance; the supply and demand of electricity in southern regions will remain in a general balance, of which Guangxi and Guizhou will meet tight supply in the dry season, while clean energy in Yunnan will meet large consumption pressue during flood season; it is expected that the supply capacity of electricity in northeast and northwestern regions will be fairly abundant. It is estimated that the utilisation hours of thermal power equipments in the country will be approximately 4,400 hours in 2019.

2. What are the Company's utilisation hours in each type of energy on full operational basis in 2018?

Type/Item of Energy	Utilisation hours in 2018	Utilisation hours in 2017	Over the corresponding period last year (hour)
Full operational basis	4,392	4,334	+58
Coal-fired	4,728	4,655	+73
Including: coal-fired generator	4,842	4,816	+26
combustion engine	3,069	2,819	+250
Hydropower	3,459	3,512	-53
Wind power	2,171	2,269	-98
Photovoltaic power	1,535	1,652	-117

3. What progress did the Company make in obtaining approval for its projects and project operation in 2018?

For the year of 2018, the Company has obtained 9 official approvals in total for power generation projects with an approved capacity of 2,308MW, including 2 coal power projects with a total approved capacity of 219MW; 1 combustion engine project with an approved capacity of 800MW; 1 hydropower project with an approved capacity of 525MW; 5 wind power projects with a total approved capacity of 764MW. Details were as follows:

Coal power projects: Heilongjiang Jixi back-pressure turbines project (85MW) and Hebei Matoubei back-pressure turbines project (134MW); combustion engine project: Guangdong Foshan combustion engine project (800MW); Hydropower project: Chongqing Wujiang Baima Hydropower and Navigation Project (重慶烏江白馬電航樞紐項目) (525MW); Wind power projects: Guangdong Nan'ao Offshore Wind Power Project (廣東南澳海上風電項目) (400MW), Jiangxi Xiushui Zhangchenghu wind power project (64MW), Jiangxi Huichang Dongtou wind power project (100MW), Jiangxi Quannan Wumeishan phase II project (50MW) and Ningxia Nanchuan wind power phase II project (150MW).

For the year of 2018, The Company's installed capacity was 2,886.19MW, among which: (1) Thermal power projects had an installed capacity of 1,272.8MW, including No. 1 and 2 unit of Gaoyao combustion engine for 814MW, a combustion engine of Jintan for 458.8MW; (2) Hydropower projects had 0MW; (3) Wind power projects had an installed capacity for 247.5MW, including Qingtongxia (Shashidunliang) Wind Farm Project in Ningxia for 48MW, Liaoning Changtu Sanjiangkou for 48MW, Faku Shuangtaizi for 32MW, Fuxin Sifangmiao for 32MW, Jiangxi Shicheng Jinhuashan for 37.5MW and Qinghai Mangya wind power project for 50MW; (4) Photovoltaic power projects had an installed of 65.89MW, including Liaoning Wafangdian Taiyang Town photovoltaic power for 17MW, Zhejiang Wushashan factory area photovoltaic power for 39MW, Jiangsu Lvsigang photovoltaic power Phase I for 5MW and Poverty Alleviation Photovoltaic Power Project in Hebei Poverty Villages (河北貧困村扶貧光伏項目) for 4.89MW.

4. What are the Company's performance of capital expenditure for 2018 and capital expenditure plans and structures for 2019?

The capital expenditure on a consolidated basis actually incurred in 2018 was approximately RMB11,746 million, and the capital expenditure on a consolidated basis to be incurred in 2019 is expected to be approximately RMB7,439 million. Details of the structure are set out in the table below.

Table of the plan on capital expenditure of the Company in 2018-2019 (RMB'00 million)

Time/Investment Sector	Completed investment in 2018	Investment plan for 2019
Total of the Company	117.46	74.39
Coal-fired power	72.83	29.41
Including: coal-fired generator	53.44	24.06
combustion engine	19.39	5.35
Hydropower	6.32	5.61
Wind power	29.09	31.31
Photovoltaic power	2.95	0.11
Others	6.27	7.95

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.

Compliance with the Corporate Governance Code

In 2018, 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 Corporate Governance Code (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the period from 1 January 2018 to 31 December 2018 (the "Year"), 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 that existed were the expressions or sequence between such terms of reference and the aforesaid 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.

Corporate governance organization 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") in Hong Kong, 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 three general meetings, considering and approving 14 ordinary resolutions and four special resolutions, 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 matters considered at the general meetings of the Company in 2018 mainly included work reports of the Board (Supervisory Committee) of the Company, change of directors of the Company, final annual accounts report, profit distribution plan, appointment of auditors, finance guarantees, major connected transactions, major acquisition of assets, amendment to the Articles of Association, merger with subsidiaries and governance of zombie enterprises and enterprises with difficulties relating to a subsidiary.

As of the year end of 2018, the implementation of the resolutions in the general meetings are as follows:

1. Finance guarantees: Provision of guarantees by the parent company of the Company in 2018, amounting to RMB1,069 million in total, to its subsidiaries, companies invested by it and its associated companies; provision of guarantees by Datang Heilongjiang Power Generation Co., Ltd., a subsidiary of the Company, amounting to RMB270 million, to its subsidiaries, based on their actual needs for the construction of projects.

2. Completion of the merger of Guangdong Renewable Power Company and Qinghai Renewable Power Company by the Company.

3. Completion of the implementation of the governance proposal of the Renewable Resource Company relating to the Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties.

4. Completion of the change of directors' work of the Company, among which, Mr. Zhang Ping and Mr. Jin Shengxiang were served as directors of the Company in replacement of Mr. Liu Haixia and Ms. Guan Tiangang.

5. Connected transactions were carried out in compliance with the approval of the general meeting.

6. Completion of the profit distribution of RMB0.09 per share for the year 2017.

7. Appointment of ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as certified public accountants for carrying out the domestic and overseas audits of financial statements for the year 2018.

8. Completion of Amendment to the Articles of Association by increasing the Company's registered capital from RMB13,310,037,578 to RMB18,506,710,504.

For details about the resolutions passed at general meetings for the year 2018, 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 offering 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 2018, 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. The matter in relation to the "Connected Transactions and Acquisition of 100% Equity Interests of Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. in Cash", respectively was considered and approved at the 2018 first extraordinary general meeting of the Company convened on 16 March 2018 so that CDC further performed the relevant undertakings. The completion of the above transaction has taken place in April 2018.

For the year 2018, 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 for the year 2018, 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 fifteen members, including five Independent Non-executive Directors (the "Independent 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 Feihu (Chairman), Wang Sen (Vice Chairman), Wang Xin, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Zhang Ping, Jin Shengxiang, *Liu Jizhen, *Feng Genfu, *Luo Zhongwei, *Liu Huangsong, *Jiang Fuxiu

(* Independent non-executive Directors)

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 decisionmaking 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, the Audit Committee, the Strategic Development and Risk Control Committee and the Remuneration and Appraisal Committee, with detailed work rules devised for the respective committees. The chairmen of the four specialised committees are all Independent Directors. In particular, Independent Directors make up a majority in the Nomination Committee, the 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 11 meetings, considered 63 proposals, and issued about 230 Chinese and English announcements both at home and abroad. 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" of the Company. Major particulars of the resolutions made at the Board meetings include:

1. Consideration of work reports related to the Company, which primarily include:

   (1) the 2017 work report of the Board and work report of president of the Company;

   (2) the 2017 internal control evaluation and internal control audit report of the Company;

   (3) 2017 Social Responsibility Report of the Company.

2. Consideration of matters related to the operating results of the Company, which primarily include:

   (1) the 2018 Results Announcement, 2018 First Quarterly, Interim and Third Quarterly Results Announcement of the Company;

   (2) the 2017 final accounting report and 2018 annual budget plan of the Company;

   (3) the 2017 profit distribution plan.

3. Consideration of matters related to capital operation and investment of the Company, which primarily include:

   (1) investment in the development of Inner Mongolia Xianghuangqi and Sunite wind power project (內蒙古鑲黃旗和蘇尼特風電項目), Lvsigang photovoltaic power generation project; participation in Jiangxi United Energy Company (江西聯合能源公司), Jiangsu Jintan Thermal Power Company; capital increase to Datang Finance Leasing Company, and the transfer of equity interest in Datang Finance Company held by Anhui Electric Power Co., Ltd.; acquisition of the minority equity interests of Renewable Resources Company and Ganzi Hydropower Company; the establishment of branches in Beijing-Tianjin-Hebei, Sichuan and Qinghai, and Huainan Electric Power Overhaul Company (淮南電力檢修公司);

   (2) merger or liquidation and cancellation of certain subsidiaries; transfer of equity interest in Fujian Tongzhou Company, Tongzhou Datong Company, Haigang Datang Tongzhou Building Materials Company (海港大唐同舟建材公司) and Tongfang Investment Company; separation and transfer of "water/electricity/gas supply and property (三供一業)";

   (3) proposal of the Renewable Resource Company relating to the Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties;

   (4) poverty alleviation fund plan for 2018 to 2020, etc.

4. Consideration of matters related to the entrusted loan and guarantee:

   (1) provision of entrusted loans and guarantee to finance certain enterprises;

   (2) issuance of two tranches of the perpetual bonds of RMB5 billion in total for debt investment scheme.

5. Consideration of related financial matters:

   (1) non-operational funds of the listed companies utilised by substantial shareholders and related parties;

   (2) provision for impairment for certain enterprises;

   (3) utilisation of proceeds;

   (4) adjustment to the Company's certain accounting policies in accordance with the new accounting standards.

6. Consideration of connected transactions:

   (1) confirmation of 2017 connected transactions of the Company;

   (2) increase in maximum amount of certain connected transactions in 2018;

   (3) the Company and related parties entered into Leasing and Factoring Business Cooperation Agreement (2018.7-2021.7) and Comprehensive Product and Service Framework Agreement for 2019 to 2021, etc.

7. Changes in the composition of the Board, the Supervisory Committee and the management:

   (1) changes in the membership of special committees of the Board, Mr. Zhangping serves as a member of the Strategic Development and Risk Control Committee in replacement of Mr. Liu Haixia, and Mr. Jin Shengxiang serves as a member of the Audit Committee in replacement of Ms. Guan Tiangang;

   (2) changes in senior management of the Company, Mr. Hong Shaobin, Mr. Meng Fankui and Mr. Duan Zhongmin no longer assumed the position of the vice president of the Company, Mr. Li Zengfang no longer assumed the position of the chief accountant of the Company, and Mr. Jiang Jinming serves as the chief accountant of the Company.

8. Engagement of the Company's accountants for the year 2018:

   (1) engaged ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as domestic and overseas auditors of financial statement for the year 2018 of the Company.

9. Revision of rules and regulations

   (1) amendment to the Articles of Association by increasing the Company's registered capital from RMB13,310,037,578 to RMB18,506,710,504;

   (2) formulate "Provisions for Investment Management" and "Provisions for Investment Management" of the Company.

The Board of the Company reviewed the 2018 Internal Control Evaluation Report and confirmed that the existing internal control management system of the Company was in compliance with the requirements of relevant state laws and regulations and regulatory authorities. The Board confirmed that there were no non-operational funds of the listed companies utilised by substantial shareholders, while there were non-operational funds of the listed companies of approximately RMB327.92 million utilised by other related parties. The Board recommended that the Company continue to proactively coordinate with three related enterprises and Zhongxin Energy and Chemical Technology Company Limited, the controlling shareholder of those three related enterprises, who utilised non-operational funds, to solve the issue of utilisation of non-operating capital as soon as possible, and effectively protect the interests of the Company and shareholders.

For the year 2018, the Board members of the Company attended all the meetings either in person or by authorising proxies to attend the meetings on their behalf.

Eleven Board meetings were held in 2018, of which three were on-site meetings and eight were meetings held through various ways of communication.

	Attendance at general meetings	Attendance at Board meetings	
Executive Directors	Attendance rate (%)	Attendance rate (%)	Attendance rate (in person) (%)
Wang Xin	100	100	100
Ying Xuejun	100	100	100
Non-executive Directors	Attendance rate (%)	Attendance rate (%)	Attendance rate (in person) (%)
Chen Feihu (Chairman)*	—	—	—
Wang Sen (Vice Chairman)*	—	—	—
Chen Jinhang#	66	100	81
Liu Chuandong#	66	100	81
Liang Yongpan	66	100	81
Zhu Shaowen	66	100	90
Cao Xin	100	100	100
Zhao Xianguo	100	100	100
Zhang Ping*	66	100	81
Jin Shengxiang*	66	100	90
Independent Non-executive Directors	Attendance rate (%)	Attendance rate (%)	Attendance rate (in person) (%)
Liu Haixia#	0	100	100
Guan Tiangang#	0	100	100
Liu Jizhen	33	100	72
Feng Genfu	100	100	100
Luo Zhongwei	100	100	100
Liu Huangsong	33	100	90
Jiang Fuxiu	100	100	100

* Mr. Zhang Ping and Mr. Jin Shengxiang were appointed as the directors of the Company as approved at the general meeting of the Company, with effect from 16 March 2018; Mr. Chen Feihu and Mr. Wang Sen were appointed as the directors of the Company as approved at the general meeting, with effect from 28 March 2019; Mr. Chen Feihu serves as the chairman of the ninth session of the Board of the Company, and Mr. Wang Sen serves as the vice chairman of the ninth session of the Board of the Company;

\# Mr. Liu Haixia and Ms. Guan Tiangang no longer assumed the positions of the directors of the Company as approved at the general meeting of the Company, with effect from16 March 2018; Mr. Chen Jinhang and Mr. Liu Chuandong no longer assumed the positions of the directors of the Company as approved at the general meeting, with effect from 28 March 2019. Mr. Chen Jinhang no longer assumed the position of the chairman of the ninth session of the Board of the Company, and Mr. Wang Xin no longer assumed the position of vice chairman of the ninth session of the Board of the Company.

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 are in compliance with the requirements of the laws and regulations in the PRC. Supervisory Committee members shall exercise their supervisory duties as mandated by the laws, regulations, the Articles of Association and the rights granted by the general meeting, and shall be accountable to the general meeting in order to ensure that the shareholders' rights, the Company's interests and the staff's lawful interests are not violated. During the reporting period, the Supervisory Committee held 5 meetings, considered and approved 14 proposals, 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 Quancheng, Guo Hong

Shareholders' representatives	Attendance rate (%)	Attendance rate (in person) (%)
Zhang Xiaoxu (Vice Chairman of the Supervisory Committee)	100	100
Liu Quancheng	100	80
Employees' representatives	**Attendance rate (%)**	**Attendance rate (in person) (%)**
Yu Meiping (Chairman of the Supervisory Committee)	100	100
Guo Hong	100	100

4. Non-executive Directors and Independent Directors

The Company has a total of thirteen Non-executive Directors, of whom five 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 re-appointment upon the expiry of their terms of service. Any new Director shall take office only after being elected and approved at a general meeting. The consecutive term of service of each of the Independent Non-executive Directors (the "Independent Directors") shall not exceed six years.

Pursuant to the rules of the CSRC, the Company has formulated a "Work System for Independent Directors" and an "Annual Report Work System for Independent Directors" to govern a number of areas such as the requirements and procedures for 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 system contains 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 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 by 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 2018 Annual Report, the Independent Directors played an active role in the Company as they supervised and inspected carefully details of the Company's annual production and operations which are 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 of their responsibility as 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 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 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.

Training of Directors

As stipulated by the Listing Rules, Directors are required to fulfill 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 irregularly provide the Directors with written 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 fulfill their duties as required by laws and regulations, and to discharge related duties accordingly. Directors will be invited to conduct on-site inspections on the Company's projects in response to the Company's development, and to make reasonable suggestions and comments to the Company based on their respective areas of expertise.

Details of the trainings attended by the Directors in 2018 are set out below:

Director	Position	Type of Training Participated	Training Type
* Chen Feihu	Non-executive Director and Chairman	—	
* Wang Sen	Non-executive Director and Vice Chairman	—	
* Chen Jinhang	Non-executive Director and Chairman	B, C, D	A. Training provided by regulators/counsels
* Liu Chuandong	Non-executive Director and Vice Chairman	B, C, D	B. Attending seminars/forums
Wang Xin	Executive Director	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
Ying Xuejun	Executive Director	A, B, C, D	
Liang Yongpan	Non-executive Director	B, C, D	D. Conducting on-site inspections on the Company's business
Zhu Shaowen	Non-executive Director	B, C, D	
Cao Xin	Non-executive Director	B, C, D	
Zhao Xianguo	Non-executive Director	A, B, C, D	
* Liu Haixia	Independent Non-executive Director	B, C, D	
* Guan Tiangang	Independent Non-executive Director	B, C, D	
*Zhang Ping	Non-executive Director	B, C, D	
*Jin Shengxiang	Non-executive Director	B, C, D	
Liu Jizhen	Independent Non-executive Director	B, C, D	
Feng Genfu	Independent Non-executive Director	B, C, D	
Luo Zhongwei	Independent Non-executive Director	B, C, D	
Liu Huangsong	Independent Non-executive Director	B, C, D	
Jiang Fuxiu	Independent Non-executive Director	B, C, D	

* Due to the work adjustment, as considered and approved at general meeting of the Company, Mr. Liu Haixia and Ms. Guan Tiangang no longer served as the non-executive directors of the Company, with effect from 16 March 2018, and Mr. Zhang Ping and Mr. Jin Shengxiang were appointed as non-executive directors of the Company with effect from the same date; Mr. Chen Jinhang and Mr. Liu Chuandong no longer served as the non-executive directors of the Company, with effect from 28 March 2019, and Mr. Chen Feihu and Mr. Wang Sen were appointed as non-executive directors of the Company with effect from the same date.

Remuneration of directors, supervisors and senior management

As of 31 December 2018, the annual remuneration of the Company's senior management (excluding Directors and Supervisors) by band are as follows:

RMB300,001 to RMB600,000	4 persons
RMB600,001 and above	1 person

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

Details of remuneration of Directors, Supervisors and senior management in 2018 are set out in Note 14 to the Consolidated Financial Statements from page 160 to page 162.

Duties and operation of specialised committees under the Board

1. Strategic Development and Risk Control Committee

(1) Composition: The Board has established a Strategic Development and Risk Control Committee, which currently consists of eight Directors, two of whom are Independent Directors. The Committee has a chairman (director) and vice chairman (deputy director) which shall be the chairman of the Company or member assigned by the chairman, respectively, and shall be in charge of the work of the Committee.

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

Chairman: Chen Feihu

Vice Chairman: Luo Zhongwei (Independent Director)

Members: Liu Jizhen (Independent Director), Wang Xin, Liang Yongpan, Zhang Ping, Cao Xin, Zhu Shaowen

(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 onsite 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;

(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 spread out;

(vi) to conduct risk assessment and make recommendations on the sectors or industries in which the 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 2017, one meeting was held to consider the Accomplishment of the Development Plan for the Year 2017 of the Company and its Work Plan for the Year 2018.

Committee Members	Attendance rate (%)
* Chen Feihu	/
* Chen Jinhang	0
Liu Jizhen (Independent Director)	0
Luo Zhongwei (Independent Director)	100
Wang Xin	100
Liang Yongpan	100
* Zhang Ping	0
Cao Xin	100
Zhu Shaowen	100

* Members of the Committee were changed since 16 March 2018, among which Mr. Zhang Ping served as a member of the Strategic Development and Risk Control Committee in replacement of Mr. Liu Haixia.

Members of the Committee were changed since 28 March 2019, among which Mr. Chen Feihu served as a member and the chairman of the Strategic Development and Risk Control Committee in replacement of Mr. Chen Jinhang.

2. Nomination Committee

(1) Composition: The Board has established a Nomination Committee comprising five Directors, with three Independent Directors making up more than half of the committee. 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: Feng Genfu (Independent Director)

Members: Jiang Fuxiu (Independent Director), Liu Huangsong (Independent Director), Ying Xuejun, Zhao Xianguo

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

(3) Major Duties:

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

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

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

(v) to assess the independence of independent directors;

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

(4) Meetings:

Two meetings were held during 2018, at which changes to senior management of the Company were considered.

Committee Members	Attendance rate (%)
Feng Genfu (Independent Director)	100
Jiang Fuxiu (Independent Director)	100
Ying Xuejun	100
Liu Huangsong (Independent Director)	100
Zhao Xianguo	100

(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 has 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, in due course, recommendations on any improvement 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.

As at the date of this report, the composition and diversity of the Board in terms of four objective criteria, namely (i) age group, (ii) cultural and education background, (iii) professional experience and (iv) industry, experience, skills and knowledge, is shown as below:

Age group					
41 to 45	46 to 50	51 to 55	56 to 60	61 to 65	66 to 70
6.7%	26.7%	26.7%	20%	13.2%	6.7%

Cultural and educational background	
Bachelor's degree holder	Postgraduate degree holder
26.7%	73.3%

Professional experience	
Engineering	Accounting, Economics and Finance
53.3%	46.7%

In addition to the above, each of the Directors has at least one of the following industry experience, skills or knowledge:

(a) Experience in the industry related to power generation;

(b) Strategic planning;

(c) Finance (including accounting, finance, corporate finance, tax etc.);

(d) Legal and compliance; and

(e) Familiarity with the business environment of China

The Nomination Committee considers that the existing composition of the Board is rather diverse taking into account the nature and scope of the Group's operations, specific needs as well as different background of our Directors.

3. Audit Committee

(1) Composition: The Board has established an Audit Committee that currently comprises five Directors, among which, three Independent Directors made up more than half of the Committee. 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 Audit Committee's work

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

Chairman: Jiang Fuxiu (Independent Director)

Members: Luo Zhongwei (Independent Director), Feng Genfu (Independent Director), Wang Sen, Jin Shengxiang

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

(3) Major Duties:

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

(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 Audit Report";

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

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

(4) Meetings:

The Audit Committee under the Board held three meetings in 2018 to review the Company's annual and interim results, which are the 2017 Internal Control Evaluation Report, the 2017 Internal Control Audit Work Report, and the matter regarding the appointment of the auditors for the year 2018.

Committee Members	Attendance rate (%)
Jiang Fuxiu (Independent Director)	100
Luo Zhongwei (Independent Director)	100
Feng Genfu (Independent Director)	100
* Liu Chuandong	67
* Jin Shengxiang	100
* Wang Sen	/

* Members of the Committee were changed since 16 March 2018, among which Mr. Jin Shengxiang served as a member of the Audit Committee in replacement of Ms. Guan Tiangang.

Members of the Committee were changed since 28 March 2019, among which Mr. Wang Sen served as a member of the Audit Committee in replacement of Mr. Liu Chuandong.

4. Remuneration and Appraisal Committee

(1) Composition: The Board has established a Remuneration and Appraisal Committee that currently comprises five Directors, among which, three 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 of the date of this report, the members of the committee are:

Chairman: Feng Genfu (Independent Director)

Members: Jiang Fuxiu (Independent Director), Liu Huangsong (Independent Director), Ying Xuejun, Zhao Xianguo

(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 onsite meetings or through other means of communication (including teleconference, facsimile, etc.).

(3) Major Duties:

(i) to be accountable to the Board, and the proposals submitted by the committee will be submitted 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 execute other matters as authorised by the Board.

(4) Meeting:

One meeting was held in 2018 to review the execution of the level of remuneration for Directors, Supervisors and senior management for 2017 and the plan of the level of remuneration for 2018.

Committee Members	Attendance rate (%)
Jiang Fuxiu (Independent Director)	100
Feng Genfu (Independent Director)	100
Ying Xuejun	100
Liu Huangsong (Independent Director)	100
Zhao Xianguo	100

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;
- 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 to the Listing Rules and the Company's disclosures in the Corporate Governance Report.

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

- The terms of reference of the Board
- Rules of proceedings for the Board, the 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 the President
- Information disclosure system
- Registration system for Informed Parties with Access to Inside Information
- Management system for Connected Transactions
- Management system for Investor Relations
- Management system governing the changes in the Company's shares held by Directors, Supervisors and senior management
- The policy of shareholder communications
- Procedures for the nomination of candidates for Directors, etc.

The Audit Committee under 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 "2018 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 details of Company's internal control, please refer to the "Establishment of the Company's Internal Control System" section.

Establishment of the Company's Internal Control System

Improving and effectively implementing the internal control is an ongoing responsibility of the Board and the management of the Company. The objectives of the Company's internal control are to provide reasonable assurances that the Company's operation 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 Internal Control of Enterprises", 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 Internal Control of Enterprises" and considered that it was effective as of 31 December 2018 (being the benchmark date).

1. Establishment of Internal Control System

In 2018, the Company paid considerable attention to the constant optimisation of internal control, including risk assessment and internal control evaluation, into daily supervision and management of the Company. The internal control awareness is gradually strengthened, the internal control system is optimized, while the internal control duties are clearer. First, we improved the system by completing amendments including amendments to "Administrative Measures on Risk and Internal Control of Datang International", "Administrative Measures on Risk Assessment and Internal Control Evaluation of Datang International" and "Risk Assessment and Internal Control Evaluation Manual" of headquarters and its subsidiaries, while ensuring a sound system, the effective content and smooth procedures of internal control and risk management. Second, we optimised the internal control of procedures in major business sectors. Focusing on key areas and key links such as decision-making policy regarding "Three-importance and One-significance (三重一大)" (Important issues, Important Personnel, Important Investments and Significant Investment Amount), funds, contracts, investment, and accountability for non-compliance of central enterprises in 2018, Datang International optimised business procedures, supplemented and improved risk sources, and perfected risk control measures based on changes in internal and external situations. The affiliated enterprises at all levels also updated the internal control management manual in light of the actual situation. Third, we strengthened rectification of defects in internal control that were identified. The affiliated enterprises made rectification of defects in internal control that were identified in 2017. During the Year, we carried out three follow-up inspections on the completion and effect of the rectification, in particular, put emphasis on the supervision of general and repeated defects, which effectively increased the attention of employees at all levels to internal control management, blocked management loopholes, improved the management system, and perfected the internal control system.

2. Internal Control Work Plan

In 2019, the Company will keep improving various internal control systems and strengthening internal control management to advance the level of internal control work on an ongoing concern. Firstly, the Company will further optimise internal control system with reference to both internal and external environments and risk changes; secondly, the Company will enhance the learning and training of internal control and put efforts on the implementation of responsibilities to ensure the effective operation of internal control system; thirdly, the Company will maintain the assessment of internal control effectiveness to identify any defects in internal control system, and if any, strengthen the rectification of the defects, so as to improve the closed-loop mechanism of internal control evaluation.

Risk Management and Internal Control

The Board recognises its responsibility for supervising the risk management and internal control system of the Company, and conducts annual review on its effectiveness through its specialised committees. The specialised committees assist the Board in the performance of its supervision of the Company's finance, compliance, risk management and internal control and resources in financial and internal auditing functions as well as its role in corporate governance.

The Board is responsible for the establishment, improvement and effective implementation of internal control system. The Supervisory Committee is responsible for supervision of the internal control system established and implemented by the Board. The management is responsible for the organisation of the daily operation of internal control. The supervisory audit department of the Company and the Audit Committee assist the Board in the continuous review on the effectiveness of the risk management and internal control system of the Company.

The Group has established standardised corporate governance structure and rules of procedure to specify the responsibilities and authority in decisionmaking, execution, supervision and other aspects. The risk management and internal control system of the Company is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The risk management structure of the Group is guided under the "Three Defence Lines (三道防線)" risk management model. The first defence line refers to the relevant functional departments and affiliated enterprises, the second defence line refers to the risk management department, and the third defence line refers to the internal audit department. The relevant functional departments and affiliated enterprises of the Company regularly conduct identification, reaction and monitoring for risks. The Company earnestly analyses its situation within the industry on the basis of the study and judgement of the general domestic and international macro-economic situation annually and conducts comprehensive risk management according to the strategic objective and control requirements. The risk management department of the Company organises the headquarters and affiliated enterprises of the Company to conduct annual risk assessment, internal control evaluation and internal control audit, report to the Board on the internal control evaluation and internal control audit, and follow up the rectification progress of defects found in prevention and control of material and significant risks so identified and internal control. The internal audit department prepares annual audit plan based on problems and risks, supervises internal audit, and submits the results of audit supervision to the Audit Committee and the senior management of the Company for consideration and approval. Also, the internal audit department follows up the rectification progress of the problems identified in the audit and reports to the senior management of the Company. The review period of the risk management and internal control system covered is within the reporting period.

The Group has adopted the Guidelines on Comprehensive Risk Management of State-owned Enterprises (《中央企業全面風險管理指引》), the Basic Standards for Internal Control of Enterprises (《企業內部控制基本規範》), the Guidelines on the Application of Internal Control of Enterprises (《企業內部控制應用指引》), the Guidelines on the Evaluation of Internal Control of Enterprises (《企業內部控制評價指引》) and the Guidelines on the Auditing of Internal Control of Enterprises (《企業內部控制審計指引》) as the guiding principles of its operation and risk management. The major procedures for risk assessment of the Company consist of: target setting, information collection and risk identification, risk analysis, response to risk, risk monitoring and reporting.

All risk management departments prepare the risk management manual, the administrative measures on risk management and internal control and other policies for the Company. They organise the business departments and its affiliated enterprises on a regular basis to identify potential risks that may have an impact on the achievement of their own or the Company's production and operating objectives, analyse the probability of occurrence of such risk events, and the extent of impact on the achievement of production and operating objectives after the occurrence of such events.

The business departments and its affiliated enterprises specify the risk management strategies and the solutions to risk management, and set the relevant strategies pursuant to the risk tolerance corresponding to the production and operating objectives. Solutions to risk management are established for each significant risk based on the risk management strategy. Combining with the development stages and the business expansion progress, information relating to changes in risks is continuously collected for risk identification and risk assessment, and for prompt adjustment to the strategies in response to risks.

The risk management departments of the Group follow up and evaluate the management of significant risks on a regular basis.

The Group integrates the risk management and internal control system into various business processes, and adopts various measures and procedures to evaluate and prudently improve the effectiveness of the risk management and internal control system, including to organise the headquarters and affiliated enterprises of the Company to conduct self-assessment on risks and self-evaluation on internal control on a regular basis, and to conduct independent internal control evaluation of the affiliated enterprises. The procedures for reviewing the effectiveness of the risk management and internal control system of the Company consist of:

Inside Information

The Board of the Company is the governing body of inside information. The Secretary to the Board is the person–in-charge of the management work of the inside information. The securities and capital department of the Company assists the Secretary to the Board to specifically handle daily management work of the inside information of the Company. In order to standardise the inside information management of the Group, the Board strengthens the confidentiality of inside information, maintains the principle of fairness of information disclosure, and protects the legitimate rights and interests of the Company and its shareholders, creditors and other stakeholders. The Company has formulated a registration system of the insiders according to relevant laws, regulations and rules by integrating the actual situation of the Company. The system stipulates that the scope of insiders shall be minimised and they shall fulfill the confidentiality responsibility before public disclosure of the information of the Company. The insiders who have opportunities to receive the inside information of the Company shall not disclose the content of inside information to others and shall not make use of any inside information for benefits of their own, relatives or others.

Pursuant to the recommendations of the specialised committees, the Board has approved the internal control evaluation and the internal control audit report of the Company, and is of a view that the risk management and internal control system of the Company is effective, adequate and appropriate.

Responsibility of Directors and Auditors for Preparation and Reporting of Financial Statements

The Directors acknowledge their responsibility for preparing the Company's financial statements and ensuring that the preparation of the Company's financial statements complies with the relevant laws and applicable accounting standards.

The statement of the auditor in relation to their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on page 89 to 94.

Company's Auditors

In 2018, the Company engaged ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited 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 2018, the fee payable by the Company to ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited for the provision of audit service amounted to RMB13 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. No fee was paid by the Company in respect of non-audit services.

Communication with Shareholders and the Rights of Shareholders

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.

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) the 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 the general meetings;

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

(8) the resolutions made at Board meetings;

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

(10) financial and accounting reports, etc.

Shareholders can access information through the following means

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

(1) served by hand;

(2) served by mail;

(3) served by fax or e-mail;

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

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

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

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

Putting forward enquiries 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 address, fax number or email address of the Company:

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

Dividend Policy

The Company's dividends distribution policy shall maintain continuity and stability. On the basis that such dividends distribution policy shall pay great attention to the reasonable investment return of the shareholders and also take into account the long term interests of the Company, the overall interests of all shareholders, the Company's reasonable demand of funds and the sustainable development of the Company, the Company shall implement an active method to distribute its dividends (i.e. distribution by way of cash shall be the priority way for profit distribution). The Company may distribute dividends by way of cash or shares (or by both ways).

Amendments to the Articles of Association

In 2018, the Articles of Association was amended by increasing the Company's registered capital from RMB13,310,037,578 to RMB18,506,710,504.

The directors are pleased to present the audited results of the Company for the year ended 31 December 2018.

Company results

During the Year, operating revenue from operations of the Group was approximately RMB93,390 million, representing an increase of approximately 10.93% as compared to the Previous Year. Profit before tax amounted to RMB4,166 million, representing an increase of approximately 45.77% as compared to the Previous Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0716, while the basic earnings per share attributable to equity holders of the Company for the year 2017 amounted to approximately RMB0.1123. Net profit attributable to equity holders of the Company amounted to approximately RMB1,232 million, while the net profit attributable to equity holders of the Company for the year 2017 amounted to approximately RMB1,495 million. Please refer to the "Management Discussion and Analysis" section for details of the Company's results.

The Board recommended the distribution of cash dividend for 2018 of RMB0.10 per share (tax inclusive), and such distribution of dividend is subject to the consideration and approval by the shareholders of the Company at the forthcoming general meeting of the Company.

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 issuance of A shares in March 2010, with newly issued A shares of 530,000,000 shares. Further, the Company had non-public issuance of A shares in May 2011, with newly-issued A shares of 1,000,000,000 shares. The Company completed the non-public issuance of A shares and H shares in March 2018, with newly issued A shares and H shares of 2,401,729,106 shares and 2,794,943,820 shares, respectively. Due to above-mentioned changes, as at the date of this annual report (i.e. 28 March 2019), the total number of issued shares of the Company was 18,506,710,504 shares. Apart from that, the Company did not issue any new shares.

Performance of the Company's A shares and H shares during 2018 (No adjustment)

Performance of the Company's H shares during 2018:

Closing price of H shares as at 31 December 2018	HK$1.84 per share
Highest trading price between 1 January and 31 December 2018	HK$2.71 per share
Lowest trading price between 1 January and 31 December 2018	HK$1.68 per share
Total number of trading between 1 January and 31 December 2018	2.933 billion shares

Performance of the Company's A shares during 2018:

Closing price of A shares as at 31 December 2018	RMB3.15 per share
Highest trading price between 1 January and 31 December 2018	RMB4.18 per share
Lowest trading price between 1 January and 31 December 2018	RMB2.87 per share
Total number of trading between 1 January and 31 December 2018	3.002 billion shares

Public float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, i.e. 28 March 2019, and as at 31 December 2018, 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 2018 are set out in the Consolidated Statement of Profit or Loss and Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 95 to page 96. The financial position of the Company and its subsidiaries as at 31 December 2018 is set out in the Consolidated Statement of Financial Position on page 97 to page 98.

The Company and its subsidiaries' consolidated cash flows for the year ended 31 December 2018 are set out in the Consolidated Statement of Cash Flows on page 102 to page 103.

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, power related technical services, and the development and sale of coal.

Further details 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 2018.

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.

Compliance with laws and regulations

In 2018, the Company has strictly complied with relevant laws, regulations and practices of the industry which have material impact on the operation of the Company.

Major suppliers and customers

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

	2018	2017
Purchases		
The largest supplier	18.47%	10.04%
Top five suppliers	29.77%	35.12%
Sales		
The largest customer	9.71%	18.44%
Top five customers	35.55%	41.57%

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

Subsidiaries, joint ventures and associates

Details of subsidiaries, joint ventures and associates of the Company are set out in Note 50 to the Financial Statements from page 226 to page 238, Note 22 to the Financial Statements from page 181 to page 184 and Note 21 to the Financial Statements from page 172 to page 181 respectively.

Dividend and earnings per share

The Board recommended the distribution of cash dividend for 2018 of RMB0.10 per share (tax inclusive).

Details of dividends and gains per share are set out in Notes 16 and 17 to the Financial Statements on page 163 to page 164.

Relationship with employees

Since employees are the foundation for development, the Group adheres to the "people-oriented" principle in its human resources management and practice equal employment opportunities and prohibit any career discrimination. The Group reviews its employees compensation policies on a regular basis and bonuses and commission may be awarded to employees based on their annual performance evaluation. Efforts have also been made to help employees in the aspects of housing, transportation and children education, etc.

Relationship with suppliers and customers

The Group strives to build and maintain long term and strong relationships with customers. The Group has established a customer satisfaction management system with a view to understand and fulfil customers' demands and enhance their satisfaction. In terms of suppliers, the Group's objective is to keep mutually beneficial and win-win partnerships with all suppliers. At the same time, the Group regularly evaluates the performance of our suppliers including suppliers' social responsibility.

Reserves

Movements in reserves during the Year are set out in Note 32(b) to the Financial Statements on page 196, among which distributable reserves attributable to the shareholders amounted to approximately RMB12.31 billion.

Property, plant and equipment

Details of movements in property, plant and equipment during the Year are set out in Note 18 to the Financial Statements from page 164 to page 167.

Donation

During the Year, the Company and its subsidiaries have made charitable and relief donations of approximately RMB5,390,000.

Share capital

As at 31 December 2018, total share capital of the Company amounted to 18,506,710,504 shares, divided into 18,506,710,504 shares of a nominal value of RMB1.00 each. Movements in share capital during the Year are set out in Note 30 to the Consolidated Financial Statements on page 192.

Share capital structure

As at 31 December 2018, total number of shares in issue of the Company was 18,506,710,504 shares. The Company's shareholders were China Datang Corporation Ltd., Tianjin Jinneng Investment Co., Ltd., Hebei Construction & Investment Group Co., Ltd., Beijing Energy Holding Co., Ltd., and other holders of A shares and H shares, holding 6,540,706,520 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 6,110,621,398 H shares, respectively, representing 35.34%, 7.00%, 6.93%, 6.81%, 10.90% and 33.02%, respectively, of the total share capital of the Company.

As at the date of this annual report, the controlled subsidiary of CDC, China Datang Overseas (Hong Kong) Co., Limited ("CDOHKC") increased its shareholding by 2,794,943,820 H shares to 3,275,623,820 H shares; CDC, and its parties acting in concert, increased their shareholding by 2,401,729,106 A shares of the Company to 6,549,445,120 A shares on 23 March 2018, and therefore CDC and its subsidiaries held a total of 9,825,068,940 shares in the Company, representing 53.09% of the total share capital of the Company.

Pledge of H-shares by controlling shareholder

As disclosed in the announcement of the Company dated 12 February 2018, CDOHKC (as borrower), an indirect wholly-owned subsidiary of CDC (the controlling shareholder of the Company), entered into a facility agreement with Wing Lung Bank, Limited (as mandated lead arranger and bookrunner, facility agent and security agent) in connection with a term loan facility of HK$5,300 million which shall be applied by CDOHKC for the payment of part of the H-Share Issuance Proceeds (as defined in that announcement). As a condition precedent to the utilisation of the facility by CDOHKC, CDOHKC entered into a share change with Wing Lung Bank, Limited, pursuant to which all the 480,680,000 H-shares of the Company held in the name of CDOHKC and the 2,794,943,820 H-Share Subscription Shares (as defined in that announcement) to be subscribed by CDOHKC shall be pledged to Wing Lung Bank, Limited. In the event of default by CDOHKC, Wing Lung Bank, Limited shall be entitled to enforce the share charge which may result in a transfer of voting rights in respect of such pledged securities.

Number of shareholders

Details of the shareholders as recorded in the register of members of the Company as at 31 December 2018 were as follows:

Total number of shareholders	199,547
Holders of domestic shares	199,024
Holders of H shares	523

Substantial shareholders of the Company

So far as the Directors of the Company are aware, as at 31 December 2018, the interests or short positions of the persons (other than Directors, Supervisors or 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 (Chapter 571 of the Law of Hong Kong) (the "SFO"), 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	6,540,706,520	35.34	52.76	/
	A shares	8,738,600	0.05	0.07	/
	H shares	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Tianjin Jinneng Investment Co., Ltd. (Note 2)	A shares	1,296,012,600	7.00	10.46	/
Hebei Construction & Investment Group Co., Ltd. (Note 3)	A shares	1,281,872,927	6.93	10.34	/
Beijing Energy Investment Holding Co., Ltd. (Note 4)	A shares	1,260,988,672	6.81	10.17	/

(L) = Long Position

Notes:

(1) Mr. Chen Jinhang and Mr. Liu Chuandong, who were non-executive Directors as at 31 December 2018, as well as Mr. Chen Feihu, Mr. Wang Sen and Mr. Liang Yongpan, who are currently non-executive Directors, are employees of CDC.

(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 Co., Ltd..

(3) Mr. Cao Xin and Mr. Zhao Xiangguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd..

(4) Mr. Liu Haixia and Ms. Guan Tiangang, who were both non-executive Directors until their resignation on 16 March 2018, are employees of Beijing Energy Investment Holding Co., Ltd..

Interests of Directors, supervisors and chief executive in shares, underlying shares and debentures

As of 31 December 2018, save as disclosed below, so far as is known to the Board, 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 the SFO (Chapter 571 of the Law of Hong Kong)) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 of the SFO or otherwise required to 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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

Name of Director	Class of Share of the Company	Capacity/ Nature of Interest	No. of A shares Held	Approximate Percentage of the Issued Share Capital of the Company
Mr. Liu Jizhen	A shares	Beneficial interest	9,100 (L)	0.00005% (L)

(L) = Long Position

Change in Directors', supervisors' and chief executive's information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the directors, supervisors and chief executive of the Company since the Company's last published interim report and up to the date of this annual report are as below:

Name of Director	Details of change
Mr. Liang Yongpan	He ceased to be a director of each of China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (1798.HK), Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司) (600744.SH), Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司) (600236.SH) and Datang Environment Industry Group Co., Ltd.* (大唐環境產業集團股份有限公司) (1272.HK)
Mr. Feng Genfu	He ceased to be an independent director of Hubei Biocause Pharmaceutical Co., Ltd. (天茂實業集團股份有限公司) (000627.SZ)
Mr. Liu Huangsong	He ceased to be an independent director of Shanghai Xinhua Media Co., Ltd. (上海新華傳媒股份有限公司) (600825.SH)
Mr. Jiang Fuxiu	He has served as an independent director of Zhejiang Longfu Hi Tech New Materials Company Limited (浙江尤夫高新纖維股份有限公司) (002427.SZ) since December 2018. He ceased to be an independent director of Northcom Group Co., Ltd. (北訊集團股份有限公司) (002359.SZ)

Name of Supervisor	Details of change
Ms. Guo Hong	She ceased to be an officer of the human resources department of the Company

Directors' and supervisors' service contracts

As at 31 December 2018, the Company has not entered into any service contracts with its Directors and supervisors. 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).

Directors and supervisors

Please refer to the section headed "Human Resources Overview" of this annual report for details of the Directors and supervisors during the Year and up to the date of this report (unless otherwise stated).

Interests of Directors and supervisors in contracts of significance

No transaction, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party, and in which any Director or supervisor or their respective connected entities had a material interest, either directly or indirectly, were entered into during the Year or subsisted at any time during the Year.

Directors' and supervisors' benefits from rights to acquire shares or debentures

No arrangements were made by the Company or its holding company, its subsidiaries or the other subsidiaries of its holding company at any time during the Year for any Director or supervisor to acquire benefits by means of the acquisition of any shares in or debentures of the Company or any of its subsidiaries or any other body corporate.

Interests of substantial shareholders in material contracts

Save as disclosed in the section head "Connected Transactions" of 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 their respective subsidiaries.

Equity-linked agreement

The Company did not enter into any equity-linked agreement for the year ended 31 December 2018.

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 conducted appraisal in accordance with the appraisal management method of "overall accountability management and all staff performance 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 14 and 15(c) to the Financial Statements from page 160 to page 163.

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 in Note 40, Note 34, Note 41 and Note 35 to the Financial Statements from page 207 to page 208, page 198 to page 200, page 208 and page 201, respectively, there were no other loans of the Company and its subsidiaries as at 31 December 2018.

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 material 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: '00 million

No.	Terms of Transaction	Annual Caps	Actual Amount
I.	Transactions under the Comprehensive Product and Service Framework Agreement between the Company and CDC		
	(I) Products and services provided by CDC and its subsidiaries to the Company and its subsidiaries		
	1 Procurement of production and infrastructure materials and relevant auxiliary services	38	5.42
	2 Coal supply	470	192.34
	3 Infrastructure EPC contracting	14	5.65
	4 Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	14	6.61
	5 Technological transformation, operations management and repair and maintenance	10	0.86
	6 Technical supervision and technical services	3	1.91
	7 Alternative power generation	0.5	0.06
	8 Insurance underwriting business	0.4	0
	9 Property management and other logistical services	0.31	0.24
	(II) Products and services provided by the Company and its subsidiaries to CDC and its subsidiaries		
	1 Coal supply and coal transportation	145	38.55
	2 Sale of electricity	5	0.01
	3 Alternative power generation	3	0.07
	4 Operations management and repair and maintenance	1.5	0.12
	5 Property lease	0.1	0.02

No.	Terms of Transaction	Annual Caps	Actual Amount
II.	Transaction under the Financial Services Agreement with China Datang Group Finance Co., Ltd.		
	1 The daily balance of the deposits of the China Datang Group Finance Co., Ltd.	150	94.46
III.	Transaction under the Financial Cooperation Service Agreement with Datang Financial Lease Company		
	1 Lease payments with Datang Financial Lease Company	50	5.12
IV.	Transaction under the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company		
	1 Lease payments with Shanghai Datang Financial Lease Company	100	10.63
V.	Franchising of desulfurisation and denitrification		
	1 Franchising fees paid for desulfurisation and denitrification	22.82	21.63
	2 Water, electricity and gas fees received for franchising of desulfurisation and denitrification	5.8	2.11

For related party transactions disclosed in Note 49 to the consolidated financial statements which constituted connected transactions under the Listing Rules, the Company has complied with all the relevant requirements under Chapter 14A of the Listing Rules.

I. Continuing Connected Transactions in 2018

1. During the period from January 2008 to January 2018, certain power generation enterprises of the Company have entered into various Franchising Contracts with Datang Environment Industry Company ("Datang Environment Company", formerly known as Datang Technology Industry Company and China Datang Environmental Technology Company) and its subsidiaries respectively, pursuant to which, certain power generation enterprises of the Company authorised Datang Environment Company respectively to carry out the franchising of the desulfurisation assets or denitrification assets of the corresponding coal-fired power generating units and to operate, maintain and manage the desulfurisation or denitrification facilities during the franchise period. In accordance with the relevant requirements on the franchising of desulfurisation or denitrification in the State, Datang Environment Company shall be entitled to the revenue from the tariffs in respect of desulfurisation or denitrification and shall reimburse and compensate certain power generation enterprises 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 generation enterprises of the Company can give full play to the professional management advantage of Datang Environment Company, enhance the operational efficiency of the desulfurisation and denitrification facilities, reduce the risks concerning environmental protection, and strengthen the Company's profitability. For the year ended 31 December 2018, (i) the total desulfurization and denitrification electricity fees; and (ii) the water, electricity and gas fees for franchising of desulfurisation and denitrification were RMB2,163 million and RMB211 million,

respectively, not exceeding the annual caps as set out in the agreements and revised by the parties on 21 December 2018. For details of the transactions, please refer to relevant announcements of the Company dated 30 October 2017, 18 January 2018, 29 March 2018 and 21 December 2018. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcements.

2. On 30 January 2018, the Company entered into the Comprehensive Product and Service Framework Agreement with CDC. CDC Group agreed to provide products and services (including Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, Coal Supply, Infrastructure EPC Contracting, Technological Transformation, Operations Management and Repair and Maintenance, Technical Supervision and Technical Services, Alternative Power Generation, Sale of Electricity (including sale of water, gas and other resources) and Electricity Entrustment Agency, Insurance Underwriting Business, and Property Management and other Logistical Services) to the Group during the term of the Comprehensive Product and Service Framework Agreement. The Group agreed to provide products and services (including Coal Supply and Transportation, Alternative Power Generation, Sale of Electricity, Operations Management and Repair and Maintenance and Property Lease) to CDC Group during the term of the Comprehensive Product and Service Framework Agreement. This transaction can ensure the Company in obtaining reliable and guaranteed comprehensive products and services, such as coal, materials and services, reducing its operating risks and costs as well as improving work efficiency, which is conductive to the normal commencement of the production and operation of the Company. For the year ended 31 December 2018, the annual caps and actual aggregate transaction amounts are as follows:

1. Products and services to be provided by CDC and its subsidiaries to the Company and its subsidiaries

Unit: '00 million Currency: RMB

No.	Transactions	Annual Caps	Actual Amount
1	Procurement of production and infrastructure materials and relevant auxiliary services	38	5.42
2	Coal supply	470	192.34
3	Infrastructure EPC contracting	14	5.65
4	Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	14	6.61
5	Technological transformation, operations management and repair and maintenance	10	0.86
6	Technical supervision and technical services	3	1.91
7	Alternative power generation	0.5	0.06
8	Insurance underwriting business	0.4	0
9	Property management and other logistical services	0.31	0.24

2. Products and services to be provided by the Company and its subsidiaries to CDC and its subsidiaries

Unit: '00 million Currency: RMB

No.	Transactions	Annual Caps	Actual Amount
1	Coal supply and coal transportation	145	38.55
2	Sale of electricity	5	0.01
3	Alternative power generation	3	0.07
4	Operations management and repair and maintenance	1.5	0.12
5	Property lease	0.1	0.02

During the term of the agreements, all of the aforesaid transaction amounts did not exceed the annual caps as set out in the agreements. For details of the transactions, please refer to the announcements of the Company dated 30 January 2018 and 21 December 2018 and the circular of the Company dated 28 February 2018. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcements.

3. On 1 September 2016, the Company entered into the Financial Cooperation Agreement with Datang Finance Leasing Company Limited ("Datang Lease Company"), a subsidiary of CDC, pursuant to which, the Company shall conduct certain financial leasing arrangements with a transaction amount not exceeding RMB5.0 billion per year with Datang Lease Company for a term of three years commencing from 1 September 2016 to 31 August 2019. The maximum annual transaction amount under the Financial Cooperation Agreement was RMB5.0 billion for every 12 months since 1 September 2016. The entering into of finance leasing arrangements under the Financial Cooperation Agreement enables the Company to further reduce its overall capital costs; with the gradual expansion of finance leasing business among Datang Lease Company, the Company and the relevant units can relieve the passive situation of the finance leasing business of the Company and the relevant units in the past and further enhance the bargaining power of the Company and the relevant units when conducting finance 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 more convenient, effective and efficient finance leasing and factoring products design services for the Company when compared to those services provided by other leasing companies. As of 31 December 2018, the annual transaction amount for conducting finance leasing business by the Company with Datang Lease Company was approximately RMB512 million, and the balance of the financing was RMB3,530 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 1 September 2016. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

4. On 11 November 2016, the Company and Datang Finance Company entered into the Financial Services Agreement with a term commencing from 1 January 2017 to 31 December 2019. 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 with Datang Finance Company should not exceed RMB15,000 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. As of 31 December 2018, the daily balance of the deposits of the Company with Datang Finance Company was RMB9,446 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 11 November 2016. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

5. On 4 July 2018, the Company entered into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company, a controlled subsidiary of 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 commencing from the effective date of the agreement. The relevant arrangements under the Leasing and Factoring Business Cooperation Agreement are beneficial to the Company to obtain financing support and relevant financing services at an interest rate that is equivalent to or lower than the 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 the 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 2018, the annual transaction amount for conducting finance leasing and factoring business by the Company with Shanghai Datang Financial Lease Company was approximately RMB1,063 million, and the balance of the financing was RMB2,720 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 4 July 2018 and the circular of the Company dated 31 July 2018. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

II. Other Connected Transactions in 2018

1. On 18 January 2018, Leizhou Power Generation Company, a subsidiary of the Company, entered into the EPC General Contracting on Coal Transportation System of the "Replacing Small Capacity Units with Large Capacity Ones" Newly-built Project of Guangdong Datang International Leizhou Power Plant Contract with Datang Environment Industry Company, pursuant to which, Leizhou Power Generation Company engaged Datang Environment Industry Company to undertake EPC general contracting on the coal transportation system with transaction amount of RMB385.98329 million. The Company is of the view that Datang Environment Industry Company to undertake contracting services of the EPC Project mainly for the purposes of making the most of its professional advantage in ensuring the on-schedule completion of relevant construction. As of 31 December 2018, the annual aggregate transaction amount incurred was RMB310 million. For details, please refer to the announcement of the Company dated 18 January 2018. Unless otherwise specified, the above-mentioned capitalised terms shall have the same meanings as defined in such announcement.

2. On 16 October 2018, the Company entered into the Capital Increase Agreement with CDC Capital Holding Company, Datang Overseas Company and Datang Renewable Power Company, pursuant to which the parties agreed to make further capital contribution to Datang Finance Leasing Company in proportion to their respective shareholding in Datang Finance Leasing Company. In particular, the Company agreed to make further capital contribution of RMB100 million to Datang Finance Leasing Company. Upon completion of the capital increase, the accumulated amount of capital contribution of the Company to Datang Finance Leasing Company will become RMB500 million, whereas its shareholding in Datang Finance Leasing Company will remain at 20%. The Company is of the view that the increase in capital of Datang Finance Leasing Company will elevate its asset size and financing ability, enhance its growth potential and competitiveness, and enables the Company to obtain a better return on investment. For details, please refer to the announcement of the Company dated 16 October 2018. Unless otherwise specified, the above-mentioned capitalised terms shall have the same meanings as defined in such announcement.

3. On 21 December 2018, the Company waived pre-emptive right to purchase CDC's 46.88% equity interest in Ganzi Hydropower Company that CDC proposed to transfer to Datang Sichuan Company, a wholly-owned subsidiary of CDC. The Company is of the view that the transfer of CDC's 46.88% equity interest in Ganzi Hydropower Company by CDC to Datang Sichuan Company can facilitate the coordination of regional companies, enhance effective allocation of regional resources, develop the ability of "abandon less and develop more" and maximize the economic benefits of Ganzi Hydropower Company. For details, please refer to the announcement of the Company dated 21 December 2018. Unless otherwise specified, the above-mentioned capitalised terms shall have the same meanings as defined in such announcement.

4. On 28 December 2018, the Company and Anhui Electric Power Co., Ltd entered into the Equity Transfer Agreement in respect of the Acquisition. Pursuant to the Equity Transfer Agreement, the Company agreed to purchase, and Anhui Electric Power Co., Ltd. agreed to sell the 1.0595% equity interest in Datang Finance Company, subject to the terms and conditions of the Equity Transfer Agreement, for a total consideration of approximately RMB79,981,900. Upon completion of the Acquisition, the Company will directly hold approximately 16.95% equity interest in Datang Finance Company. The Company is of the view that Datang Finance Company is the premium financial asset invested by the Company. Currently, the Company holds 50% equity interest in Anhui Electric Power Co., Ltd. and only enjoys part of the return from the 1.0595% equity interest in Datang Finance Company

that is directly held by Anhui Electric Power Co., Ltd. After entering into the Equity Transfer Agreement, the Company could enjoy better investment return in the Target Company, which helps increase the investment return of the Company and the profit of the Company attributable to its parent company. For details, please refer to the announcement of the Company dated 28 December 2018. Unless otherwise specified, the above-mentioned capitalised terms shall have the same meanings as defined in such announcement.

The Company has followed the pricing policies and guidelines as specified in its relevant announcements and/or circulars when determining the price and terms of the continuing connected transactions conducted during the year ended 31 December 2018.

The independent non-executive Directors of the Company have reviewed the aforesaid continuing connected transactions, and confirmed that the aforesaid continuing connected transactions have been entered into (1) in the ordinary and usual course of business of the Group; (2) on normal commercial terms or better; and (3) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders and the Company as a whole.

The Company's auditor was engaged to report on its continuing connected transactions for the year ended 31 December 2018 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. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with rule 14A.56 of the Listing Rules, confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (4) have exceeded the cap. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

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 RMB866,732 thousand.

Other significant matters

1. The Company completed the non-public issuance of H-Shares on 19 March 2018, issuing 2,794,943,820 H-Shares with gross proceeds of approximately HK$6,222 million raised; and completed the non-public issuance of A-Shares on 23 March 2018, issuing 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised.

2. On 6 December 2017, the Company entered into the "Equity Transfer Agreement between CDC and Datang International Power Generation Co., Ltd. Regarding the Equity in Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd." with CDC to acquire the entire equity interest of Datang Hebei Power Generation Co., Ltd., the entire equity interest of Datang Heilongjiang Power Generation Co., Ltd. and the entire equity interest of Datang Anhui Power Generation Co., Ltd. held by CDC at the aggregate consideration of approximately RMB18,131 million. The above transaction was considered and approved at the 2018 first extraordinary general meeting of the Company convened on 16 March 2018 and was completed on 1 April 2018.

3. During the reporting period, the Company issued the perpetual bonds of RMB5 billion in total for debt investment scheme with Taikang Asset Management Co., Ltd. (泰康資產管理有限責任公司) and Pacific Asset Management Co., Ltd. respectively.

Compliance of the Model Code

The Company has adopted the code of conduct regarding the directors' securities transactions on terms no less extracting than the required standard set out in the Model Code. Upon specific enquiries made to all Directors and in accordance with information provided, the Board confirmed that all Directors have complied with the Model Code during the Year.

Independent non-executive directors

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

Auditors

On 28 June 2018, Ruihua CPAs (Special) LLP and RSM Hong Kong ceased to be the domestic and international auditors, respectively, of the Company upon expiry of their term of service.

ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited were appointed and elected by the Shareholders as the domestic and overseas auditors of the Company, respectively, at the annual general meeting of the Company with effect from 28 June 2018.

By order of the Board
Chen Feihu
Chairman

28 March 2019

Report of the Supervisory Committee

Dear supervisors,

In 2018, 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 Rules of Procedure of the Supervisory Committee Meeting of Datang International Power Generation Co., Ltd. (the "Rules of Procedure of the Supervisory Committee Meeting") 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 with promotion in lawful and compliant operation of the Company. In 2018, 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 examined the Company's operation and financial position from time to time, 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 2018 is as follows:

I. Supervisory Committee Meetings

No	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
1	The 14th meeting of the ninth session of Supervisory Committee	On 29 March 2018	Meeting by communication means	Considered and approved the Work Report of the Supervisory Committee for Year 2017, the Resolution on the Financial Report for the Year 2017, the Resolution on the 2018 Financial Budget Proposal, the Resolution on 2017 Profit Distribution Proposal, the Resolution on Provisions for Asset Impairment of Certain Subsidiaries, the Explanation on the Publication of 2017 Annual Report, the Resolution on Replacement of the Advanced Investment Fund Funded by the Company's Internal Resources with the Proceeds Raised and the Resolution on the Evaluation Report on Internal Control and the Audit Report of the Company for 2017
2	The 15th meeting of the ninth session of Supervisory Committee	On 24 April 2018	Meeting by communication means	Considered and approved the Resolution on the 2018 First Quarterly Report
3	The 16th meeting of the ninth session of Supervisory Committee	On 24 August 2018	Meeting by communication means	Considered and approved the Resolution in Relation to the Announcement of the 2018 Interim Report, the Resolution on the Changes in Accounting Policies and the Resolution on the 2018 Interim Special Report Regarding Deposit and Actual Use of Proceeds of the Company

No	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
4	The 17th meeting of the ninth session of Supervisory Committee	On 29 October 2018	Meeting by communication means	Considered and approved the Resolution on 2018 Third Quarterly Report
5	The 18th meeting of the ninth session of Supervisory Committee	On 5 December 2018	Meeting by communication means	Considered and approved the Resolution on the Governance Proposal of the Renewable Resource Company relating to the Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties

II. 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 2018 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 2018 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. Use of Proceeds of the Company

During the reporting period, the Company has strictly complied with relevant requirements as prescribed by the "Management Rules on the Funds Raised by Companies Listed in the Shanghai Stock Exchange", the"Rules Governing the Funds Raised Datang International Power Generation Company Limited" to standardized the use of proceeds in accordance with the plan on the use of proceeds. There was no change in the proceeds-financed project or de facto changes in the use of proceeds; The Company has promptly, truly, accurately and fully disclosed the information in relation to the use and deposit of proceeds without any non-compliance in the management of proceeds.

4. Connected Transactions of the Company

During the reporting period, major connected transactions conducted by the Company primarily concerned procurement of production or construction materials, sale and purchase of fuels, coal transportation, technical services, alternative power generation, franchising in respect of the desulfurization assets or denitrification assets, construction and installation services, maintenance and inspection services, financial support and finance lease. After verification, the Supervisory Committee is of the opinion that the connected transactions of the Company in 2018 were conducted on normal commercial terms and 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 of 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 2018 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 believes that the evaluation procedure of the internal control of the Company was in compliance with the "Basic Standards of Enterprise Internal Control" and other relevant requirements, and the "Evaluation Report on Internal Control for 2018" of the Company truthfully and objectively reflected the conditions on the establishment and operation of the internal control system of the Company. The Company has practically complied with the basic principles of internal control, established comprehensive internal control procedures and system and proactively carried out risk assessment and internal control evaluation. As at the benchmark date of the Evaluation Report on Internal Control, no material defects or important defects of internal control over financial reporting or non-financial reporting were identified.

The Supervisory Committee agreed with the unqualified audit report on internal control issued by ShineWing Certified Public Accountants.

III. Work Plan for 2019

In 2019, the Supervisory Committee of the Company will continue to follow the Company Law, the Articles of Association, and the "Order of Meeting of the Supervisory Committee" of the Company. In the spirit of being accountable to all shareholders and employees of the Company, the Supervisory Committee will continue to exercise effective supervision over the Company's major decisions through ways such as attending (or attending as observers) Board meetings and relevant important business meetings of the Company, as well as to periodically examine the Company's financial position and internal control, supervise the performance of duties fulfillment of directors and senior management of the Company, and ensure the lawful and compliant operation of the Company. Members of the Supervisory Committee will also continue to improve their political quality and operational capacity by studying relevant laws and regulations, so as to perform their function of supervision.

Datang International Power Generation Co., Ltd.
Supervisory Committee
28 March 2019

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 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 subject to certain requirements being met.

An individual Relevant Shareholder will be subject to income tax on dividends he/she receives above an annual £2,000 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 subject to the relevant conditions being met. 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. There may be exemptions or reliefs available for qualifying Relevant Shareholders.

信永中和 ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DATANG INTERNATIONAL POWER GENERATION CO., LTD
大唐國際發電股份有限公司
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Datang International Power Generation Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 95 to 239, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Federation of Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (Continued)

Recognition of deferred tax assets

Refer to Note 37 to the consolidated financial statements and the accounting policies on Note 4.

The key audit matter	How the matter was addressed in our audit
The carrying amount of the deferred tax assets as at 31 December 2018 is RMB4,088,785,000, of which RMB3,195,809,000 (after offsetting against the deferred tax liabilities) is deductible tax losses. These deductible tax losses primarily arise in the Company. Management has concluded that it is probable that the Company will have sufficient taxable profit to utilise the deductible tax losses based on the profit forecast prepared by the Company. The profit forecast was prepared on the basis of the accounting policies consistently adopted by the Group and reasonable and supportable assumptions which require significant management estimation.	Our procedures were designed to review the management's assessment of the recognition of deferred tax assets. The procedures included: – discussed with the Company's tax specialist to determine the basis and calculations of the deductible tax losses. – assessed the assumptions and critical judgement used by the management in the Profit Forecast based on our knowledge of the business and industry. – considered the recognition of the deferred tax assets in respect of the tax losses was limited to the extent of the future taxable profit available to utilise the deductible tax losses.

KEY AUDIT MATTERS (Continued)

Impairment of property, plant and equipment

Refer to Note 18 to the consolidated financial statements and the accounting policies on Note 4.

The key audit matter	How the matter was addressed in our audit
The carrying amount of property, plant and equipment as at 31 December 2018 is RMB217,426,346,000. Certain subsidiaries of the Group under power generation segment and other segments incurred losses in year ended 31 December 2018. This has increased the risk that the carrying values of property, plant and equipment attributable to those cash generating units may be impaired. Management has concluded that impairment losses of approximately RMB426,368,000 has been made to reduce the carrying amounts of certain property, plant and equipment. The recoverable amount of the relevant assets has been determined based on a value in use calculation through discounting the estimated future cash flows generated from the relevant assets to the present value. In estimating the aforesaid recoverable amount, management is required to consider all relevant factors with reasonable and supportable assumptions to make significant accounting estimations with inherent level of complexity. The extent of judgement and the size of the property, plant and equipment resulted in this matter being identified as a key audit matter.	Our procedures in relation to management's impairment assessment of property, plant and equipment included: – understanding the internal control of the Group relating to the identification of the indicators of the impairment of property, plant and equipment and the estimation of their recoverable amounts; – evaluating whether any indicators of impairment existed including physically inspecting the related property, plant and equipment and carrying out observation procedures in order to understand any problem relating to lagged technology and long-term idle and the condition of loading rate; – reconciling input data to supporting evidence, such as approved budgets and considering the accuracy of previous budgets; and – assessing the reasonableness of key assumptions used by management in the cash flow projections based on our knowledge of the business and industry.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 29 March 2018.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Chuen Fai.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589

Hong Kong
28 March 2019

Consolidated Statement of Profit or Loss

For the Year Ended 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000 (Restated)
Operating revenue	8	93,389,625	84,185,072
Operating costs			
Fuel for power and heat generation		(48,997,302)	(44,927,005)
Depreciation		(13,805,078)	(13,249,351)
Repairs and maintenance		(2,786,687)	(2,412,694)
Salaries and staff welfare	13	(5,707,470)	(5,158,990)
Local government surcharges		(1,369,607)	(1,151,783)
Others		(11,355,042)	(9,671,551)
Total operating costs		(84,021,186)	(76,571,374)
Operating profit		9,368,439	7,613,698
Shares of profits of associates		1,754,780	1,054,686
Shares of losses of joint ventures		(397,315)	(134,976)
Investment income		162,476	325,504
Other gains	9	822,183	804,693
Interest income		102,262	68,549
Finance costs	11	(7,647,028)	(6,873,777)
Profit before tax		4,165,797	2,858,377
Income tax expense	12	(1,378,178)	(677,859)
Profit for the year	13	2,787,619	2,180,518
Profit for the year attributable to:			
Owners of the Company		1,232,240	1,494,723
Non-controlling interests		1,555,379	685,795
		2,787,619	2,180,518
Earnings per share			
Basic and diluted (RMB cents)	17	7.16	11.23

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	2018 RMB'000	2017 RMB'000 (Restated)
Profit for the year	2,787,619	2,180,518
Other comprehensive (expenses) income:		
Items that may be reclassified to profit or loss:		
Fair value gain on available-for-sale financial assets	–	88,885
Shares of other comprehensive income of associates	–	(19,948)
Exchange differences on translating foreign operations	12,951	(5,042)
Income tax on items that may be reclassified to profit or loss	–	158
Items that will not be reclassified to profit or loss:		
Fair value loss on investments in equity instruments at fair value through other comprehensive income	(249,750)	–
Other comprehensive (expenses) income for the year, net of tax	(236,799)	64,053
Total comprehensive income for the year	2,550,820	2,244,571
Total comprehensive income for the year attributable to:		
Owners of the Company	994,601	1,558,776
Non-controlling interests	1,556,219	685,795
	2,550,820	2,244,571

Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Non-current assets				
Land use rights	18	**2,909,576**	2,789,497	3,040,349
Property, plant and equipment	18	**217,426,346**	215,859,037	215,876,791
Investment properties	19	**647,875**	621,793	561,595
Intangible assets	20	**2,044,863**	2,089,712	2,104,646
Interests in associates	21	**16,032,194**	14,471,540	8,968,990
Interests in joint ventures	22	**690,359**	1,312,160	6,629,938
Available-for-sale financial assets	23	**–**	4,910,913	5,407,866
Financial instruments at fair value through profit or loss	23	**4,311,248**	–	–
Equity instruments at fair value through other comprehensive income	23	**1,111,779**	–	–
Long-term entrusted loans to an associate	24	**122,451**	133,386	125,188
Deferred tax assets	37	**4,088,785**	4,087,865	3,493,948
Other non-current assets	25	**4,079,406**	5,037,838	4,357,448
		253,464,882	251,313,741	250,566,759
Current assets				
Inventories	26	**4,639,385**	4,202,383	3,814,358
Trade and notes receivables	27	**13,773,055**	12,785,760	10,296,252
Prepayments and other receivables	28	**4,660,941**	4,030,062	4,979,873
Tax recoverable		**163,805**	230,465	418,576
Current portion of other non-current assets	25	**6,509**	76,188	11,656
Cash and cash equivalents and restricted deposits	29	**11,541,749**	6,484,061	6,175,939
		34,785,444	27,808,919	25,696,654
Current liabilities				
Trade payables and accrued liabilities	39	**26,021,443**	29,096,719	26,590,748
Contract liabilities	39	**1,048,738**	–	–
Consideration payable	48	**191,216**	–	–
Taxes payables		**1,392,003**	1,065,363	1,126,009
Dividends payables		**1,725,614**	357,207	633,461
Short-term loans	40	**24,771,641**	27,684,424	13,199,736
Short-term bonds	41	**11,000,000**	–	14,482,902
Current portion of non-current liabilities	34,35,38	**26,007,217**	18,044,525	12,285,068
		92,157,872	76,248,238	68,317,924
Net current liabilities		**(57,372,428)**	(48,439,319)	(42,621,270)
		196,092,454	202,874,422	207,945,489

Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Capital and reserves				
Share capital	30	**18,506,711**	13,310,038	13,310,038
Reserves	32	**26,968,351**	38,936,799	37,644,729
		45,475,062	52,246,837	50,954,767
Non-controlling interests		**20,014,759**	19,831,908	20,540,370
Perpetual bonds	33	**5,000,000**	–	–
Total equity		**70,489,821**	72,078,745	71,495,137
Non-current liabilities				
Long-term loans	34	**105,648,543**	103,816,613	105,945,587
Long-term bonds	35	**8,966,309**	15,743,253	16,721,352
Deferred income	36	**2,564,376**	2,763,104	2,834,039
Deferred tax liabilities	37	**731,253**	544,546	563,261
Other non-current liabilities	38	**7,692,152**	7,928,161	10,386,113
		125,602,633	130,795,677	136,450,352
		196,092,454	202,874,422	207,945,489

The consolidated financial statements on pages 95 to 239 were approved and authorised for issue by the board of directors on 28 March 2019 and are signed on its behalf by:

WANG Xin	**YING Xuejun**
Director	*Director*

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2018

	Attributable to the owners of the Company												
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Discretionary surplus reserve RMB'000	Restricted reserve RMB'000	Foreign currency translation reserve RMB'000	Available-for-sale financial assets revaluation reserve RMB'000	Other reserve RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2017, as previously reported	13,310,038	9,910,838	4,992,897	–	15,504,876	12,290	47,523	49,256	642,751	(4,486,148)	39,984,321	18,844,672	58,828,993
Effect of business combinations under common control (Note 48)	–	63,473	64,034	9,523,374	–	–	–	–	–	1,319,565	10,970,446	1,695,698	12,666,144
At 1 January 2017, as restated	13,310,038	9,974,311	5,056,931	9,523,374	15,504,876	12,290	47,523	49,256	642,751	(3,166,583)	50,954,767	20,540,370	71,495,137
Profit for the year	–	–	–	–	–	–	–	–	–	1,494,723	1,494,723	685,795	2,180,518
Other comprehensive income for the year:													
– Fair value gain on available-for-sale financial assets	–	–	–	–	–	–	–	88,885	–	–	88,885	–	88,885
– Share of other comprehensive income of associates	–	–	–	–	–	–	–	(19,790)	–	–	(19,790)	–	(19,790)
– Exchange differences on translating foreign operations	–	–	–	–	–	–	(5,042)	–	–	–	(5,042)	–	(5,042)
Total comprehensive (expense) income for the year	–	–	–	–	–	–	(5,042)	69,095	–	1,494,723	1,558,776	685,795	2,244,571
Capital injections from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	450,979	450,979
Common control entities equity movements	–	–	106,929	–	–	–	–	–	–	(106,929)	–	–	–
Transfer from surplus reserves	–	–	–	–	(8,665,490)	–	–	–	–	8,665,490	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	(1,777,685)	(1,777,685)
Capitalisation of long-term loan (Note 42(b))	–	–	–	27,950	–	–	–	–	–	–	27,950	–	27,950
Others	–	(371,775)	–	–	–	–	–	–	(563)	77,682	(294,656)	(67,551)	(362,207)
At 31 December 2017, as restated	13,310,038	9,602,536	5,163,860	9,551,324	6,839,386	12,290	42,481	118,351	642,188	6,964,383	52,246,837	19,831,908	72,078,745

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2018

	Attributable to the owners of the Company														
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Discretionary surplus reserve RMB'000	Restricted reserve RMB'000	Foreign currency translation reserve RMB'000	FVTOCI reserve RMB'000	Available for-sale financial assets revaluation reserve RMB'000	Other reserves RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000	Perpetual bonds RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2018, as previously reported	13,310,038	9,907,511	4,992,897	-	6,839,386	12,679	42,481	-	118,351	648,977	5,887,028	41,759,348	-	18,425,484	60,184,832
Effect of business combinations under common control (Note 48)	-	(304,975)	170,963	9,551,324	-	(389)	-	-	-	(6,789)	1,077,355	10,487,489	-	1,406,424	11,893,913
At 1 January 2018, as restated	13,310,038	9,602,536	5,163,860	9,551,324	6,839,386	12,290	42,481	-	118,351	642,188	6,964,383	52,246,837	-	19,831,908	72,078,745
IFRS 9 adjustment on retained profits (Note 3)	-	-	-	-	-	-	-	(46,197)	(118,351)	-	462,975	298,427	-	(34,315)	264,112
At 1 January 2018, as restated	13,310,038	9,602,536	5,163,860	9,551,324	6,839,386	12,290	42,481	(46,197)	-	642,188	7,427,358	52,545,264	-	19,797,593	72,342,857
Profit for the year	-	-	-	-	-	-	-	-	-	-	1,232,240	1,232,240	-	1,555,379	2,787,619
Other comprehensive income (expense) for the period:															
– Exchange differences on translating foreign operations	-	-	-	-	-	-	12,111	-	-	-	-	12,111	-	840	12,951
– Fair value loss on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(249,750)	-	-	-	(249,750)	-	-	(249,750)
Total comprehensive income (expense) for the year	-	-	-	-	-	-	12,111	(249,750)	-	-	1,232,240	994,601	-	1,556,219	2,550,820

	Attributable to the owners of the Company														
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Discretionary surplus reserve RMB'000	Restricted reserve RMB'000	Foreign currency translation reserve RMB'000	FVTOCI reserve RMB'000	Available for-sale financial assets revaluation reserve RMB'000	Other reserves RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000	Perpetual bonds RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Issue of ordinary shares (Note 30)	5,196,673	8,132,663	-	-	-	-	-	-	-	-	-	13,329,336	-	-	13,329,336
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	487,537	487,537
Acquisition of non-controlling interest (Note 42c)	-	(1,312,412)	-	-	-	-	-	-	-	-	-	(1,312,412)	-	1,289,918	(22,494)
Transfer to statutory surplus reserve	-	-	730,418	-	-	-	-	-	-	-	(730,418)	-	-	-	-
Transfer to discretionary surplus reserve	-	-	-	-	1,128,101	-	-	-	-	-	(1,128,101)	-	-	-	-
Payment for business combination under common control	-	-	-	(18,131,114)	-	-	-	-	-	-	-	(18,131,114)	-	-	(18,131,114)
Others	-	-	-	-	-	-	-	-	-	-	(285,009)	(285,009)	-	-	(285,009)
Issue of perpetual bonds	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	-	5,000,000
Dividend paid	-	-	-	-	-	-	-	-	-	-	(1,665,604)	(1,665,604)	-	(3,116,508)	(4,782,112)
At 31 December 2018	18,506,711	16,422,787	5,894,278	(8,579,790)	7,967,487	12,290	54,592	(295,947)	-	642,188	4,850,466	45,475,062	5,000,000	20,014,759	70,489,821

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2018

	Note	2018 RMB'000	2017 RMB'000 (Restated)
OPERATING ACTIVITIES			
Cash from operations	42(a)	**19,151,861**	21,833,328
Income tax paid		**(908,898)**	(1,010,044)
Interest received		**102,262**	68,549
Net cash generated from operating activities		**18,345,225**	20,891,833
INVESTING ACTIVITIES			
Withdrawal of restricted bank balances		**321,146**	–
Placement of restricted bank balances		**–**	(401,662)
Additions to property, plant and equipment		**(12,978,273)**	(11,612,182)
Additions to land use rights		**(234,516)**	(75,849)
Additions to investment properties		**(58,038)**	(106,632)
Additions to intangible assets		**(55,560)**	(39,325)
Increase in investments in associates		**(225,288)**	(40,000)
Increase in investments in joint ventures		**(95,580)**	(117,000)
Dividend received from associates		**714,667**	880,873
Decrease/ (increase) in current portion of long-term entrusted loans to an associate		**10,935**	(8,198)
Dividend received from equity investments		**160,912**	322,550
Purchase of equity investments		**(132,847)**	(134,700)
Proceeds from disposals of available-for-sale financial assets		**–**	409,250
Net cash inflow from disposal of subsidiaries		**–**	23,641
Others		**24,813**	17,910
Net cash used in investing activities		**(12,547,629)**	(10,881,324)

	Note	2018 RMB'000	2017 RMB'000 (Restated)
FINANCING ACTIVITIES			
Capital injections from non-controlling interests		**487,537**	450,979
Proceeds from issue of shares		**13,329,336**	–
Proceeds from issue of perpetual bonds		**5,000,000**	–
Raise of new long term loans		**19,898,474**	15,044,286
Repayment of long term loans		**(15,439,949)**	(12,992,870)
Raise of new short term bonds		**11,000,000**	177,000
Repayment of short term bonds		**–**	(14,785,000)
Raise of new long term bonds		**19,491**	21,501
Repayment of long term bonds		**(599,758)**	–
Raise of new short term loans		**–**	47,187,518
Repayment of short term loans		**(2,912,783)**	(32,702,830)
Repayment for acquisition of subsidiaries under common control		**(17,939,898)**	–
Dividends paid to owners of the Company		**(1,665,604)**	–
Dividends paid to non-controlling interests		**(1,748,101)**	(1,777,685)
Repayment to obligations under finance leases		**(1,374,325)**	(2,989,609)
Interest paid		**(8,513,760)**	(7,897,526)
Others		**40,578**	160,187
Net cash used in financing activities		**(418,762)**	(10,104,049)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**5,378,834**	(93,540)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**6,054,716**	6,148,256
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, REPRESENTED BY BANK BALANCES AND CASH	29	**11,433,550**	6,054,716

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 shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong (the"Hong Kong Stock Exchange") ("H shares") on 21 March 1997, the London Stock Exchange on 21 March 1997, and the Shanghai Stock Exchange ("A shares") on 20 December 2006. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

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 is also engaged in coal trading and other business.

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

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency 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 Hong Kong Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

During the year ended 31 December 2018, the Group acquired certain entities which were under common control of China Datang before and after the business combinations. The Company applies the principles of merger accounting in preparing the consolidated financial statements of the Group. Details of accounting policy are set out below in Note 4.

The effects of business combinations involving entities under common control, together with certain elimination adjustments on the results and the consolidated financial position of the Group are disclosed in Note 48.

2. BASIS OF PREPARATION (Continued)

At 31 December 2018, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2018, the Group had net current liabilities of approximately RMB57,372,428,000. The Group had significant undrawn borrowing facilities, subject to certain conditions, of not less than RMB200 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.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised IFRSs, which include IFRSs, IASs, amendments and Interpretations issued by the IASB.

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and related Amendments
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of Annual Improvements to IFRSs 2014 – 2016 Cycle
Amendments to IAS 40	Transfers of Investment Property
IFRIC-Interpretation 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of other new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 superseded IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 January 2018) with the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 Revenue.

The Group's accounting policies for its revenue streams are disclosed in detail in Note 4 below.

The impact of transition to IFRS 15 was insignificant on the retained earnings at 1 January 2018.

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

IFRS 15 Revenue from Contracts with Customers (Continued)

The amount of adjustment on relevant financial statement line item of the consolidated statement of financial position at 1 January 2018 affected by the application of IFRS 15 is illustrated below. Line items that were not affected by the changes have not been included.

	Trade payables and accrued liabilities RMB'000	Contract liabilities RMB'000
At 31 December 2017, as previously reported	22,508,332	–
Effect of business combinations under common control	6,588,387	–
At 31 December2017, as restated	29,096,719	–
Impact on adoption of IFRS 15 – Reclassification	(928,328)	928,328
At 1 January 2018	28,168,391	928,328

From time to time, the Group receives advances from customers upon signing the contracts. As such, at 1 January 2018, the carrying amount of advance payment from customers of approximately RMB928,328,000 was reclassified to contract liabilities.

Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 December 2018 as a result of the adoption of IFRS 15 on 1 January 2018

The following table summarises the estimated impact of applying IFRS 15 on the consolidated statement of financial position at 31 December 2018, by comparing the amounts reported under IAS 11, IAS 18 and related interpretations that were in effect before the change. Line items that were not affected by the adjustments have not been included. The adoption of IFRS 15 did not have material impact on the Group's results as well as operating, investing and financing cash flows. Impact on the consolidated statement of financial position at 31 December 2018 is as follows:

	Trade payables and accrued liabilities RMB'000	Contract liabilities RMB'000
At 31 December 2018, as reported	26,021,443	1,048,738
Impact on adoption of IFRS 15	1,048,738	(1,048,738)
At 31 December 2018 without adoption of IFRS 15	27,070,181	–

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

IFRS 9 Financial instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied IFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 January 2018) in accordance with the transition provisions under IFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets on initial application are recognised in retained earnings and other components of equity as at 1 January 2018.

The Group's accounting policies for the classification and measurement of financial instruments and the impairment of financial assets are disclosed in detail in Note 4 below.

Classification and measurement of financial instruments

The directors of the Company reviewed and assessed the Group's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement:

Equity investments previously classified as available-for-sale investments carried at fair value

The Group elected to present in other comprehensive income for the fair value changes of its listed equity investments of RMB279,289,000 previously classified as available-for-sale investments and measured at fair value under IAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of IFRS 9, cumulative net fair value gain relating to these listed equity investments recognised in available-for-sale financial assets revaluation reserve of RMB118,351,000 were reclassified to FVTOCI reserve.

Equity investments previously classified as available-for-sale investments carried at cost less impairment

From available-for-sale equity investments to fair value through other comprehensive income ("FVTOCI")

The Group elected to present in other comprehensive income for the fair value changes of its unquoted equity investments of RMB1,233,093,000 previously classified as available-for-sale investments and measured at cost less impairment under IAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of IFRS 9, fair value loss of RMB243,479,000 relating to these unquoted equity investments were adjusted to FVTOCI reserve and non-controlling interests as at 1 January 2018 as to RMB164,548,000 and RMB78,931,000 respectively.

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

IFRS 9 Financial instruments (Continued)

Classification and measurement of financial instruments (Continued)

Equity investments previously classified as available-for-sale investments carried at cost less impairment (Continued)

From available-for-sale equity investments to fair value through profit or loss ("FVTPL")

At the date of initial application of IFRS 9, the Group's equity investments of RMB3,398,531,000 were reclassified from available-for-sale investments to financial assets at FVTPL. The cumulative fair value gain of RMB630,349,000 and resulted deferred tax liabilities of RMB122,758,000 relating to these equity investments were adjusted to retained earnings and non-controlling interests as at 1 January 2018 as to RMB462,975,000 and RMB44,616,000 respectively.

All financial liabilities measured at amortised cost under IAS 39 continued to be measured at amortised cost under IFRS 9.

Loss allowance for expected credit losses ("ECL")

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss model with a forward-looking ECL model. As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets and other items subject to ECL for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9.

As at 1 January 2018, no additional allowance on the Group's financial assets have been recognised.

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

Summary of effects arising from initial application of IFRS 9

The table below summarises the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for certain class of the Group's financial assets and reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on 1 January 2018.

	Available-for-sale investments RMB'000	Financial instruments at FVTPL RMB'000	Equity instruments at FVTOCI RMB'000	Deferred tax liabilities RMB'000	Available for-sale financial assets revaluation reserve RMB'000	FVTOCI reserve RMB'000	Retained earnings RMB'000	Non-controlling interest RMB'000
Closing balance at 31 December 2017, restated – IAS 39 (Note)	4,910,913	–	–	(544,546)	(118,351)	–	(6,964,383)	(19,831,908)
Effect arising from initial application of IFRS 9								
Reclassification:								
From available-for-sale	(4,910,913)	3,398,531	1,512,382	–	118,351	(118,351)	–	–
Remeasurement								
From cost less impairment to fair value	–	630,349	(243,479)	(122,758)	–	164,548	(462,975)	34,315
Opening balance at 1 January 2018	–	4,028,880	1,268,903	(667,304)	–	46,197	(7,427,358)	(19,797,593)

Note: The amounts had been restated to reflect the adoption of merger accounting in relation to the combination set out in Note 48.

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

New and revised IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs and interpretation that have been issued but are not yet effective:

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[2]
Amendments to IFRS 3	Definition of a Business[4]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1 and IAS 8	Definition of Material[5]
Amendments to IAS 19	Employee Benefits[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
IFRIC – Interpretation 23	Uncertainty over Income Tax Treatments[1]
Amendments to IFRS	Annual Improvements to IFRSs 2015-2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after 1 January 2021.
3 Effective date not yet been determined.
4 Effective for business combinations and assets acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
5 Effective for annual periods beginning on or after 1 January 2020.

The directors of the Company anticipate that, except as described below, the application of the other new and revised IFRSs will have no material impact on the results and the financial position of the Group.

IFRS 16 Leases

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

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

IFRS 16 Leases (Continued)

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of IAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 will supersede the current lease standards including IAS 17 Leases and the related interpretations when it becomes effective.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately RMB132,963,000 as disclosed in Note 46. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. In addition, the application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. The standard will affect primarily the accounting for the Group's operating leases. The directors of the Company are in the process to determine the amounts of right-of-use assets and lease liabilities to be recognised in the consolidated statement of financial position, after taking into account all practical expedients and recognition exemption under IFRS 16. The new standard will therefore result in an increase in right-of-use assets and an increase in payment obligation liabilities in the consolidated statement of financial position. In the consolidated statement of profit or loss, as a result, the operating lease expense under otherwise identical circumstances will decrease, while depreciation and amortisation and the interest expense will increase. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

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 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.

Basis of 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 deconsolidated 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 Group'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.

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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale).

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

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 statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement 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 statement 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 2018 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition of business other than business combination under common control 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.

Interests in associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions 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, including potential voting right held by other entities, 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.

Interests 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 the 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 statement of profit or loss and consolidated statement of 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in 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 statement of profit or loss and consolidated statement of 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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,000 ("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 measured.

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

iii. Translation on consolidation

The results and financial position of all the Group's 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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

iii. Translation on consolidation (Continued)

– 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 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.

Prepaid lease payments on land use right

Payment for obtaining land use right is considered as prepaid operating lease payment. Land use rights are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to consolidated statement of profit or loss over the period of the rights or the term of the respective enterprise to which the land use rights are granted, whichever is the shorter, using the straight-line method.

Prepaid lease payments represented land use rights held for use in the production or supply of goods, or for administrative purposes.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services or for administrative purpose (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 incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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:

Buildings and structures	8 – 45 years
Electricity utility plants	4 – 35 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.

Investment properties

Investment properties are 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Group as lessee

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.

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.

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

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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
Computer software	2 – 9 years
Others	10 years

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.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Under IFRS 9 (applicable on or after 1 January 2018)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Financial assets (Continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Investment income' line item in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

– Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

– Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other gains" line item. Fair value is determined in the manner described in Note 7.

A financial asset is held for trading if:

– it has been acquired principally for the purpose of selling it in the near term; or

– on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

– it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade and notes receivables, other receivables, cash and cash equivalents and restricted deposits) that are measured at amortised cost and also on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument (for stage 2 and stage 3). In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date (for stage 1). Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor;

– significant increases in credit risk on other financial instruments of the same debtor;

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 9 (applicable on or after 1 January 2018) (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the amortised cost of a financial liability.

Derecognition

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Before application of IFRS 9 on 1 January 2018

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and notes receivables, other receivables and cash and cash equivalents and restricted deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for the short-term receivables where the recognition of interest would be immaterial.

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 available-for-sale financial assets 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Before application of IFRS 9 on 1 January 2018 (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as account receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit periods granted to individual customers, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Before application of IFRS 9 on 1 January 2018 (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and notes receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade and notes receivables and other receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of available-for-sale financial asset revaluation reserve.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Before application of IFRS 9 on 1 January 2018 (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade payables and accrued liabilities, considerable payable, dividend payables, short-term and long-term loans and bonds are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 15 (applicable on or after 1 January 2018)

Revenue recognition

Revenue is recognised to depict the transfer of promised goods and services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services to a customer. Specifically, the Group uses a five-step approach to recognise revenue:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligations is transferred to customer.

A performance obligation represents a good (or a bundle of goods) that is distinct or a series of distinct goods that are substantially the same.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under IFRS 15 (applicable on or after 1 January 2018) (Continued)

Revenue recognition (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

– the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

– the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Descriptions of the Group's performance obligations in contracts with customers and significant judgments applied in revenue recognition are as follows:

(a) Sales of electricity

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

A receivable is recognised when the electricity is transmitted as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Payment of the transaction price is usually due within one month of the date when control of the products is transferred to the customer.

(b) Sales of coal and other goods

Revenue from the sales of coal and other goods is recognised when the control of goods to customers, which is the date when the goods are either picked up at site or free on board, is transferred, or delivered to the designated locations and accepted by the customers.

A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Payment of the transaction price is usually due within one month of the date when control of the products is transferred to the customer.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable for goods sold in the normal course of business, net of sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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. 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.

iii. Short-term benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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 in "other gains" on a straight-line basis over the useful lives of the related assets.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 before tax as reported in the consolidated statement of profit or loss 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)

Impairment of non-financial asset

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.

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.

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 SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

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.

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.

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 nonstrategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2018 was RMB217,426,346,000 (31 December 2017 (restated): RMB215,859,037,000).

5. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

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 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 fuel prices. Changes of assumptions in electricity and fuel prices could affect the result of property, plant and equipment impairment assessment.

During the year, impairment losses of RMB426,368,000 (2017 (restated): RMB20,240,000) were recognised.

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 certain of its power plant construction projects. The ultimate approval from the NDRC on these projects is a critical estimate and judgement of the directors of the Company. 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 of the Company 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.

Impairment of intangible assets including goodwill

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units in which the goodwill and other intangible assets are allocated, and a suitable discount rate in order to calculate the present value.

5. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of intangible assets including goodwill (Continued)

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. Changes of assumptions could affect the impairment assessment and recoverable amount of the cash-generating units.

At 31 December 2018, the carrying amount of goodwill was RMB899,886,000 (31 December 2017 (restated): RMB954,118,000) and impairment loss of RMB54,232,000 (2017: nil) was recognised during the year. No impairment losses was recognised in respect of other intangible assets amounting to RMB1,144,977,000 (2017 (restated): RMB1,135,594,000). Details of the impairment assessment are provided in Note 20 to the consolidated financial statements.

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 which would be recognised in profit or loss for the period in which such a reversal take place.

As at 31 December 2018, the carrying amount of deferred tax assets was RMB4,088,785,000 (2017 (restated): RMB4,087,865,000.)

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 2018, the carrying amount of inventories is RMB4,639,385,000 (2017 (restated): RMB4,202,383,000) in which allowance for inventories amounted to RMB4,786,000 (2017 (restated): RMB306,675,000) was made.

5. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Allowance for trade and note receivables

Starting from 1 January 2018, the Group recognises lifetime ECL for trade and note receivables based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The amount of the impairment loss based on the ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2018, the carrying amount of trade and note receivables was RMB13,773,055,000 (2017 (restated): RMB12,785,760,000), in which loss allowance of trade and note receivables was RMB906,948,000.

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 ended 31 December 2018, income tax of RMB1,378,178,000 (2017 (restated): RMB677,859,000) was charged to profit or loss.

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.

Market risk

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's entities.

Other price risk

The Group was exposed to other price risk in relation to its listed equity instruments. The directors of the Company considered the Group's exposure to other price risk on these instruments was insignificant. Accordingly, no other price risk sensitivity analysis is presented.

Credit risk

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position, as well as the amount of financial guarantee provided by the Group as disclosed in Note 44. The Group's credit risk is primarily attributable to its bank deposits and accounts receivables.

The Group maintains most of its bank deposits in several major government-related financial institutions in the PRC. 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)

Credit risk (Continued)

With regard to trade 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 trade receivables arising from coal 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. The impairment assessments are set out in Note 27.

At 31 December 2018, trade and notes receivables due from the top five debtors amounted to RMB4,782,750,000 (2017: RMB4,380,936,000), representing 35% (2017: 34%) of the total trade and notes receivables. Except for trade and notes receivables, the Group has no significant concentrations of credit risk.

In respect of other receivables, management makes periodic collective assessments as well as individual assessment on their recoverability based on historical settlement records and past experience. At 31 December 2018, the Group made lifetime loss allowance on credit-impaired other receivables amounting to RMB1,533,649,000 (1 January 2018: RMB1,437,521,000). There has been no significant increase in credit risk in the remaining other receivables, as such, no additional loss allowance was made.

For financial guarantee contracts, the Group has provided financial guarantees of approximately RMB14,956,501,000 (2017: RMB14,971,136,000) for loan facilities. The Group has performed impairment assessment, and concluded that the fair value of financial guarantee contracts at initial recognition and the amount ECL at 31 December 2018 are insignificant. Details of the financial guarantee contracts are set out in Note 44.

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's liquidity position is monitored closely by the management of the Company. The directors of the Company believe that the Group will be able to meet its financial obligations as they fall due in the foreseeable future.

6. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At 31 December 2018						
Long-term loans (including current portion)	22,198,913	24,098,251	47,763,599	61,587,780	155,648,543	121,808,931
Long-term bonds	669,620	7,301,396	4,981,736	5,013,557	17,966,309	16,162,586
Finance lease payables	3,131,142	2,602,177	5,047,926	890,137	11,671,382	10,207,028
Other non-current liabilities, excluding finance lease payables	135,676	–	–	–	135,676	135,676
Trade payables and accrued liabilities	26,021,443	–	–	–	26,021,443	26,021,443
Consideration payables	191,216	–	–	–	191,216	191,216
Short-term loans	25,790,672	–	–	–	25,790,672	24,771,641
Short-term bonds	11,282,832	–	–	–	11,282,832	11,000,000
	89,421,514	34,001,824	57,793,261	67,491,474	248,708,073	210,298,521
Financial guarantee issued – maximum amount guaranteed (Note)	14,956,501	–	–	–	14,956,501	–
At 31 December 2017 (restated)						
Long-term loans (including current portion)	18,078,931	35,603,037	32,232,660	68,251,436	154,166,064	117,350,406
Long-term bonds	792,500	7,292,500	4,224,000	6,453,000	18,762,000	16,742,853
Finance lease payables	4,176,795	2,796,055	4,630,584	1,382,528	12,985,962	11,436,532
Other non-current liabilities, excluding finance lease payables	2,761	–	–	–	2,761	2,761
Trade payables and accrued liabilities, excluding receipt in advance	28,168,391	–	–	–	28,168,391	28,168,391
Short-term loans	28,851,682	–	–	–	28,851,682	27,684,424
	80,071,060	45,691,592	41,087,244	76,086,964	242,936,860	201,385,367
Financial guarantee issued – maximum amount guaranteed (Note)	14,971,136	–	–	–	14,971,136	–

Note: the amount presented is the maximum amounts that the Group could be required to settle under the arrangement for the full guaranteed amount.

6. FINANCIAL RISK MANAGEMENT (Continued)

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 2018 and 2017.

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.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. The basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At 31 December 2018, if interest rates on RMB and United States dollars ("USD") denominated loans had been 50 basis points (2017: 50 basis points) lower respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB384,722,000 (2017 (restated): RMB444,432,000) and RMB888,000 (2017 (restated): RMB877,000) 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 (2017: 50 basis points) higher respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB384,722,000 (2017 (restated): RMB444,432,000) and RMB888,000 (2017 (restated): RMB887,000) lower, respectively, arising mainly as a result of higher interest expense on the loans.

6. FINANCIAL RISK MANAGEMENT (Continued)

Categories of financial instruments

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
Financial assets:		
Loans and receivables (including cash and cash equivalents)	–	20,578,623
Financial assets at amortised cost	26,995,658	–
Available-for-sale financial assets	–	4,910,913
Financial instruments at FVTPL	4,311,248	–
Equity instruments at FVTOCI	1,111,779	–
Financial liabilities:		
Financial liabilities at amortised cost	210,298,521	201,385,367

Fair values

The carrying amounts of the Group's financial assets and financial liabilities carried at amortised costs 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 categories 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.

7. FAIR VALUE MEASUREMENTS (Continued)

Disclosures of level in fair value hierarchy at 31 December 2018:

Financial assets	Fair value as at 31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s) 31 December 2018 RMB'000
– Financial instruments measured at FVTPL	4,311,248	–	Level 3	Market-comparable approach	Discount for lack of marketability 50%-65%
– Equity instruments measured at FVTOCI	176,315	–	Level 1	Quoted bid prices in an active market	N/A
	935,464	–	Level 3	Market-comparable approach	Discount for lack of marketability 50%-65%
– Available-for-sale financial assets	–	279,289	Level 1	Quoted bid prices in an active market	N/A

Reconciliation of Level 3 fair value measurements for the year ended 31 December 2018:

	Financial instruments at FVTPL RMB'000	Equity instruments at FVTOCI RMB'000
At beginning of the year	–	–
Transfer from available-for-sale financial assets	4,028,880	989,614
Fair value change recognised in profit or loss	242,147	–
Purchase	40,221	92,626
Fair value change recognised in other comprehensive income	–	(146,776)
At the end of the year	4,311,248	935,464

8. OPERATING REVENUE

In 2018, the Group's operating revenue was generated from contracts with customers within the scope of IFRS 15. Revenue is recognised at a point in time. An analysis of the Group's operating revenue for the year is as follows:

	2018 **RMB'000**	2017* RMB'000 (Restated)
Sales of electricity	**87,442,681**	80,770,531
Sales of coal	**2,300,638**	99,011
Others	**3,646,306**	3,315,530
Total	**93,389,625**	84,185,072

* The amounts were recognised under IAS 18.

9. OTHER GAINS

	2018 **RMB'000**	2017 RMB'000 (Restated)
Gain on disposals of subsidiaries, net (Note 43)	–	28,368
Gain on disposals of available-for-sale financial assets	–	238,257
Gain on change of fair value of financial instruments at FVTPL	**242,147**	–
Amortisation of deferred income	**546,809**	497,808
Others	**33,227**	40,260
	822,183	804,693

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 and coal separately. Other operating activities primarily include aluminium smelting products, etc., and are included in "other segments".

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

Sales between operating segments are marked to market or contracted close to market price and have been eliminated as internal transactions at consolidation level. Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

1. Power generation segment – operation of power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;

2. Coal segment – engaged in mining and sale of coal products; and

3. Other segments – engaged in aluminium smelting and others.

The "others" comprises a number of immaterial businesses and none of these units has ever individually met the quantitative thresholds for determining a reportable segment.

10. SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

Year ended 31 December 2018

	Power generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Segment Total RMB'000
Revenue from external customers	**87,442,681**	**2,300,638**	**3,646,306**	**93,389,625**
Intersegment revenue	**883,134**	**12,189,550**	**232,646**	**13,305,330**
	88,325,815	**14,490,188**	**3,878,952**	**106,694,955**
Segment profit/ (loss)	**4,458,692**	**359,757**	**(650,183)**	**4,168,266**

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 income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Year ended 31 December 2017 (Restated)

	Power generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Segment Total RMB'000
Revenue from external customers	80,770,531	99,011	3,315,530	84,185,072
Intersegment revenue	722,415	21,761,980	126,424	22,610,819
	81,492,946	21,860,991	3,441,954	106,795,891
Segment profit/ (loss)	3,352,841	96,228	(588,850)	2,860,219

10. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
SEGMENT ASSETS			
Power generation segment	**275,103,280**	266,144,639	263,385,385
Coal segment	**5,847,132**	5,830,765	6,195,784
Other segments	**6,965,976**	6,876,459	6,588,493
Segment assets	**287,916,388**	278,851,863	276,169,662
SEGMENT LIABILITIES			
Power generation segment	**207,513,497**	193,845,592	191,444,975
Coal segment	**4,505,365**	5,205,846	4,669,594
Other segments	**5,720,987**	7,971,822	8,759,322
Segment liabilities	**217,739,849**	207,023,260	204,873,891

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

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
Total profit or loss of reportable segments	**4,168,266**	2,860,219
IFRS adjustments	**(2,469)**	(1,842)
Consolidated profit before tax	**4,165,797**	2,858,377

10. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Assets			
Total assets of reportable segments	**287,916,388**	278,851,863	276,169,662
IFRS adjustments	**333,938**	270,797	93,751
Consolidated total assets	**288,250,326**	279,122,660	276,263,413
Liabilities			
Total liabilities of reportable segments	**217,739,849**	207,023,260	204,873,891
IFRS adjustments	**20,656**	20,655	(105,615)
Consolidated total liabilities	**217,760,505**	207,043,915	204,768,276

10. SEGMENT INFORMATION (Continued)

Other segment information

Year ended 31 December 2018

	Power generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
Amounts included in the measurement of segments results or segment assets:				
Additions of non-current assets*	15,851,159	336,913	401,741	16,589,813
Depreciation and amortisation	13,383,191	189,622	361,268	13,934,081
Impairment on non-current assets*	461,600	6,540	12,460	480,600
Shares of profits of associates and joint ventures	658,896	442,415	256,154	1,357,465
Interests in associates	7,447,143	3,400,635	5,184,416	16,032,194
Interests in joint ventures	–	674,788	15,571	690,359
Interest income	88,183	10,359	3,720	102,262
Interest expenses	7,435,071	119,136	92,821	7,647,028
Reversal of write-down of inventories	–	313,764	–	313,764
Amounts regularly provided to the CODM but not included in the measurement of segment results:				
Income tax expenses	1,367,998	(21,753)	31,933	1,378,178

* The non-current assets exclude financial assets and deferred tax assets.

10. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

Year ended 31 December 2017 (Restated)

	Power generation segment RMB'000	Coal segment RMB'000	Others RMB'000	Total RMB'000
Amounts included in the measurement of segments results or segment assets:				
Additions of non-current assets*	12,934,816	283,379	334,201	13,552,396
Depreciation and amortisation	12,975,876	131,558	293,387	13,400,821
Impairment on non-current assets*	19,598	199	443	20,240
Shares of profits of associates and joint ventures	396,020	369,393	154,297	919,710
Interests in associates	6,722,201	3,069,601	4,679,738	14,471,540
Interests in joint ventures	–	1,282,564	29,596	1,312,160
Interest income	59,111	6,944	2,494	68,549
Interest expenses	6,683,253	107,090	83,434	6,873,777
Reversal of write-down of inventories	–	12,205	–	12,205
Amounts regularly provided to the CODM but not included in the measurement of segment results:				
Income tax expenses	579,847	71,686	26,326	677,859

* The non-current assets exclude financial assets and deferred tax assets.

10. SEGMENT INFORMATION (Continued)

Geographical information

No geographical information is presented as more than 90% of the Group's revenue during the years ended 31 December 2018 and 2017 and most of their customers and non-current assets as at 31 December 2018, 2017 and 1 January 2017 were located in the PRC.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

	2018 RMB'000	2017 RMB'000 (Restated)
Customer A[1]	N/A*	15,522,360

[1] Revenue from sales of electricity
* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

11. FINANCE COSTS

	2018 RMB'000	2017 RMB'000 (Restated)
Total interest expense on borrowings	8,398,801	7,866,402
Less: amount capitalised in property, plant and equipment	(866,732)	(1,023,749)
	7,532,069	6,842,653
Exchange loss, net	80,495	3,991
Others	34,464	27,133
	7,647,028	6,873,777

During the years ended 31 December 2018 and 2017, the weighted average capitalisation rate on funds borrowed generally ranged from 4.41% to 4.75% per annum to expenditure on qualifying assets.

12. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	2018 RMB'000	2017 RMB'000 (Restated)
Current tax – PRC Enterprise Income Tax ("EIT"):		
Provision for the year	1,410,022	1,297,045
Over-provision in prior years	(94,874)	–
	1,315,148	1,297,045
Deferred tax (Note 37)	63,030	(619,186)
	1,378,178	677,859

The PRC EIT represents tax charged on the estimated assessable profits arising in Mainland China. In general, the Group's subsidiaries operating in Mainland China are subject to the PRC EIT rate of 25% except for certain subsidiaries which are entitled to preferential tax rates.

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

	2018 RMB'000	2017 RMB'000 (Restated)
Profit before tax	4,165,797	2,858,377
Tax at the PRC EIT rate of 25% (2017: 25%)	1,041,449	714,594
Tax effect of income that is not taxable	(341,448)	(392,587)
Tax effect of expenses that are not deductible	14,686	79,695
Tax effect of utilisation of tax losses not previously recognised	(20,253)	(117,097)
Tax effect of temporary differences not recognised	886,624	671,894
Tax effect of tax concession	(266,621)	(208,950)
Others	63,741	(69,690)
Income tax expense	1,378,178	677,859

13. PROFIT FOR THE YEAR

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

	2018 RMB'000	2017 RMB'000 (Restated)
Staff costs excluding directors' and supervisors' emoluments		
– Salaries and welfares	**4,875,316**	4,370,489
– Retirement benefits and other benefits	**832,154**	788,501
Total staff cost	**5,707,470**	5,158,990
Auditors' remuneration	**13,000**	13,980
Allowance for trade receivables, net of reversal	**9,529**	156,060
Allowance for other receivables	**96,128**	46,204
Allowance for inventories (included in operating costs)	**4,786**	306,675
Amortisation of deferred income	**(546,809)**	(497,808)
Amortisation of intangible assets (included in operating costs)	**42,368**	53,695
Cost of inventories	**48,997,302**	44,927,005
Dividend income from available-for-sales financial assets	**–**	(322,550)
Dividend income from financial instruments at fair value through profit or loss	**(144,397)**	–
Dividend income from financial instruments at fair value through other comprehensive income	**(16,515)**	–
Total dividend income from equity investments (included in investment income)	**(160,912)**	(322,550)
Impairment of property, plant and equipment (included in operating costs)	**426,368**	20,240
Impairment of goodwill	**54,232**	–
Rental income generated from investment properties	**(32,996)**	(40,260)
Operating lease rentals in respect of office premises	**80,779**	106,821
Write-off of property, plant and equipment	**472,907**	119,503
Depreciation on property, plant and equipment	**13,775,115**	13,202,917
Depreciation on investment properties	**29,963**	46,434
Total depreciation on non-current assets	**13,805,078**	13,249,351
Amortisation of land use right	**86,635**	97,775
Amortisation of intangible assets	**42,368**	53,695
Total amortisation on non-current assets	**129,003**	151,470
Reversal of allowance for inventories (included in operating costs)	**(313,764)**	(12,205)

14. BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS

(a) Directors' emoluments

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						
	Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Name of director							
Chen Feihu (iv)	–	–	–	–	–	–	–
Wang Sen (iv)	–	–	–	–	–	–	–
Chen Jinhang (iii)	–	–	–	–	–	–	–
Wang Xin	–	354	421	775	71	126	972
Liang Yongpan	–	–	–	–	–	–	–
Ying Xuejun	–	301	361	662	59	126	847
Liu Haixia (i)	–	–	–	–	–	–	–
Guan Tiangang (i)	–	–	–	–	–	–	–
Cao Xin	–	–	–	–	–	–	–
Zhao Xianguo	–	–	–	–	–	–	–
Feng Genfu	137	–	–	–	–	–	137
Luo Zhongwei	137	–	–	–	–	–	137
Liu Huangsong	137	–	–	–	–	–	137
Jiang Fuxiu	137	–	–	–	–	–	137
Zhu Shaowen	–	–	–	–	–	–	–
Liu Chuandong (iii)	–	–	–	–	–	–	–
Liu Jizhen	63	–	–	–	–	–	63
Zhang Ping (ii)	–	–	–	–	–	–	–
Jin Shengxiang (ii)	–	–	–	–	–	–	
	611	655	782	1,437	130	252	2,430
Name of supervisor							
Zhang Xiaoxu	–	–	–	–	–	–	–
Yu Meiping	–	300	349	649	60	126	835
Guo Hong	–	352	–	352	31	125	508
Liu Quancheng	–	–	–	–	–	–	–
	–	652	349	1,001	91	251	1,343
Total for 2018	611	1,307	1,131	2,438	221	503	3,773

Notes:

(i) Ceased on 16 March 2018

(ii) Appointed on 16 March 2018

(iii) Ceased on 28 March 2019

(iv) Appointed on 28 March 2019

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

(a) Directors' emoluments (Continued)

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						
	Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Name of director							
Chen Jinhang	–	–	–	–	–	–	–
Wang Xin	–	353	314	667	34	135	836
Liang Yongpan	–	–	–	–	–	–	–
Ying Xuejun	–	295	360	655	29	115	799
Liu Haixia	–	–	–	–	–	–	–
Guan Tiangang	–	–	–	–	–	–	–
Cao Xin	–	–	–	–	–	–	–
Zhao Xianguo	–	–	–	–	–	–	–
Feng Genfu	137	–	–	–	–	–	137
Luo Zhongwei	137	–	–	–	–	–	137
Liu Huangsong	137	–	–	–	–	–	137
Jiang Fuxiu	137	–	–	–	–	–	137
Zhu Shaowen	–	–	–	–	–	–	–
Liu Chuandong	–	–	–	–	–	–	–
Liu Jizhen	63	–	–	–	–	–	63
	611	648	674	1,322	63	250	2,246
Name of supervisor							
Zhang Xiaoxu	–	–	–	–	–	–	–
Yu Meiping	–	299	354	653	29	115	797
Guo Hong	–	560	–	560	23	115	698
Liu Quancheng	–	–	–	–	–	–	–
	–	859	354	1,213	52	230	1,495
Total for 2017	611	1,507	1,028	2,535	115	480	3,741

Neither any of the directors nor the supervisors waived any remunerations during the year (2017: 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/or 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. EMPLOYEES' EMOLUMENTS

(a) Retirement benefits schemes

As stipulated by the rules and regulations in the PRC, the Group contributes to the retirement funds scheme managed by local social security bureau in the PRC. The Group contributes a certain percentage of the basic salaries of its employees to the retirement plan to fund the benefits.

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK$1,500 per month.

The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. During the year ended 31 December 2018, the total retirement benefit scheme contributions charged to the consolidated statement of profit or loss amounted to approximately RMB832,375,000 (2017 (restated): RMB788,616,000).

(b) Housing benefits

The Group is required to make contributions to the state-sponsored housing fund. 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.

15. EMPLOYEES' EMOLUMENTS (Continued)

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included two (2017: two) director(s) and one (2017: one) supervisor whose emoluments are reflected in the analysis presented in Note 14 (a) to the consolidated financial statements. The emoluments of the remaining two (2017: two) individuals are set out below:

	2018 RMB'000	2017 RMB'000 (Restated)
Short-term benefit	**1,083**	1,536
Retirement benefits	**62**	55
	1,145	1,591

The emoluments fell within the following bands:

	Number of individuals 2018	 2017
Nil to HK$1,000,000 (equivalent to approximately RMB876,000 (2017: RMB836,000))	**2**	2

16. DIVIDENDS

Pursuant to the board of Directors' meeting on 28 March 2019, the Directors recommended to declare the final dividends for the year ended 31 December 2018 of RMB0.1 per share totalling RMB1,850,670,000. Such recommendation is to be approved by the shareholders at the annual general meeting. Dividends declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.

During the year ended 31 December 2018, a final dividend of RMB0.09 per share in respect of the year ended 31 December 2017 totalling RMB1,665,604,000 (2017: Nil) was declared and paid to the owners of the Company.

17. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following:

	2018 RMB'000	2017 RMB'000 (Restated)
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share	1,232,240	1,494,723
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	17,207,542	13,310,038

Note:

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2018 and 2017.

18. LAND USE RIGHT/ PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment

	Buildings and structures RMB'000	Electricity utility plants RMB'000	Transportation facilities RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost						
At 1 January 2017 (as previously reported)	82,686,037	139,078,690	3,066,958	6,379,565	43,395,219	274,606,469
Effect of business combinations under common control	14,603,327	41,937,759	267,795	384,325	3,387,841	60,581,047
At 1 January 2017 (as restated)	97,289,364	181,016,449	3,334,753	6,763,890	46,783,060	335,187,516
Transfer in/ (out)	19,895,089	11,703,381	16,582	34,784	(31,649,836)	–
Additions	1,124,359	1,790,602	19,298	91,737	10,304,594	13,330,590
Disposals of subsidiaries (Note 43)	(16,298)	(2,606)	(166)	(15)	(404)	(19,489)
Written off	(149,261)	(42,179)	(24,367)	(8,186)	(1,542)	(225,535)
At 31 December 2017 and 1 January 2018 (as restated)	118,143,253	194,465,647	3,346,100	6,882,210	25,435,872	348,273,082
Transfer in/ (out)	3,042,830	5,297,467	–	–	(8,340,297)	–
Additions	414,231	306,053	31,912	129,880	15,359,623	16,241,699
Written off	(371,376)	(316,588)	(36,479)	(396,846)	–	(1,121,289)
At 31 December 2018	121,228,938	199,752,579	3,341,533	6,615,244	32,455,198	363,393,492

18. LAND USE RIGHT/ PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Property, plant and equipment (Continued)

	Buildings and structures RMB'000	Electricity utility plants 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 2017 (as previously reported)	21,299,730	69,224,038	1,432,264	2,166,704	–	94,122,736
Effect of business combinations under common control	5,112,227	19,743,961	198,278	91,682	41,841	25,187,989
At 1 January 2017 (as restated)	26,411,957	88,967,999	1,630,542	2,258,386	41,841	119,310,725
Charge for the year	3,253,026	9,312,937	203,760	433,194	–	13,202,917
Disposals of subsidiaries (Note 43)	(11,256)	(2,377)	(158)	(14)	–	(13,805)
Impairment losses	–	–	–	–	20,240	20,240
Eliminated upon written off	(48,334)	(36,692)	(16,769)	(4,237)	–	(106,032)
At 31 December 2017 and 1 January 2018 (As restated)	**29,605,393**	**98,241,867**	**1,817,375**	**2,687,329**	**62,081**	**132,414,045**
Charge for the year	**3,664,270**	**9,547,298**	**190,376**	**373,171**	**–**	**13,775,115**
Impairment losses	**146,019**	**6,156**	**46**	**182,787**	**91,360**	**426,368**
Eliminated upon written off	**(72,965)**	**(316,588)**	**(31,424)**	**(227,405)**	**–**	**(648,382)**
At 31 December 2018	**33,342,717**	**107,478,733**	**1,976,373**	**3,015,882**	**153,441**	**145,967,146**
Carrying amount						
At 31 December 2018	**87,886,221**	**92,273,846**	**1,365,160**	**3,599,362**	**32,301,757**	**217,426,346**
At 31 December 2017 (As restated)	88,537,860	96,223,780	1,528,725	4,194,881	25,373,791	215,859,037
At 1 January 2017 (As restated)	70,877,407	92,048,450	1,704,211	4,505,504	46,741,219	215,876,791

18. LAND USE RIGHT/ PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Land use right

	Total RMB'000
Cost	
At 1 January 2017 (as previously reported)	2,910,492
Effect of business combinations under common control	682,049
At 1 January 2017 (as restated)	3,592,541
Additions	75,849
Disposals	(234,740)
At 31 December 2017 and 1 January 2018 (as restated)	**3,433,650**
Additions	**234,516**
Disposals	**(29,814)**
At 31 December 2018	**3,638,352**
Accumulated amortisation	
At 1 January 2017	472,230
Effect of business combinations under common control	79,962
At 1 January 2017 (As restated)	552,192
Charge for the year	97,775
Eliminated upon disposals	(5,814)
At 31 December 2017 and 1 January 2018 (As restated)	**644,153**
Charge for the year	**86,635**
Eliminated upon disposals	**(2,012)**
At 31 December 2018 (As restated)	**728,776**
Carrying amount	
At 31 December 2018	**2,909,576**
At 31 December 2017 (As restated)	2,789,497
At 1 January 2017 (As restated)	3,040,349

18. LAND USE RIGHT/ PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year, one of the subsidiaries of the Group made impairment losses of RMB146,019,000, RMB6,156,000, RMB46,000, RMB182,787,000 and RMB91,360,000 on its buildings and structures, electricity utility plants, transportation facilities, others and construction in progress (2017: RMB20,240,000 on construction in progress). As the Group concluded that these property, plant and machineries will not generate the level of profitability previously estimated, full impairment losses were recognised against the carrying amounts of relevant property, plant and equipment.

At 31 December 2018, the carrying amount of property, plant and equipment under finance leases are as follows:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Buildings and structures	**3,978,825**	3,771,862	3,901,758
Electricity utility plants	**5,482,156**	6,260,977	7,563,495
Transportation facilities	**745,068**	841,401	939,547
	10,206,049	10,874,240	12,404,800

The Group convened the twentieth meeting of the ninth session of the Board of Directors on 21 December 2017, which considered and approved the resolution on the change in accounting estimates of expected useful life of power generation and assets in coal-fired power plants unanimously. The change made by the Company to the accounting estimates of the expected useful life and the expected residual rate of power generation and assets in coal-fired power plants has come into effect on 1 January 2018. The management adopts prospective application for accounting treatment.

19. INVESTMENT PROPERTIES

	RMB'000
Cost	
At 1 January 2017 (As previously reported)	664,565
Effect of business combinations under common control	20,127
At 1 January 2017 (As restated)	684,692
Additions	106,632
At 31 December 2017 and 1 January 2018 (As restated)	**791,324**
Additions	**58,038**
Disposals	**(2,594)**
At 31 December 2018	**846,768**
Accumulated depreciation	
At 1 January 2017 (As previously reported)	114,838
Effect of business combinations under common control	8,259
At 1 January 2017 (As restated)	123,097
Charge for the year	46,434
At 31 December 2017 and 1 January 2018 (As restated)	**169,531**
Charge for the year	**29,963**
Eliminated upon disposals	**(601)**
At 31 December 2018	**198,893**
Carrying Amount	
At 31 December 2018	**647,875**
At 31 December 2017 (As restated)	621,793
At 1 January 2017 (As restated)	561,595

20. INTANGIBLE ASSETS

	Goodwill RMB'000	Mining rights RMB'000	Resource use rights RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2017 (As previously reported)	899,886	1,017,060	37,763	177,240	15,298	2,147,247
Effect of business combinations under common control	54,232	–	–	127,348	395	181,975
At 1 January 2017 (As restated)	954,118	1,017,060	37,763	304,588	15,693	2,329,222
Additions	–	–	84	37,285	1,956	39,325
Disposals	–	–	–	(1,779)	(6)	(1,785)
Disposals of subsidiaries (Note 43)	–	–	–	(90)	–	(90)
At 31 December 2017 and 1 January 2018	**954,118**	**1,017,060**	**37,847**	**340,004**	**17,643**	**2,366,672**
Additions	**–**	**–**	**–**	**54,199**	**1,361**	**55,560**
Disposals	**–**	**–**	**–**	**(1,137)**	**(1,943)**	**(3,080)**
Written off	**–**	**–**	**–**	**(15,225)**	**(250)**	**(15,475)**
At 31 December 2018	**954,118**	**1,017,060**	**37,847**	**377,841**	**16,811**	**2,403,677**
Accumulated amortisation and impairment losses						
At 1 January 2017 (As previously reported)	–	21,000	36,856	86,009	14,730	158,595
Effect of business combinations under common control	–	–	–	65,852	129	65,981
At 1 January 2017 (As restated)	–	21,000	36,856	151,861	14,859	224,576
Amortisation for the year	–	5,615	113	47,670	297	53,695
Eliminated upon disposals	–	–	–	(1,231)	(2)	(1,233)
Disposals of subsidiaries (Note 43)	–	–	–	(78)	–	(78)

20. INTANGIBLE ASSETS (Continued)

	Goodwill RMB'000	Mining rights RMB'000	Resource use rights RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
At 31 December 2017 and 1 January 2018 (As restated)	–	26,615	36,969	198,222	15,154	276,960
Amortisation for the year	–	7,521	30	34,589	228	42,368
Impairment losses	54,232	–	–	–	–	54,232
Eliminated upon disposals	–	–	–	(249)	–	(249)
Eliminated upon written off	–	–	–	(14,350)	(147)	(14,497)
At 31 December 2018	54,232	34,136	36,999	218,212	15,235	358,814
Carrying amount						
At 31 December 2018	899,886	982,924	848	159,629	1,576	2,044,863
At 31 December 2017 (As restated)	954,118	990,445	878	141,782	2,489	2,089,712
At 1 January 2017 (As restated)	954,118	996,060	907	152,727	834	2,104,646

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:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Power generation segment			
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	**273,795**	273,795	273,795
Datang International Xinyu Power Generation Company Limited	**104,361**	104,361	104,361
Zhangjiakou Power Plant No. 2 generator	**33,561**	33,561	33,561
Datang Tongzhou Technology Company Limited	**949**	949	949
Inner Mongolia Datang International Hohhot Thermal Power Generation Company Limited	**902**	902	902
Yunnan Datang International Deqin Hydropower Development Company Limited	**18**	18	18
Sichuan Jinkang Electricity Development Company Limited	**130,830**	130,830	130,830
Hebei Matou Power Generation Company Limited	**–**	54,232	54,232
Shenzhen Datang Baochang Gas Power Generation Company Limited	**165,995**	165,995	165,995
	710,411	764,643	764,643
Coal segment			
Inner Mongolia Datang International Zhunge'er Mining Company Limited	**120,177**	120,177	120,177
Inner Mongolia Baoli Coal Company Limited	**18,712**	18,712	18,712
Erdos Ruidefeng Mining Company Limited	**32,546**	32,546	32,546
	171,435	171,435	171,435
Other segments			
Yuneng (Group) Company Limited	**18,040**	18,040	18,040
	899,886	954,118	954,118

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 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 ranged from 7.00% to 12.29% (2017: 7.00% to 12.29%) per annum.

During the year, impairment loss of approximately RMB54,232,000 (2017: nil) was recognised in relation to goodwill arising on the acquisition of Hebei Matou Power Generation Company Limited and its subsidiaries, which is engaged in power generation. The management assessed the recoverable amount to be nil which was due to cessation of business during the year ended 31 December 2018. Accordingly approximately RMB54,232,000 was fully impaired.

21. INTERESTS IN ASSOCIATES

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Unlisted investments:			
Share of carrying amount of interests	**16,032,194**	14,471,540	8,968,990

21. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's material associates at 31 December 2018 and 2017 are as follows:

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by group 2018	2017	Principal activities
North China Electric Power Research Institute Company Limited	PRC	124,980	**30%**	30%	Power related technology services
Tongfang Investment Company Limited	PRC	550,000	**36.36%**	36.36%	Project investments and management
Shanxi Zhang Electric Datang Tashan Power Generation Company Limited ("Tashan Power Company")	PRC	410,000	**40%**	40%	Power generation
Tongmei Datang Tashan Coal Mine Company Limited ("Tashan Coal Company")	PRC	2,072,540	**28%**	28%	Coal mine construction and mining
Tangshan Huaxia Datang Power Fuel Company Limited	PRC	20,000	**30%**	30%	Power fuel trading
China Datang Group Finance Company Limited ("Datang Finance") (i)	PRC	4,869,872	**16.95%**	15.89%	Financial services
Inner Mongolia Bazhu Railway Company Limited	PRC	100,000	**20%**	20%	Railway and highway construction and operational management
Liaoning Diaobingshan Coal Gangue Power Generation Co., Ltd.	PRC	603,400	**40%**	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%**	34%	Railway transportation services
COSCO Datang Shipping Company Limited	PRC	100,000	**45%**	45%	Cargo shipping

21. INTERESTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by group 2018	2017	Principal activities
Datang Wealth Management Co., Ltd. ("Datang Wealth Company") (ii)	PRC	100,000	**15%**	15%	Investment management and advisory
Chongqing Fuling Water Resources Development Company Limited	PRC	120,000	**42.10%**	42.10%	Hydropower technology development
Fujian Baima Harbour Railway Spur Line Company Limited	PRC	316,500	**25.45%**	25.45%	Railway transportation
Jinzhou Thermal Power Company Limited	PRC	155,000	**25.81%**	25.81%	Heat supply
Macro Technologies Inc. (Vietnam) Limited	Vietnam	USD150,000	**35%**	35%	Electricity related technical services
Chongqing Guanming Investment Company Limited	PRC	100,000	**49%**	49%	Investment management
Shanxi Datang International Yuncheng Power Generation Company Limited	PRC	264,694	**49%**	49%	Power generation
Inner Mongolia Hutietaihe Logistics Company Limited	PRC	56,700	**49%**	49%	Provision of railway logistics services
Inner Mongolia Datang Tongfang Silicon and Aluminum Technology Company Limited	PRC	10,000	**26%**	26%	Development and production of silicon
Datang Tibet Bodui Hydropower Development Company Limited	PRC	506,090	**20%**	20%	Hydropower construction
Datang Finance Leasing Company Limited ("Datang Leasing Company")	PRC	2,000,000	**20%**	20%	Finance leasing business

21. INTERESTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by group 2018	2017	Principal activities
Baxin Railway Company Limited ("Baxin Railway Company")	PRC	2,600,000	**20%**	20%	Railway construction
China Datang Corporation Nuclear Power Company Limited	PRC	390,221	**40%**	40%	Nuclear power development, construction and operations
Beijing Shangshan Hengsheng Property Company Limited ("Shangshan Property Company") (iii)	PRC	63,763	**60%**	60%	Property development
Datang Tibet Wangpai Hydropower Development Company Limited	PRC	95,000	**20%**	20%	Hydropower generation
Ningxia Datang International Daba Power Generation Company Limited	PRC	489,691	**50%**	50%	Power generation
Jiangxi Jiangmei Datang Coal Company Limited	PRC	20,000	**35%**	35%	Sales of coal
Tongmei Datang Tashan II Power Generation Company Limited	PRC	200,000	**40%**	40%	Power generation
Chongqing Nengtou Electricity Company Limited	PRC	Registered capital: 200,000; paid-up capital: 100,000	**29%**	29%	Power supply
Datang Jiangsu Electricity Company Limited ("Jiangsu Electricity Company") (iv)	PRC	200,000	**15%**	15%	Power supply
Fujian Ningde Nuclear Power Company Limited ("Ningde Nuclear Power Company")	PRC	11,177,500	**44%**	44%	Nuclear power plant construction and operations
Datang Yunnan Energy Marketing Company Limited ("Yunnan Marketing Company") (v)	PRC	200,000	**15%**	15%	Research and development and application of renewable energy technology

21. INTERESTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by group		Principal activities
			2018	2017	
China Water Resources and Power Group Hebei Trading Co., Ltd.	PRC	12,930	**49%**	49%	Trading
Anhui Hefei United Power Generation Co., Ltd.	PRC	1,160,000	**27.50%**	27.50%	Power generation
Anhui Datang Materials Co., Ltd.	PRC	30,000	**41%**	41%	Trading of power generation and supply equipment and parts
Changzhou Jintan Thermal Power Generation Co., Ltd.	PRC	20,000	**29%**	–	Wholesale business

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.

(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 another shareholder would nominate 3 directors and 4 directors respectively. Therefore, the Company does not obtain control over Shangshan Property Company.

(iv) Although the Group holds less than 20% equity interest in Jiangsu Electricity Company, the directors of the Company consider that the Group exercises significant influence over Jiangsu Electricity Company because the Group is entitled to appoint 1 director out of 3 directors of Jiangsu Electricity Company.

(v) Although the Group holds less than 20% equity interest in Yunnan Marketing Company, the directors of the Company consider that the Group exercises significant influence over Yunnan Marketing Company because the Group is entitled to appoint 1 director out of 5 directors of Yunnan Marketing Company.

21. INTERESTS 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 information of the associates.

Name	Tashan Power Company		Tashan Coal Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Power generation		Coal mine construction and mining	
% of ownership interests/ voting rights held by the Group	40%/40%	40%/40%	28%/28%	28%/28%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	2,536,578	2,730,258	6,358,225	7,179,017
Current assets	653,027	537,485	8,294,699	6,446,502
Non-current liabilities	(1,275,264)	(1,320,349)	(272,429)	(1,072,940)
Current liabilities	(1,141,139)	(1,231,037)	(2,681,420)	(2,543,772)
Net assets	773,202	716,357	11,699,075	10,008,807
Group's share of net assets	309,281	286,543	3,274,996	2,807,896
Others	(273)	–	204,944	13,734
Group's share of carrying amount of interests	309,008	286,543	3,479,940	2,821,630
Year ended 31 December:				
Revenue	1,696,623	1,119,787	9,920,209	7,615,269
Profit (loss) for the year	56,162	(281,874)	2,351,107	1,454,976
Other comprehensive income (expense)	–	–	–	–
Total comprehensive income (expense)	56,162	(281,874)	2,351,107	1,454,976
Dividends received from associates	–	–	–	–

21. INTERESTS IN ASSOCIATES (Continued)

Name	Datang Finance		Xiduo Railway Company	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Financial services		Railway transportation services	
% of ownership interests/ voting rights held by the Group	**16.95%/16.95%**	15.89%/15.89%	**34%/34%**	34%/34%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**30,974,000**	25,578,123	**10,228,782**	10,911,030
Current assets	**21,769,328**	8,346,458	**797,043**	384,777
Non-current liabilities	**–**	–	**(4,592,452)**	(5,403,286)
Current liabilities	**(45,351,038)**	(27,019,880)	**(3,625,610)**	(2,569,749)
Net assets	**7,392,290**	6,904,701	**2,807,763**	3,322,772
Group's share of net assets	**1,252,993**	1,097,157	**947,253**	1,122,322
Others	**(24,817)**	8,140	**294,234**	237,026
Group's share of carrying amount of interests	**1,228,176**	1,105,297	**1,241,487**	1,359,348
Year ended 31 December:				
Revenue	**1,381,317**	1,085,553	**1,819,566**	1,659,765
Profit (loss) for the year	**784,223**	681,391	**(350,647)**	(76,925)
Other comprehensive expense	**(42,823)**	(37,896)	**–**	–
Total comprehensive income (expense)	**741,400**	643,495	**(350,647)**	(76,925)
Dividends received from associates	**43,021**	79,822	**–**	–

21. INTERESTS IN ASSOCIATES (Continued)

Name	Datang Leasing Company		Baxin Railway Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Finance leasing business		Railway construction	
% of ownership interests/ voting rights held by the Group	20%/20%	20%/20%	20%/20%	20%/20%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	20,951,431	20,352,328	8,048,353	6,694,916
Current assets	6,360,585	4,881,915	259,023	1,647,871
Non-current liabilities	(3,769,124)	(2,111,738)	(5,080,481)	(5,852,936)
Current liabilities	(15,432,233)	(15,556,006)	(1,211,745)	(230,001)
Net assets	8,110,659	7,566,499	2,015,150	2,259,850
Group's share of net assets	611,287	502,355	402,030	450,970
Others	40,163	–	121,635	121,972
Group's share of carrying amount of interests	651,450	502,355	523,665	572,942
Year ended 31 December:				
Revenue	1,408,603	879,125	234,503	155,248
Profit (loss) for the year	529,086	249,942	(246,577)	(273,090)
Other comprehensive income (expense)	–	–	–	–
Total comprehensive income (expense)	529,086	249,942	(246,577)	(273,090)
Dividends received from associates	–	–	–	–

21. INTERESTS IN ASSOCIATES (Continued)

Name	Ningde Nuclear Power Company	
	31 December 2018	31 December 2017
Principal place of business/ country of incorporation	**PRC/PRC**	
Principal activities	**Nuclear power plant construction and operation**	
% of ownership interests/ voting rights held by the Group	**44%/44%**	44%/44%
	RMB'000	RMB'000
At 31 December:		
Non-current assets	**45,986,681**	48,323,533
Current assets	**5,643,214**	6,124,229
Non-current liabilities	**(31,826,465)**	(33,558,502)
Current liabilities	**(5,853,540)**	(9,173,943)
Net assets	**13,949,890**	11,715,317
Group's share of net assets	**6,137,812**	5,154,739
Others	**17,899**	652,155
Group's share of carrying amount of interests	**6,155,711**	5,806,894
Year ended 31 December:		
Revenue	**10,242,863**	9,124,022
Profit for the year	**2,234,095**	1,646,857
Other comprehensive income	**–**	–
Total comprehensive income	**2,234,095**	1,646,857
Dividends received from associates	**652,794**	612,945

21. INTERESTS 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.

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
At 31 December:		
Carrying amounts of interests	**2,442,757**	2,016,531
Year ended 31 December:		
Profit/ (Loss) for the year	**20,795**	(42,062)
Other comprehensive expense	**(21,884)**	(13,926)
Total comprehensive expense	**(1,089)**	(55,988)

22. INTERESTS IN JOINT VENTURES

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Unlisted investments:			
Share of carrying amount of interests	**690,359**	1,312,160	6,629,938

22. INTERESTS IN JOINT VENTURES (Continued)

Details of the Group's material joint ventures at 31 December 2018 and 2017 are as follows:

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by group		Principal activities
			2018	2017	
Yuzhou Energy Multiple Company	PRC	1,176,834	**50%**	50%	Power generation
Yuzhou Mining Company	PRC	1,079,157	**49%**	49%	Coal mining and sales
Changtan Mining Company	PRC	50,000	**40%**	40%	Coal mining and sales
CDC Hong Kong Company	Hong Kong	USD10,000,000	**30%**	30%	International trade
Datang Anhui Electric Power Equipment Co., Ltd.	PRC	5,000	**49%**	49%	Wholesale business

22. INTERESTS 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	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
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%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**5,845,836**	5,470,493	**6,147,321**	6,368,258
Current assets	**377,053**	339,559	**527,600**	903,396
Non-current liabilities	**(4,839,246)**	(4,347,417)	**(1,619,031)**	(1,611,445)
Current liabilities	**(533,829)**	(442,614)	**(4,993,730)**	(4,555,282)
Net assets	**849,814**	1,020,021	**62,160**	1,104,927
Group's share of net assets	**424,907**	510,011	**21,135**	371,203
Others	**–**	(10,333)	**(639)**	(20,982)
Group's share of carrying amount of interests	**424,907**	499,678	**20,496**	350,221
Cash and cash equivalents (included in current assets)	**141,937**	148,325	**69,036**	368,449
Current financial liabilities (excluding accounts and accrued liabilities and provisions) included in current liabilities	**–**	–	**(3,839,588)**	(3,440,600)
Non-current financial liabilities (excluding accounts and accrued liabilities and provisions) included in non-current liabilities	**(4,501,829)**	(4,343,417)	**(1,360,017)**	(1,289,587)
Year ended 31 December:				
Revenue	**142,436**	129,083	**990,508**	1,565,502
Depreciation and amortization	**(10,937)**	(11,728)	**(202,691)**	(212,611)
Interest income	**31**	50	**1,517**	547
Interest expense	**50,804**	47,224	**170,078**	99,522
Income tax expense	**–**	–	**–**	–
Loss from operations and total comprehensive expense	**(262,997)**	(11,220)	**(728,046)**	(234,929)

22. INTERESTS IN JOINT VENTURES (Continued)

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

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
At 31 December:		
Carrying amounts of interests	**244,956**	462,261
Year ended 31 December:		
Profit (loss) for the year	**90,927**	(14,251)
Other comprehensive income	**–**	–
Total comprehensive income (expense)	**90,927**	(14,251)

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS/ FINANCIAL INSTRUMENTS AT FVTPL AND EQUITY INSTRUMENTS AT FVTOCI

a) Available-for-sale financial assets

	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Listed equity instruments, at fair value listed in Hong Kong (Note i)	279,289	205,624
Unlisted equity instruments, at cost (Note ii)	4,631,624	5,202,242
	4,910,913	5,407,866

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS/ FINANCIAL INSTRUMENTS AT FVTPL AND EQUITY INSTRUMENTS AT FVTOCI (Continued)

b) Financial instrument at FVTPL

	31 December 2018 RMB'000	1 January 2018 RMB'000 (Restated)
Unlisted equity instruments in the PRC, at FVTPL	**4,311,248**	4,028,880
	4,311,248	4,028,880

c) Equity instrument at FVTOCI (Note iii)

	31 December 2018 RMB'000	1 January 2018 RMB'000 (Restated)
Listed equity instruments, at fair value listed in Hong Kong (Note i)	**176,315**	279,289
Unlisted equity securities in the PRC, at FVTOCI	**935,464**	989,614
	1,111,779	1,268,903

Note:

i) The values of listed securities are based on current bid prices.

ii) At 31 December 2017 and 1 January 2017, 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.

iii) It represented the Group's equity interest in private entities established in the PRC. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that they are not held for trading and for long-term investment purpose.

24. LONG-TERM ENTRUSTED LOANS TO AN ASSOCIATE

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Entrusted loans to an associate	**122,451**	133,386	125,188

At 31 December 2018 and 2017, the long-term entrusted loans to an associate carried interest rate ranging from 4.75% to 5.50% per annum and there were neither pledges nor guarantees received on these loans.

25. OTHER NON-CURRENT ASSETS

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Long-term receivables	**72,405**	74,152	143,491
Long-term prepaid expenses	**712,934**	287,077	163,592
Prepayments for equipment	**1,519,768**	3,771,641	3,191,735
Others	**1,780,808**	981,156	870,286
	4,085,915	5,114,026	4,369,104
Less: Current portion of other non-current assets	**(6,509)**	(76,188)	(11,656)
	4,079,406	5,037,838	4,357,448

26. INVENTORIES

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Raw materials	**4,385,206**	3,820,220	3,545,915
Finished goods	**24,552**	129,818	44,466
Others	**229,627**	252,345	223,977
	4,639,385	4,202,383	3,814,358

During the year ended 31 December 2018, there was a significant increase in the net realisable value of certain finished goods due to market shortage. As a result, a reversal of write-down of RMB313,764,000 (2017: RMB12,205,000) has been recognised and included in operating cost in the current year.

27. TRADE AND NOTES RECEIVABLES

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Trade receivables	**13,629,279**	12,654,242	10,358,895
Less: provision of impairment	**(906,948)**	(897,419)	(741,359)
	12,722,331	11,756,823	9,617,536
Notes receivables	**1,050,724**	1,028,937	678,716
	13,773,055	12,785,760	10,296,252

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to RMB12,722,331,000 and RMB11,756,823,000 respectively.

The Group usually grants credit period of approximately one month to local power grid customers and coal sales customers from the month end after sales and sale transactions made, respectively. The following is an aged analysis of trade receivables, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period.

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
Within one year	**11,610,168**	11,262,509
Between one to two years	**761,647**	229,597
Between two to three years	**105,765**	36,711
Over three years	**244,751**	228,006
	12,722,331	11,756,823

27. TRADE AND NOTES RECEIVABLES (Continued)

As at 31 December 2018, total notes received amounting to RMB1,050,724,000 (31 December 2017: RMB1,028,937,000) are held by the Group for future settlement of trade receivables. All notes received by the Group are with a maturity period of less than one year.

As at 31 December 2017, included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB494,314,000 (restated) 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 sales, and the directors believe that such receivables can be recovered because such local thermal companies and customers of coal sales had no recent history of default.

	31 December 2017 RMB'000 (Restated)
Between one to two years	229,597
Between two to three years	36,711
Over three years	228,006
	494,314

Before the application of IFRS 9 on 1 January 2018, the Group has policy regarding impairment losses on trade and notes receivables which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgment including the current creditworthiness and the past collection history of each customer. Allowance for doubtful debt of approximately RMB897,419,000 was provided as at 31 December 2017.

The movement in provision of impairment loss on trade and notes receivables was as follows:

	31 December 2017 RMB'000 (Restated)
At beginning of the year (as previously reported)	685,434
Effect of business combinations under common control	55,925
At beginning of the year (as restated)	741,359
Allowance for the year	156,077
Reversal of allowance for the year	(17)
At end of the year	897,419

27. TRADE AND NOTES RECEIVABLES (Continued)

Upon the application of IFRS 9 on 1 January 2018, the Group measures the loss allowance for trade and notes receivables at an amount equal to lifetime ECL. The ECL on trade and notes receivables are estimated by reference to an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. In respect of trade receivables arising from power sales, they are primarily due from power grid companies of their respective provinces or regions where the power plants operate. Having considered the debtors' financial position and past experience, no loss allowance has been made as the Group considered that the risk of default is low. In respect of trade receivables arising from coal sales, the Group made lifetime loss allowance of RMB906,948,000 (1 January 2018: RMB897,419,000) based on individual assessment of debtors. In determining the loss allowance, the Group also takes into account forward-looking information (for example, the current and forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date.

Since the application of IFRS 9 on 1 January 2018, there has been no change in the estimation techniques or significant assumptions made.

The movement in the loss allowance of trade and notes receivables during the year ended 31 December 2018 is as follows:

	Loss allowance of trade and notes receivables RMB'000
Impairment loss At 1 January 2017 (As previously reported)	836,876
Effect of business combinations under common control	60,543
Balance as at 31 December 2017 (As restated)	897,419
Adjustment upon application of IFRS 9 (Note)	–
Balance as at 1 January 2018 (Note)	**897,419**
Impairment losses recognised	**9,592**
Reversal of allowance for the year	**(63)**
Balance as at 31 December 2018	**906,948**

Note: The directors of the Company considered that no additional loss allowance is required on transition to IFRS9 at 1 January 2018.

28. PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Prepayments			
VAT recoverable	**1,343,916**	1,304,012	1,412,090
Prepayments to suppliers	**1,326,077**	1,147,850	1,388,064
Others	**14,003**	15,947	438,720
	2,683,996	2,467,809	3,238,874
Other receivables			
Receivable from fuel and materials	**1,506,751**	1,625,963	1,530,367
Advance to construction	**418,542**	386,837	522,894
Dividends receivables	**341,757**	367,083	173,757
Government grant receivables	**155,608**	11,318	7,759
Others	**1,087,936**	608,573	897,539
	3,510,594	2,999,774	3,132,316
Allowance for doubtful debts	**(1,533,649)**	(1,437,521)	(1,391,317)
	1,976,945	1,562,253	1,740,999
	4,660,941	4,030,062	4,979,873

The Group recognised lifetime ECL for other receivables with gross carrying amount of RMB3,510,594,000 as at 31 December 2018, based on individually significant parties.

Since the application of IFRS 9 on 1 January 2018, there has been no change in the estimation techniques or significant assumptions made.

29. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Bank deposits	**1,700,602**	2,081,197	153,886
Deposits with an associate	**9,841,038**	4,402,816	6,021,982
Cash on hand	**109**	48	71
	11,541,749	6,484,061	6,175,939
Restricted deposits included in bank deposits	**(108,199)**	(429,345)	(27,683)
Cash and cash equivalents	**11,433,550**	6,054,716	6,148,256

30. SHARE CAPITAL

	Number of shares			Share capital		
	31 December 2018 '000	31 December 2017 '000	1 January 2017 '000	**31 December 2018 RMB'000**	31 December 2017 RMB'000	1 January 2017 RMB'000
A share of RMB1 each:						
Registered, issued and fully paid:						
At beginning of the year	**9,994,360**	9,994,360	9,994,360	**9,994,360**	9,994,360	9,994,360
Issue of shares upon subscription	**2,401,729**	–	–	**2,401,729**	–	–
At end of the year	**12,396,089**	9,994,360	9,994,360	**12,396,089**	9,994,360	9,994,360
H share of RMB1 each:						
Registered, issued and fully paid:						
At beginning of the year	**3,315,678**	3,315,678	3,315,678	**3,315,678**	3,315,678	3,315,678
Issue of shares upon subscription	**2,794,944**	–	–	**2,794,944**	–	–
At end of the year	**6,110,622**	3,315,678	3,315,678	**6,110,622**	3,315,678	3,315,678
	18,506,711	13,310,038	13,310,038	**18,506,711**	13,310,038	13,310,038

Note:

As set in the Company's announcements dated on 23 March 2018 and 19 March 2018, the Company completed the subscription and issued 2,401,729,106 A-share at RMB3.47 per A-share and 2,794,943,820 H-share at HK$2.226 (equivalent to approximately RMB1.787) per H-share.

The new shares rank pari passu with the existing shares in all respects.

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

(a) Statement of financial position of the Company

	31 December 2018 RMB'000	31 December 2017 RMB'000
Non-current assets		
Property, plant and equipment	15,439,963	15,855,273
Investment properties	193,942	202,225
Intangible assets	59,698	56,021
Investments in subsidiaries	55,251,791	30,824,978
Interests in associates	15,362,116	14,100,635
Interests in joint ventures	667,951	949,881
Available-for-sale financial assets	–	3,932,379
Financial instruments at FVTPL	4,117,650	–
Equity instruments at FVTOCI	476,214	–
Long-term entrusted loans to subsidiaries	1,373,000	2,127,934
Deferred tax assets	2,735,495	2,746,522
Other non-current assets	207,164	184,542
	95,884,984	70,980,390
Current assets		
Inventories	317,702	316,420
Trade and notes receivables	1,149,088	1,573,630
Prepayments and other receivables	2,907,642	1,079,400
Tax recoverable	114,255	126,706
Current portion of long-term entrusted loans to subsidiaries	2,751,030	2,557,110
Cash and cash equivalents	1,159,200	1,047,695
	8,398,917	6,700,961

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

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

	31 December 2018 RMB'000	31 December 2017 RMB'000
Current liabilities		
Trade payables and accrued liabilities	2,163,338	2,771,246
Consideration payable	191,216	–
Taxes payables	78,519	167,878
Short-term loans	6,440,000	14,390,000
Short-term bonds	11,000,000	–
Current portion of non-current liabilities	8,722,687	2,313,300
	28,595,760	19,642,424
Net current liabilities	(20,196,843)	(12,941,463)
	75,688,141	58,038,927
Capital and reserves		
Share capital	18,506,711	13,310,038
Reserves	35,865,361	25,530,249
	54,372,072	38,840,287
Perpetual bonds	5,000,000	–
Total equity	59,372,072	38,840,287
Non-current liabilities		
Long-term loans	6,727,999	3,340,000
Long-term bonds	8,966,309	15,444,381
Deferred income	403,165	414,259
Deferred tax liabilities	218,596	–
	16,316,069	19,198,640
	75,688,141	58,038,927

31. 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	Available-for-sale financial assets revaluation reserve RMB'000	FVTOCI reserve RMB'000	(Accumulated losses)/ retained earnings RMB'000	Total RMB'000
At 1 January 2017	9,926,181	5,030,331	15,504,876	(6,869)	–	(8,393,720)	22,060,799
Total comprehensive (expense) income for the year	–	–	–	(19,948)	–	3,492,725	3,472,777
Transfer from surplus reserves	–	–	(8,665,490)	–	–	8,665,490	–
Others	(3,327)	–	–	–	–	–	(3,327)
At 31 December 2017	9,922,854	5,030,331	6,839,386	(26,817)	–	3,764,495	25,530,249
IFRS 9 adjustment	–	–	–	26,817	(121,193)	464,393	370,017
At 1 January 2018	9,922,854	5,030,331	6,839,386	–	(121,193)	4,228,888	25,900,266
Total comprehensive expense for the year	–	–	–	–	(137,882)	3,780,059	3,642,177
Issue of ordinary shares	8,132,663	–	–	–	–	–	8,132,663
Issue of perpetual bonds	–	–	–	–	–	–	–
Transfer to surplus reserves	–	730,418	1,128,101	–	–	(1,858,519)	–
Dividends paid	–	–	–	–	–	(1,665,604)	(1,665,604)
Others	–	–	–	–	–	(144,141)	(144,141)
As at 31 December 2018	18,055,517	5,760,749	7,967,487	–	(259,075)	4,340,683	35,865,361

32. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) 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; and (ii) the premium from convertible bonds converted to shares.

(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.

(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.

(c) Nature and purpose of reserves

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.

32. RESERVES (Continued)

(d) 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.

33. PERPETUAL BONDS

On 5 November 2018, the Company issued RMB2,000,000,000 perpetual bond at an initial interest rate of 5.55% per annum ("Perpetual Bond 1"). The proceeds from issuance of the Perpetual Bond 1 after the issuance cost were RMB2,000,000,000. Coupon payments of 5.55% are paid semi-annually in arrears and may be deferred at the discretion of the Company.

Perpetual Bond 1 has no fixed maturity and is callable at the Company's option at its principal amount together with any accrued, unpaid or deferred coupon interest payments. The coupon rate will be increased at a margin of 300 base points per half year after five year of issuance. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce registered capital. Pursuant to the terms of Perpetual Bond 1, the Company has no contractual obligations to repay its principal or to pay any coupon interest.

On 27 November 2018, the Company issued RMB3,000,000,000 perpetual bond at initial interest rate of 5.55% per annum ("Perpetual Bond 2"). The proceeds from issuance of the Perpetual Bond 2 after the issuance cost were RMB3,000,000,000. Coupon payments of 5.55% are paid semi-annually in arrears and may be deferred at the discretion of the Company.

Perpetual Bond 2 has no maturity date and is callable at the Company's option at its principal amount together with any accrued, unpaid or deferred coupon interest payments. The coupon rate will be increased at a margin of 300 base points per seven years. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce registered capital. Pursuant to the terms of Perpetual Bond 2, the Company has no contractual obligations to repay its principal or to pay any coupon interest.

Accordingly, Perpetual Bond 1 and Perpetual Bond 2 do not meet the definition of financial liabilities in accordance with IAS 32 Financial Instruments: Presentation, and are classified as equity instruments of the Group.

34. LONG-TERM LOANS

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Long-term bank loans	**113,356,759**	105,833,816	101,071,640
Other long-term loans	**8,452,172**	11,516,590	14,258,200
	121,808,931	117,350,406	115,329,840
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(16,160,388)**	(13,533,793)	(9,384,253)
	105,648,543	103,816,613	105,945,587

Long-term loans are repayable as follows:

	31 December 2018			31 December 2017		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000 (Restated)	Other long-term loans RMB'000 (Restated)	Total RMB'000 (Restated)
Within one year	14,481,088	1,679,300	16,160,388	11,734,793	1,799,000	13,533,793
More than one year, but not exceeding two years	13,177,392	2,392,499	15,569,891	24,630,987	4,693,000	29,323,987
More than two years, but not more than five years	36,813,645	3,816,021	40,629,666	23,275,921	3,114,800	26,390,721
More than five years	48,884,634	564,352	49,448,986	46,192,115	1,909,790	48,101,905
	113,356,759	8,452,172	121,808,931	105,833,816	11,516,590	117,350,406
Less: Amount due for settlement within 12 months (shown under current liabilities)	(14,481,088)	(1,679,300)	(16,160,388)	(11,734,793)	(1,799,000)	(13,533,793)
Amount due for settlement after 12 months	98,875,671	6,772,872	105,648,543	94,099,023	9,717,590	103,816,613

34. LONG-TERM LOANS (Continued)

Long-term loans are classified as follows:

	31 December 2018			31 December 2017		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000 (Restated)	Other long-term loans RMB'000 (Restated)	Total RMB'000 (Restated)
Secured loans	23,534,241	–	23,534,241	22,333,349	–	22,333,349
Guaranteed loans	8,225,635	2,654,000	10,879,635	6,077,684	7,320,000	13,397,684
Unsecured loans	81,596,883	5,798,172	87,395,055	77,422,783	4,196,590	81,619,373
	113,356,759	8,452,172	121,808,931	105,833,816	11,516,590	117,350,406

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

	31 December 2018 RMB'000	31 December 2017 RMB'000
Long-term bank loans	1.20% – 5.90%	1.20% – 6.55%
Other long-term loans	4.28% – 6.22%	4.41% – 6.22%

Long-term loans of RMB40,026,861,000 (31 December 2017 (restated): RMB22,619,106,000 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.

34. LONG-TERM LOANS (Continued)

At 31 December 2018, long-term bank loans amounted to RMB8,225,635,000 (31 December 2017 (restated): RMB6,077,684,000) were guaranteed by the following parties:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
The Company	6,863,884	4,430,244
Others	1,361,751	1,647,440
	8,225,635	6,077,684

Other long-term loans amounted RMB2,654,000,000 and RMB5,320,000,000 were guaranteed by the Company as at 31 December 2018 and 2017 respectively.

At 31 December 2018, other long-term loans amounted to RMB2,972,040,000 (31 December 2017: RMB794,600,000) which were borrowed from China Datang were unsecured, unguaranteed and interest-bearing ranging from 4.75% to 5.40% (31 December 2017: 4.75% to 5.40%) per annum.

At 31 December 2018, other long-term loans amounted to RMB2,826,132,000 (2017: RMB3,401,990,000) which were borrowed from Datang Finance were unsecured, unguaranteed and interest-bearing ranging from 4.41% to 4.90% (2017: 4.41% to 4.90%) per annum.

In addition, at 31 December 2017, another other long-term loans amounted to RMB2,000,000,000 were guaranteed by China Datang.

Please refer to Note 47 for the details of assets pledged for securing the long-term loans.

35. LONG-TERM BONDS

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Medium-term notes (i)	**4,198,125**	4,788,616	4,776,788
Corporate bonds (ii)	**11,964,461**	11,954,237	11,944,564
	16,162,586	16,742,853	16,721,352
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(7,196,277)**	(999,600)	–
	8,966,309	15,743,253	16,721,352

Notes:

(i) Medium-term notes represented unsecured notes issued by the Company and its subsidiary in inter-bank market with par value of RMB100 each totaling RMB4,198,125,000 as at 31 December 2018 (2017 (restated): RMB4,788,616,000). Such medium-term notes are with a term ranging from 3 years to 5 years with fixed annual coupon and effective interest rates from 3.22% to 5.20% per annum (2017: 3.22% to 5.41% per annum) at 31 December 2018.

Accrued interest for these notes amounted to RMB44,686,000 (2017: RMB119,113,000) as at 31 December 2018.

(ii) As at 31 December 2018, corporate bonds represented unsecured bonds issued by the Company with par value of RMB100 each totaling RMB12 billion (2017: 12 billion). Such bonds, which are secured by assets of China Datang and of which certain portion were counter-guaranteed by the Company, are of 10-year term with fixed annual coupon and effective interest rates from 5.1% to 5.36% per annum (2017: 5.1% to 5.36% per annum) as at 31 December 2018.

Accrued interest for these bonds amounted to RMB408,820,000 (2017: RMB363,910,000) as at 31 December 2018.

36. 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.

37. DEFERRED TAX

(a) Deferred tax asset

	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 2017 (As previously reported)	4,003	2,682,421	343,838	42,048	188,232	92,701	66,973	3,420,216
Effect of business combinations under common control	–	–	–	–	67,520	6,212	–	73,732
At 1 January 2017 (As restated)	4,003	2,682,421	343,838	42,048	255,752	98,913	66,973	3,493,948
(Charge)/ credit to profit or loss for the year	(133)	587,827	(9,634)	(27,212)	23,308	685	19,076	593,917
At 31 December 2017 and 1 January 2018 (As restated)	3,870	3,270,248	334,204	14,836	279,060	99,598	86,049	4,087,865
(Charge)/ credit to profit or loss for the year	(3,870)	(74,439)	(5,751)	70,166	(1,356)	(10,418)	26,309	641
Credit to other comprehensive income for the year	–	–	–	–	–	–	279	279
At 31 December 2018	–	3,195,809	328,453	85,002	277,704	89,180	112,637	4,088,785

37. DEFERRED TAX (Continued)

(b) Deferred tax liabilities

	Assets revaluation RMB'000	Fair value gain on equity instruments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2017 (As restated)	551,876	–	11,385	563,261
Credit to profit or loss for the year	(16,045)	–	(9,224)	(25,269)
Charge to other comprehensive income for the year	–	–	6,554	6,554
At 31 December 2017	535,831	–	8,715	544,546
IFRS 9 adjustment	–	122,758	–	122,758
At 1 January 2018 (As restated)	**535,831**	**122,758**	**8,715**	**667,304**
(Credit)/ charge to profit or loss for the year	**(55,482)**	**–**	**119,153**	**63,671**
Charge to other comprehensive income for the year	**–**	**–**	**278**	**278**
At 31 December 2018	**480,349**	**122,758**	**128,146**	**731,253**

No deferred tax asset has been recognised in respect of certain unused tax losses of RMB19,864,168,000 (2017 (restated): RMB16,691,887,000) due to the unpredictability of future profit streams. The unused tax losses will expire after five years from the year of assessment to which they relate.

38. OTHER NON-CURRENT LIABILITIES

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Finance lease payables	**10,207,028**	11,436,532	13,151,576
Others	**135,676**	2,761	135,352
	10,342,704	11,439,293	13,286,928
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(2,650,552)**	(3,511,132)	(2,900,815)
	7,692,152	7,928,161	10,386,113

38. OTHER NON-CURRENT LIABILITIES (Continued)

Finance lease payables

	Minimum lease payments		Present value of minimum lease payments	
	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	**31 December 2018 RMB'000**	31 December 2017 RMB'000 (Restated)
Within one year	**3,131,142**	4,176,795	**2,593,941**	3,511,132
Between one to two years	**2,602,177**	2,796,055	**2,219,745**	2,257,059
Between two to five years	**5,047,926**	4,630,584	**4,646,800**	4,358,740
After five years	**890,137**	1,382,528	**746,542**	1,309,601
	11,671,382	12,985,962	**10,207,028**	11,436,532
Less: Future finance charges	**(1,464,354)**	(1,549,430)	**–**	–
Present value of lease obligations	**10,207,028**	11,436,532	**10,207,028**	11,436,532
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(2,593,941)**	(3,511,132)
Amount due for settlement after 12 months			**7,613,087**	7,925,400

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 7 and 8 years for the years ended 2017 and 2018 respectively. The average effective borrowing rate was 4.76% and 4.97% per annum at 31 December 2017 and 2018 respectively. Interest rates are fixed at the contract dates and thus exposed 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.

Finance lease payables amounted to RMB4,097,924,000 and RMB3,875,963,000 which were due to associates were unsecured and interest-bearing ranging from 4.27% to 5.59% and 4.41% to 5.80% per annum as at 31 December 2017 and 2018 respectively.

Finance lease payables amounted to RMB2,338,430,000 and RMB2,786,938,000 which were due to a subsidiary of China Datang were unsecured and interest-bearing ranging from 4.41% to 6.00% and 4.41% to 7.00% per annum as at 31 December 2017 and 2018 respectively.

39. TRADE PAYABLES AND ACCRUED LIABILITIES/ CONTRACT LIABILITIES

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Trade payables	**20,387,076**	23,225,162	19,769,059
Notes payables	**1,248,315**	1,281,918	2,407,876
Receipt in advance	**–**	928,328	833,476
Accrued expenses	**1,009,468**	953,660	870,923
Other payables	**3,376,584**	2,707,651	2,709,414
	26,021,443	29,096,719	26,590,748

	31 December 2018 RMB'000	1 January 2018 RMB'000 (Restated)
Contract liabilities	**1,048,738**	928,328

The ageing analysis of the trade payables is as follows:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
Within one year	**15,651,698**	17,031,413
Between one to two years	**1,939,108**	2,656,848
Between two to three years	**1,059,467**	1,597,052
Over three years	**1,736,803**	1,939,849
	20,387,076	23,225,162

Contract liabilities represents advances received for the sales of electricity, coal and others. These advances are recognised as contract liabilities until the sales transactions are made.

Revenue recognised during the year ended 31 December 2018 that was included in the contract liabilities as at 1 January 2018 is RMB928,328,000.

40. SHORT-TERM LOANS

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Short-term bank loans	**21,185,201**	24,735,514	11,671,436
Other short-term loans	**3,586,440**	2,948,910	1,528,300
	24,771,641	27,684,424	13,199,736

Short-term loans are classified as follows:

	31 December 2018			31 December 2017		
	Short-term bank loans RMB'000	**Other short-term loans RMB'000**	**Total RMB'000**	Short-term bank loans RMB'000 (Restated)	Other short-term loans RMB'000 (Restated)	Total RMB'000 (Restated)
Secured loans	**445,370**	**–**	**445,370**	–	–	–
Guaranteed loans	**70,000**	**–**	**70,000**	140,000	–	140,000
Unsecured loans	**20,669,831**	**3,586,440**	**24,256,271**	24,595,514	2,948,910	27,544,424
	21,185,201	**3,586,440**	**24,771,641**	24,735,514	2,948,910	27,684,424

40. SHORT-TERM LOANS (Continued)

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

	31 December 2018	31 December 2017
Short-term bank loans	**3.40% – 7.50%**	2.46% – 4.35%
Other short-term loans	**4.35% – 5.00%**	3.92% – 4.35%

At 31 December 2018, short-term loans of RMB3,713,817,000 (2017: RMB3,366,490,000) 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 2018, short-term bank loans amounted to RMB445,370,000 (2017: Nil) were secured by certain tariff collection rights of the Group.

At 31 December 2018, short-term bank loans amounted to RMB70,000,000 (2017: RMB140,000,000) were guaranteed by the Company.

At 31 December 2018, other short-term loans amounted to RMB3,586,440,000 (2017: RMB2,948,910,000) which were borrowed from Datang Finance were unsecured, unguaranteed and interest-bearing ranging from 4.35% to 5.00% (2017: 3.92% to 4.35%) per annum.

41. SHORT-TERM BONDS

At 31 December 2018, short-term bonds represented unsecured bonds issued by the Group with maturity date less than one year at par value of RMB100 each with annual coupon and effective interest rate ranging from 1.78% to 3.19% per annum.

No short-term bond was in issue as at 31 December 2017.

At 1 January 2017, short-term bonds represented unsecured bonds issued by the Group at par value of RMB100 each with annual coupon and effective interest rate ranging from 2.53% to 2.78% per annum and fully repaid in 2017.

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2018 RMB'000	2017 RMB'000
Profit before tax	**4,165,797**	2,858,377
Adjustments for:		
Interest income	**(102,262)**	(68,549)
Dividend income	**(160,912)**	(322,550)
Depreciation of property, plant and equipment	**13,775,115**	13,202,917
Depreciation of investment properties	**29,963**	46,434
Amortisation of intangible assets	**42,368**	53,695
Amortisation of land use right	**86,635**	97,775
Share of profit of associates	**(1,754,780)**	(1,054,686)
Share of losses of joint ventures	**397,315**	134,976
Impairment loss on property, plant and equipment	**426,368**	20,240
Allowance for inventories	**4,786**	306,675
Reversal of allowance for inventories	**(313,764)**	(12,205)
Impairment of trade and note receivable, net	**9,529**	156,060
Impairment of other receivables	**96,128**	46,204
Written off of property, plant and equipment	**472,907**	119,503
Finance cost	**7,647,028**	6,873,777
Release of government grant for property, plant and equipment	**(546,809)**	(497,808)
Impairment of goodwill	**54,232**	–
Gain on disposal of available-for-sale financial assets	**–**	(238,257)
Gain on change of fair value of financial instruments at FVTPL	**(242,147)**	–
Gain on disposal of subsidiary	**–**	(28,368)
Other losses	**33,604**	229,478
Operating profit before working capital changes	**24,121,101**	21,923,688
Increase in trade and notes receivables	**(996,824)**	(2,645,617)
(Increase) decrease in prepayments and other receivables	**(727,007)**	903,607
(Decrease) increase in trade payables, accrued liabilities and contract liabilities	**(2,026,538)**	2,631,755
Increase in inventories	**(128,024)**	(682,498)
Increase in other non-current assets	**(1,293,441)**	(100,484)
Decrease (increase) in current portion of other non-current assets	**69,679**	(64,532)
Increase (decrease) in other non-current liabilities	**132,915**	(132,591)
Cash generated from operation	**19,151,861**	21,833,328

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(b) Material non-cash transactions

Additions to property, plant and equipment during the year of RMB144,821,000 (2017 (restated): RMB1,274,565,000) were financed by finance leases.

(c) Acquisition of non-controlling interests

It represented the effects from acquisition of non-controlling interests of the Company's subsidiaries, and primarily arisen from the acquisition of 49% equity interest of a subsidiary from the non-controlling shareholder of that subsidiary at nil consideration, resulting in a transfer of carrying amount of non-controlling interests with deficit balances of RMB1,289,918,000 to capital reserve.

43. MATERIAL DISPOSAL OF A SUBSIDIARY

On 27 May 2017, the Group disposed of all its equity interest in a wholly-owned subsidiary, Chongqing Yuneng Yangzi Power Company Limited.

Net assets at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	5,684
Intangible assets	12
Inventories	3
Trade receivables	49
Cash and cash equivalents	40
Long-term loan	(2,900)
Trade payables and accrued liabilities	(686)
Taxes payables	(44)
Net assets disposed of	2,158
Gain on disposal of a subsidiary	21,523
Total consideration – satisfied by cash	23,681
Net cash inflow arising on disposal:	
Cash consideration received	23,681
Cash and cash equivalents disposed of	(40)
	23,641

Apart from Chongqing Yuneng Yangzi Power Company Limited, the Group had disposed a number of subsidiaries, which the directors consider not significant to the Group. The Group had recognised the gain on disposal of subsidiaries for approximately RMB6,845,000 during the year ended 31 December 2017.

44. FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

At the end of the reporting period, the Group has provided financial guarantees for loan facilities granted to the following parties:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Associates	**865,251**	838,726	1,020,080
Joint ventures	**61,250**	102,410	214,405
Associates of China Datang	**14,030,000**	14,030,000	14,106,000
	14,956,501	14,971,136	15,340,485

No claims have been made against the Group since the date of granting of the above financial guarantees.

45. CAPITAL COMMITMENTS

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

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Property, plant and equipment	**7,662,037**	9,280,832	12,553,338

46. LEASE COMMITMENTS

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)	1 January 2017 RMB'000 (Restated)
Within one year	**55,769**	46,962	34,448
In the second to fifth years inclusive	**49,794**	21,566	16,276
After five years	**27,400**	9,000	10,800
	132,963	77,528	61,524

47. PLEDGE OF ASSETS

The Group had pledged the following assets to secure the borrowings of the Group at the end of the reporting period. The carrying amounts of the assets pledged are as follows:

	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
Trade receivables	**4,828,406**	5,014,195
Pledged bank deposit	**108,199**	429,345
Property, plant and equipment	**11,965,760**	3,703,915
Construction in progress	**628,373**	–
Others	**979,450**	1,004,713
	18,510,188	10,152,168

48. BUSINESS COMBINATION UNDER COMMON CONTROL

The Group adopted merger accounting for common control combinations in respect of the following transaction which occurred during the year ended 31 December 2018.

On 1 April 2018, the Group acquired 100% equity interests in Datang Anhui Power Generation Co., Ltd., Datang Hebei Power Generation Co., Ltd. and Datang Heilongjiang Power Generation Co., Ltd. (collectively referred to as the "Acquired Subsidiaries") at an aggregate consideration of RMB18,127,511,000 from China Datang, the ultimate holding company of the Company. The consideration is subject to final adjustment calculation as disclosed in the circular of the Company dated 22 February 2018. The final total consideration amounted to approximately RMB18,131,114,000 of which RMB17,939,898,000 has been paid in the current year.

The effect of restatements on the consolidated statement of profit or loss for the year ended 31 December 2017 by line items is as follows:

	The Group (excluding the Acquired Subsidiaries) RMB'000	The Acquired Subsidiaries RMB'000	The Group (including the Acquired Subsidiaries) RMB'000
Operating revenue	64,607,755	19,577,317	84,185,072
Operating costs			
Fuel for power and heat generation	(32,787,472)	(12,139,533)	(44,927,005)
Depreciation	(11,263,255)	(1,986,096)	(13,249,351)
Repairs and maintenance	(1,648,112)	(764,582)	(2,412,694)
Salaries and staff welfare	(3,435,244)	(1,723,746)	(5,158,990)
Local government surcharges	(864,100)	(287,683)	(1,151,783)
Others	(6,769,970)	(2,901,581)	(9,671,551)
Total operating costs	(56,768,153)	(19,803,221)	(76,571,374)
Operating profit (loss)	7,839,602	(225,904)	7,613,698
Shares of profits of associates	1,044,591	10,095	1,054,686
Shares of losses of joint ventures	(134,976)	–	(134,976)
Investment income	167,976	157,528	325,504
Other gains	266,625	538,068	804,693
Interest income	49,311	19,238	68,549
Finance costs	(5,908,857)	(964,920)	(6,873,777)
Profit (loss) before tax	3,324,272	(465,895)	2,858,377
Income tax (expense)/ credit	(878,419)	200,560	(677,859)
Profit (loss) for the year	2,445,853	(265,335)	2,180,518

48. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

The effect of restatements on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017 by line items is as follows: (Continued)

	The Group (excluding the Acquired Subsidiaries) RMB'000	The Acquired Subsidiaries RMB'000	The Group (including the Acquired Subsidiaries) RMB'000
Profit (loss) for the year attributable to:			
Owners of the Company	1,708,075	(213,352)	1,494,723
Non-controlling interests	737,778	(51,983)	685,795
	2,445,853	(265,335)	2,180,518
Profit (loss) for the year	2,445,853	(265,335)	2,180,518
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Fair value gain on available-for-sale financial assets	88,885	–	88,885
Shares of other comprehensive income of associates	(19,948)	–	(19,948)
Exchange differences on translating foreign operations	(5,042)	–	(5,042)
Income tax on items that may be reclassified to profit or loss	158	–	158
Other comprehensive income for the year, net of tax	64,053	–	64,053
Total comprehensive income (expense) for the year	2,509,906	(265,335)	2,244,571
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company	1,772,128	(213,352)	1,558,776
Non-controlling interests	737,778	(51,983)	685,795
	2,509,906	(265,335)	2,244,571

48. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

The effect of restatements on the consolidated statement of financial position as at 31 December 2017 by line items is as follows: (Continued)

	The Group (excluding the Acquired Subsidiaries) RMB'000	The Acquired subsidiaries RMB'000	Intragroup Elimination RMB'000	The Group (including the Acquired Subsidiaries) RMB'000
Non-current assets				
Land use rights	2,364,403	425,094	–	2,789,497
Property, plant and equipment	180,869,913	34,989,124	–	215,859,037
Investment properties	610,583	11,210	–	621,793
Intangible assets	1,977,645	112,067	–	2,089,712
Interests in associates	14,417,605	53,935	–	14,471,540
Interests in joint ventures	969,068	343,092	–	1,312,160
Available-for-sale financial assets	4,905,913	5,000	–	4,910,913
Long-term entrusted loans to an associate	133,386	–	–	133,386
Deferred tax assets	3,637,796	450,069	–	4,087,865
Other non-current assets	4,726,694	311,144	–	5,037,838
	214,613,006	36,700,735	–	251,313,741
Current assets				
Inventories	2,916,823	1,285,560	–	4,202,383
Trade and notes receivables	9,948,715	2,837,045	–	12,785,760
Prepayments and other receivables	3,537,772	492,290	–	4,030,062
Tax recoverable	217,625	12,840	–	230,465
Current portion of other non-current assets	76,188	–	–	76,188
Cash and cash equivalents and restricted deposits	4,621,714	1,862,347	–	6,484,061
	21,318,837	6,490,082	–	27,808,919
Current liabilities				
Trade payables and accrued liabilities	22,508,332	6,588,387	–	29,096,719
Taxes payables	910,687	154,676	–	1,065,363
Dividends payables	301,547	55,660	–	357,207
Short-term loans	24,441,440	3,242,984	–	27,684,424
Current portion of non-current liabilities	14,521,572	3,522,953	–	18,044,525
	62,683,578	13,564,660	–	76,248,238
Net current liabilities	(41,364,741)	(7,074,578)	–	(48,439,319)
	173,248,265	29,626,157	–	202,874,422

48. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

The effect of restatements on the consolidated statement of financial position as at 31 December 2017 by line items is as follows: (Continued)

	The Group (excluding the Acquired Subsidiaries) RMB'000	The Acquired subsidiaries RMB'000	Intragroup Elimination RMB'000	The Group (including the Acquired Subsidiaries) RMB'000
Capital and reserves				
Share capital	13,310,038	9,551,324	(9,551,324)	13,310,038
Reserves	28,449,310	936,165	9,551,324	38,936,799
	41,759,348	10,487,489	–	52,246,837
Non-controlling interests	18,425,484	1,406,424	–	19,831,908
Total equity	60,184,832	11,893,913	–	72,078,745
Non-current liabilities				
Long-term loans	88,413,130	15,403,483	–	103,816,613
Long-term bonds	15,444,381	298,872	–	15,743,253
Deferred income	1,613,873	1,149,231	–	2,763,104
Deferred tax liabilities	531,806	12,740	–	544,546
Other non-current liabilities	7,060,243	867,918	–	7,928,161
	113,063,433	17,732,244	–	130,795,677
	173,248,265	29,626,157	–	202,874,422

The effect of the restatement on the Group's basic and diluted earnings per share for the year ended 31 December 2017 is as follows:

	Impact on basic and diluted equity per share RMB cent
As previous reported	12.83
Effect arising from business combination under common control	(1.60)
As restated	11.23

48. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

The effect of restatements on the consolidated statement of financial position as at 1 January 2017 by line items is as follows:

	The Group (excluding the Acquired Subsidiaries) RMB'000	The Acquired subsidiaries RMB'000	Intragroup Elimination RMB'000	The Group (including the Acquired Subsidiaries) RMB'000
Non-current assets				
Land use rights	2,438,262	602,087	–	3,040,349
Property, plant and equipment	180,483,733	35,393,058	–	215,876,791
Investment properties	549,727	11,868	–	561,595
Intangible assets	1,988,652	115,994	–	2,104,646
Interests in associates	8,562,286	406,704	–	8,968,990
Interests in joint ventures	6,629,938	–	–	6,629,938
Available-for-sale financial assets	4,991,091	416,775	–	5,407,866
Long-term entrusted loans to an associate	125,188	–	–	125,188
Deferred tax assets	3,420,216	73,732	–	3,493,948
Other non-current assets	4,181,410	176,038	–	4,357,448
	213,370,503	37,196,256	–	250,566,759
Current assets				
Inventories	2,766,573	1,047,785	–	3,814,358
Trade and notes receivables	8,003,721	2,292,531	–	10,296,252
Prepayments and other receivables	4,416,631	563,242	–	4,979,873
Tax recoverable	367,970	50,606	–	418,576
Current portion of other non-current assets	11,656	–	–	11,656
Cash and cash equivalents and restricted deposits	4,528,367	1,647,572	–	6,175,939
	20,094,918	5,601,736	–	25,696,654
Current liabilities				
Trade payables and accrued liabilities	20,396,471	6,194,277	–	26,590,748
Taxes payables	887,815	238,194	–	1,126,009
Dividends payables	633,461	–	–	633,461
Short-term loans	11,010,175	2,189,561	–	13,199,736
Short-term bonds	14,182,902	300,000	–	14,482,902
Current portion of non-current liabilities	10,254,754	2,030,314	–	12,285,068
	57,365,578	10,952,346	–	68,317,924
Net current liabilities	(37,270,660)	(5,350,610)	–	(42,621,270)
	176,099,843	31,845,646	–	207,945,489

48. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

The effect of restatements on the consolidated statement of financial position as at 1 January 2017 by line items is as follows: (Continued)

	The Group (excluding the Acquired Subsidiaries) RMB'000	The Acquired subsidiaries RMB'000	Intragroup Elimination RMB'000	The Group (including the Acquired Subsidiaries) RMB'000
Capital and reserves				
Share capital	13,310,038	9,523,374	(9,523,374)	13,310,038
Reserves	31,160,431	127,507	9,523,374	40,811,312
(Accumulated losses) retained earnings	(4,486,148)	1,319,565	–	(3,166,583)
	39,984,321	10,970,446	–	50,954,767
Non-controlling interests	18,844,672	1,695,698	–	20,540,370
Total equity	58,828,993	12,666,144	–	71,495,137
Non-current liabilities				
Long-term loans	90,166,116	15,779,471	–	105,945,587
Long-term bonds	15,426,755	1,294,597	–	16,721,352
Deferred income	1,783,656	1,050,383	–	2,834,039
Deferred tax liabilities	563,261	–	–	563,261
Other non-current liabilities	9,331,062	1,055,051	–	10,386,113
	117,270,850	19,179,502	–	136,450,352
	176,099,843	31,845,646	–	207,945,489

49. 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 both years:

(a) Significant balances and transactions with related parties

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group

Related company	Nature of transaction	2018 RMB'000	2017 RMB'000 (Restated)
China Datang Group:			
China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	Purchase of fuel, materials and properties	944,432	779,803
	Material management service	30,462	11,976
	Sale of products	–	34,286
Datang Environment Industry Group Co., Ltd.	Provision of franchise fee for desulfurization and denitrification	1,263,809	1,709,461
	Provision of operation and maintenance service of denitrification system	10,527	37,845
	Franchise of desulfurization and denitrification and purchase of materials	1,754,753	754,224
	Sale of denitrification and electricity resources	209,536	443,618
Datang Power Fuel Company Ltd.	Purchase of fuel and materials	9,789,892	666,528
	Sale of coal	1,793,376	–
	Receipt of freight, security service	5,025	377
China Datang Corporation Science and Technology Research Institute	Purchase of fuel, materials and properties	44,475	86,545
	Technical service fee	148,666	123,678

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant balances and transactions with related parties (Continued)

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (Continued)

Related company	Nature of transaction	2018 RMB'000	2017 RMB'000 (Restated)
Zhejiang Datang Tiandi Environmental Protection Technology Co., Ltd.	Denitrification water, electricity, transportation and maintenance fees	11,540	109,906
	Purchase of products	92,559	–
	Sale of products	–	6,225
Datang Shanxi Power Fuel Co., Ltd.	Purchase of fuel and materials	136,681	18,376
Beijing Zhongyou Guodian Petroleum Products Sales Co., Ltd.	Purchase of fuel and materials	66,730	73,181
Hunan Datang Xianyi Technology Co., Ltd.	Purchase of materials	13,878	14,325
	Technical service fee	14,799	4,853
China Datang Group Technology Engineering Co., Ltd.	Purchase of product	–	465,980
	Service fee	–	69,932
Datang Sichuan Electric Power Overhaul & Operation Co., Ltd.	Equipment maintenance fee	23,349	23,574
Jiangsu Xutang Power Generation Co., Ltd.	Sale of products	–	147,154
Datang Jiangsu Power Generation Co., Ltd.	Sale of coal	71,519	–
China Datang Coal Industry Co., Ltd.	Purchase of products	–	86,346
Anhui Huainan Power Generation Co., Ltd.	Sale of products	–	66,787
Shanghai Datang Financial Lease Co., Ltd.	Finance lease	1,062,635	734,000
China Datang	Interest expense on loans	86,387	38,527
Group's associates:			
Datang Leasing Company	Finance lease	512,550	246,000
Datang Finance	Interest expense	279,091	205,796
	Interest income	86,555	73,731

During the year, a subsidiary of the Company set up an associate with a subsidiary of China Datang for a capital injection of RMB3,000,000 (2017: RMB3,000,000) and RMB17,000,000 (2017: RMB17,000,000) respectively.

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant balances and transactions with related parties (Continued)

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

	2018 RMB'000	2017 RMB'000 (Restated)
Financial guarantees and financing facilities with associates guaranteed by the Group		
Shanxi Datang International Yuncheng Power Generation Company Limited	**670,000**	617,875
Xiduo Railway Company	**67,251**	67,251
Liaoning Diaobingshan Coal Gangue Power Generation Co., Ltd	**128,000**	153,600
Financial guarantees and financing facilities with joint ventures guaranteed by the Group		
Kailuan (Group) Limited Liability Corporation	**61,250**	102,410
Financial guarantees and financing facilities with associates of China Datang guaranteed by the Group		
Datang Inner Mongolia Dolun Coal Chemical Co., Ltd	**6,816,000**	6,816,000
Datang Hulunbuir Chemical Fertilizer Co., Ltd.	**964,000**	964,000
Datang Energy Chemical Co., Ltd	**6,000,000**	6,000,000
Inner Mongolia Datang International Xilin Hot Mining Co., Ltd	**250,000**	250,000
Guaranteed by China Datang Group		
The Company	**13,000,000**	14,290,810

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant balances and transactions with related parties (Continued)

(iii) Significant balances with China Datang Group and associates of the Group

In addition to the loans payables and finance lease payable to China Datang Group and the Group's associates, the Group has the following significant balances with related parties:

	2018 RMB'000	2017 RMB'000 (Restated)
Bank deposits		
Associates:		
Datang Finance	**9,841,038**	4,402,816
Trade receivables		
China Datang Group:		
Datang Environment Industry Group Co., Ltd	**28,945**	132,571
Datang Power Fuel Co., Ltd.	**479,489**	–
Prepayments		
China Datang Group:		
China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	**160,588**	407,922
Datang Group International Trade Co., Ltd.	**29,386**	–
Datang Power Fuel Co., Ltd.	**198,895**	58,880
Beijing Zhongyou Guodian Petroleum Products Sales Co., Ltd.	**21,206**	15,752
Other receivables		
China Datang Group:		
Datang Environment Industry Group Co., Ltd.	**31,099**	14,696
Datang Inner Mongolia Duolun Coal Chemical Co., Ltd.	**285,411**	–
Datang Hulun Buir Chemical Fertilizer Co., Ltd.	**33,870**	–

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant balances and transactions with related parties (Continued)

(iii) Significant balances with China Datang Group and associates of the Group (Continued)

	2018 RMB'000	2017 RMB'000 (Restated)
Trade payables		
China Datang Group:		
Datang Environment Industry Group Co.,Ltd.	1,397,948	1,556,538
China Datang Group Technology Engineering Co., Ltd.	527,870	369,169
Datang Huayin Electric Power Co., Ltd.	76,845	286,745
China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	589,916	349,910
China Datang Corporation Science and Technology Research Co. Ltd.	96,576	76,863
Zhejiang Datang Tiandi Environmental Protection Technology Co., Ltd.	20,366	48,560
Datang Power Fuel Co., Ltd.	330,466	19,655
Hunan Datang Xianyi Technology Co., Ltd.	27,086	10,651
China Datang Corporation Renewable Power Co., Ltd.	24,677	–
China Datang Group International Trade Co., Ltd.	24,158	–
Beijing Zhongtangdian Engineering Consulting Co., Ltd.	23,578	4,535
Datang Northeast Electric Power Test Research Institute Co., Ltd.	22,252	–
Associates:		
Datang Leasing Company	30,000	–
Other payables		
Associates:		
Datang Finance	151	–
China Datang Group:		
China Datang	173,664	–
Datang Huayin Electric Power Co., Ltd.	317,611	317,611
Datang Environment Industry Group Co., Ltd.	215,921	79,358
Other non-current liabilities		
Associates:		
Datang Finance	144,871	194,779

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant balances and transactions with related parties (Continued)

(iii) Significant balances with China Datang Group and associates of the Group (Continued)

All the above balances are unsecured, interest-free and due on demand. Terms of long-term loans, short-term loans, other non-current liabilities and long-term entrusted loans are described in Notes 34, 40, 38 and 24 respectively to the consolidated financial statements.

(iv) 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, jointly controlled or significant influenced 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 2018 and 2017, the Group sold substantially all of its electricity to local government-related power grid companies. 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 2018 and 2017, other collectively significant transactions with Government-Related Entities also included purchases of fuel and property, plant and equipment.

(v) Compensation to key management personnel of the Group

	2018 **RMB'000**	2017 RMB'000
Short-term benefits	**3,552**	3,626
Retirement benefits	**221**	115
	3,773	3,741

Details of directors' and supervisors' remunerations are included in Note 14 to the consolidated financial statements.

50. PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

Particulars of the principal subsidiaries as at 31 December 2018 and 2017 are as follows:

Name	Place of incorporation/ registration and operation	Registered and paid-up capital RMB'000	Percentage of equity interest Direct 2018	Direct 2017	Indirect 2018	Indirect 2017	Principal activities
Liaoning Datang International Renewable Power Company Limited ("Liaoning Renewable Power Company")	PRC	1,716,420	**53.85%**	53.85%	–	–	Wind power generation
Liaoning Datang International Changtu Wind Power Company Limited	PRC	899,680	–	–	**100.00%**	100.00%	Wind power generation
Datang Zhangzhou Wind Power Company Limited	PRC	217,590	–	–	**100.00%**	100.00%	Wind power generation
Datang Hebei Power Generation Co., Ltd.*	PRC	3,001,986	**100.00%**	100.00%	–	–	Power generation
Datang Heilongjiang Power Generation Co., Ltd.*	PRC	2,923,180	**100.00%**	100.00%	–	–	Power generation
Datang Anhui Power Generation Co., Ltd.*	PRC	3,626,158	**100.00%**	100.00%	–	–	Power generation
Tianjin Datang International Panshan Power Generation Company Limited ("Panshan Power Company")	PRC	831,250	**75.00%**	75.00%	–	–	Power generation
Inner Mongolia Datang International Tuoketuo Power Generation Company Limited ("Tuoketuo Power Company")	PRC	1,714,020	**60.00%**	60.00%	–	–	Power generation
Shanxi Datang International Shentou Power Generation Company Limited ("Shentou Power Company")	PRC	749,000	**60.00%**	60.00%	–	–	Power generation
Shanxi Datang International Yungang Thermal Power Company Limited	PRC	690,000	**100.00%**	100.00%	–	–	Power generation and heat supply

* These entities were acquired by the Company in 2018 under common control combination (Note 48).

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid-up capital	Percentage of equity interest				Principal activities
		RMB'000	Direct 2018	Direct 2017	Indirect 2018	Indirect 2017	
Gansu Datang International Liancheng Power Generation Company Limited	PRC	275,500	**55.00%**	55.00%	**–**	–	Power generation
Hebei Datang International Tangshan Thermal Power Company Limited	PRC	380,264	**80.00%**	80.00%	**–**	–	Power generation and heat supply
Jiangsu Datang International Lvsigang Power Generation Company Limited ("Lvsigang Power Company")	PRC	1,050,182	**55.00%**	55.00%	**–**	–	Power generation
Guangdong Datang International Chaozhou Power Generation Company Limited ("Chaozhou Power Company")	PRC	559,981	**52.50%**	52.50%	**–**	–	Power generation
Fujian Datang International Ningde Power Generation Company Limited ("Ningde Power Company")	PRC	825,090	**51.00%**	51.00%	**–**	–	Power generation
Chongqing Datang International Pengshui Hydropower Development Company Limited ("Pengshui Hydropower Company")	PRC	1,098,170	**40.00%**	40.00%	**24.00%**	24.00%	Hydropower generation
Chongqing Datang International Wulong Hydropower Development Company Limited ("Wulong Hydropower Company")	PRC	1,500,930	**51.00%**	51.00%	**24.50%**	24.50%	Hydropower generation
Datang International (Hong Kong) Limited	Hong Kong	USD102,900,000	**100.00%**	100.00%	**–**	–	Import of power related fuel
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited ("Zhiganglaka Company")	PRC	380,000	**–**	–	**90.00%**	90.00%	Hydropower generation

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid-up capital	Percentage of equity interest				Principal activities
		RMB'000	Direct 2018	Direct 2017	Indirect 2018	Indirect 2017	
Hebei Datang International Wangtan Power Generation Company Limited ("Wangtan Power Company")	PRC	450,000	**70.00%**	70.00%	**–**	–	Power generation
Chongqing Datang International Shizhu Power Generation Company Limited	PRC	585,910	**70.00%**	70.00%	**–**	–	Power generation
Sichuan Datang International Ganzi Hydropower Development Company Limited ("Ganzi Hydropower Company")	PRC	1,625,063	**53.12%**	52.50%	**–**	–	Hydropower generation
Beijing Datang Fuel Company Limited ("Beijing Datang Fuel")	PRC	1,009,650	**51.00%**	51.00%	**–**	–	Coal trading
Zhejiang Datang Wushashan Power Generation Company Limited ("Wushashan Power Company")	PRC	1,700,000	**51.00%**	51.00%	**–**	–	Power generation
Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited ("Tuoketuo II Power Company") (i)	PRC	749,900	**40.00%**	40.00%	**–**	–	Power generation
Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited	PRC	458,000	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Jiangxi Datang International Fuzhou Power Generation Company Limited ("Fuzhou Power Company")	PRC	1,811,616	**51.00%**	51.00%	**–**	–	Power generation
Liaoning Datang International Jinzhou Thermal Power Generation Limited	PRC	368,000	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Chongqing Datang International Wulongxingshun Wind Power Company Limited	PRC	93,880	**100.00%**	100.00%	**–**	–	Wind power generation

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid-up capital	Percentage of equity interest				Principal activities
		RMB'000	Direct 2018	Direct 2017	Indirect 2018	Indirect 2017	
Hebei Datang International Fengrun Thermal Power Company Limited	PRC	393,070	**84.00%**	84.00%	–	–	Power generation and heat supply
Datang Inner Mongolia Erdos Silicon and Aluminium Technology Company Limited	PRC	188,000	**100.00%**	100.00%	–	–	Silicon and aluminium smelting
Inner Mongolia Datang International Renewable Energy Resource Development Company Limited	PRC	258,321	**100.00%**	100.00%	–	–	Production and sale of alumina
Jiangsu Datang Shipping Company Limited	PRC	264,900	**98.11%**	98.11%	–	–	Cargo shipping
Inner Mongolia Datang International Renewable Power Company Limited ("Inner Mongolia Renewable Power Company")	PRC	1,190,020	**51.00%**	51.00%	–	–	Wind power generation
Fujian Datang International Renewable Power Company Limited ("Fujian Renewable Power Company")	PRC	840,530	**53.64%**	53.64%	–	–	Wind power generation
Shanxi Datang International Linfen Thermal Power Company Limited	PRC	282,550	**80.00%**	80.00%	–	–	Power generation and heat supply
Liaoning Datang International Fuxin Wind Power Company Limited	PRC	452,400	–	–	**100.00%**	100.00%	Wind power generation
Tibet Datang International Nujiang Upstream Hydropower Development Company Limited	PRC	310,000	**100.00%**	100.00%	–	–	Hydropower generation
Datang International Nuclear Power Company Limited	PRC	270,826	**100.00%**	100.00%	–	–	Nuclear power generation
Datang Tongzhou Technology Company Limited	PRC	100,000	**100.00%**	100.00%	–	–	Sales of coal ash and integrated application of solid wastes
Yunnan Datang International Electric Power Company Limited ("Yunnan Electric Power Company")	PRC	2,899,888	**60.91%**	60.91%	–	–	Power plant construction and operations

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid-up capital	Percentage of equity interest				Principal activities
		RMB'000	Direct 2018	Direct 2017	Indirect 2018	Indirect 2017	
Hebei Datang International Renewable Power Company Limited ("Hebei Renewable Power Company")	PRC	1,394,166	51.94%	51.94%	–	–	Wind power generation
Inner Mongolia Datang International Haibowan Water Conservancy Hub Development Company Limited	PRC	133,910	100.00%	100.00%	–	–	Hydropower generation
Inner Mongolia Datang International Hohhot Thermal Power Generation Company Limited	PRC	60,000	51.00%	51.00%	–	–	Power generation and heat supply
Jiangxi Datang International Xinyu Power Generation Company Limited	PRC	633,910	100.00%	100.00%	–	–	Power generation
Inner Mongolia Datang International Zhunge'er Mining Company Limited ("Zhunge'er Mining Company")	PRC	60,000	52.00%	52.00%	–	–	Coal mining
Hebei Datang International Qian'an Thermal Power Company Limited	PRC	214,914	93.33%	93.33%	–	–	Power generation
Yuneng (Group) Company Limited	PRC	1,915,418	100.00%	100.00%	–	–	Hydropower generation
Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	PRC	135,970	100.00%	100.00%	–	–	Solar power generation
Inner Mongolia Baoli Coal Company Limited	PRC	50,000	70.00%	70.00%	–	–	Coal mining
Sichuan Jinkang Electricity Development Company Limited ("Sichuan Jinkang Company")	PRC	195,000	54.44%	54.44%	–	–	Hydropower generation
Shanxi Datang International Renewable Power Company Limited	PRC	365,250	100.00%	100.00%	–	–	Wind power generation

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid-up capital	Percentage of equity interest				Principal activities
		RMB'000	Direct 2018	Direct 2017	Indirect 2018	Indirect 2017	
Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	PRC	261,740	100.00%	100.00%	–	–	Power generation and heat supply
Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	PRC	600,000	90.00%	90.00%	–	–	Power generation and heat supply
Erdos Ruidefeng Mining Company Limited	PRC	237,220	100.00%	100.00%	–	–	Wholesale of coal
Jiangxi Datang International Renewable Power Company Limited	PRC	493,110	100.00%	100.00%	–	–	Wind power generation
Shenzhen Datang Baochang Gas Power Generation Company Limited ("Baochang Gas Company")	PRC	USD25,000,000	61.16%	61.16%	–	–	Natural gas power generation
Guangdong Datang International Zhaoqing Thermal Power Company Limited	PRC	105,181	100.00%	100.00%	–	–	Power generation and heat supply
Guangdong Datang International Renewable Power Company Limited	PRC	56,940	100.00%	100.00%	–	–	Wind power generation
Qinghai Datang International Renewable Power Company Limited	PRC	136,970	100.00%	100.00%	–	–	Solar power generation
Ningxia Datang International Renewable Power Company Limited	PRC	364,980	100.00%	100.00%	–	–	Wind power generation
Sichuan Datang International Renewable Power Company Limited	PRC	22,750	100.00%	100.00%	–	–	Power plant construction and operations
Liaoning Datang International Shendong Thermal Power Company Limited	PRC	402,680	100.00%	100.00%	–	–	Power generation and heat supply

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid-up capital	Percentage of equity interest				Principal activities
		RMB'000	Direct 2018	Direct 2017	Indirect 2018	Indirect 2017	
Guangdong Datang International Leizhou Power Generation Company Limited ("Leizhou Power Company") (ii)	PRC	441,140	**34.00%**	34.00%	**–**	–	Power plant construction and operation
Hebei Datang International Tangshan Beijiao Thermal Power Generation Company Limited	PRC	37,910	**100.00%**	100.00%	**–**	–	Power plant construction and operation
Jiangsu Datang International Jintan Thermal Power Company Limited	PRC	10,000	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Jiangsu Datang International Rugao Thermal Power Company Limited	PRC	84,530	**60.00%**	60.00%	**–**	–	Power generation and heat supply
Liaoning Datang International Huludao Thermal Power Company Limited	PRC	63,650	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Zhejiang Datang International Pinghu Wind Power Company Limited	PRC	10,000	**100.00%**	100.00%	**–**	–	Wind power generation
Guangdong Datang International Marketing Company Limited	PRC	Registered capital: 200,000; paid-up capital: 50,000	**100.00%**	100.00%	**–**	–	Power and heat supply
Liaoning Datang International Shenfu Thermal Power Company Limited	PRC	5,000	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Zhejiang Datang Power Marketing Company Limited	PRC	Registered capital: 201,000; paid-up capital: 20,000	**100.00%**	100.00%	**–**	–	Power purchase and sale
Fujian Datang Power Marketing Company Limited	PRC	Registered capital: 201,000; paid-up capital: 20,000	**100.00%**	100.00%	**–**	–	Power purchase and sale

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid-up capital	Percentage of equity interest				Principal activities
		RMB'000	Direct	Direct	Indirect	Indirect	
			2018	2017	2018	2017	
Datang Jingjinji Power Marketing Company Limited	PRC	Registered capital: 201,000; paid-up capital: 20,000	100.00%	100.00%	–	–	Power and heat supply
Liaoning Datang International Huludao Heat Power Company Limited	PRC	5,000	100.00%	100.00%	–	–	Heat supply
Hebei Datang International Fengrun Heat Supply and Gas Supply Company Limited	PRC	5,000	90.00%	90.00%	–	–	Heat supply
Ningxia Datang International Hongshibu Renewable Power Company Limited	PRC	163,220	100.00%	–	–	–	Wind power generation
Ningxia Datang International Bronze Gorge Wind Power Company Limited	PRC	164,138	100.00%	–	–	–	Wind power generation
Shanxi Datang International Zuoyun Wind Power Company Limited	PRC	132,100	100.00%	–	–	–	Wind power generation
Shanxi Datang International Yingxian Wind Power Company Limited	PRC	64,420	100.00%	–	–	–	Wind power generation
Qinghai Republic Photovoltaic Power Generation Company Limited	PRC	211,160	100.00%	–	–	–	Solar power generation
Liaoning Energy Marketing Company Limited	PRC	201,000	100.00%	–	–	–	Power supply
Datang International Mangya Renewable Power Company Limited	PRC	5,000	100.00%	–	–	–	Wind power generation
Datang International Dachaidan Renewable Power Company Limited	PRC	5,000	100.00%	–	–	–	Wind power generation
Datang International Dulan Renewable Power Company Limited	PRC	5,000	100.00%	–	–	–	Wind power generation

50. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of 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 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.

50. PRINCIPAL SUBSIDIARIES (Continued)

(b) 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	Tuoketuo Power Company		Lvsigang Power Company	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by the NCI	**40%/40%**	40%/40%	**45%/45%**	45%/45%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**5,682,214**	5,933,347	**5,767,987**	6,221,422
Current assets	**5,850,282**	2,735,186	**1,009,083**	879,661
Non-current liabilities	**(414,840)**	(3,056,511)	**(2,130,481)**	(2,804,308)
Current liabilities	**(7,764,461)**	(2,564,028)	**(3,359,150)**	(2,627,430)
Net assets	**3,353,195**	3,047,994	**1,287,439**	1,669,345
Accumulated NCI	**1,333,726**	1,214,689	**589,715**	761,571
Year ended 31 December:				
Revenue	**5,399,601**	5,046,488	**3,923,459**	4,148,592
Profit for the year	**785,661**	505,363	**2,872**	17,378
Total comprehensive income	**785,661**	505,363	**2,872**	17,378
Profit allocated to NCI	**311,222**	199,706	**1,293**	7,819
Dividends paid to NCI	**(202,145)**	(402,059)	**(173,149)**	–
Net cash generated from operating activities	**1,619,394**	1,887,589	**706,569**	980,666
Net cash used in investing activities	**(387,473)**	(323,598)	**(122,618)**	(424)
Net cash generated from/ (used in) financing activities	**1,635,124**	(1,286,113)	**(464,128)**	(749,814)
Net increase in cash and cash equivalents	**2,867,045**	277,878	**119,823**	230,428

50. PRINCIPAL SUBSIDIARIES (Continued)

(b) 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 (Continued)

Name	Pengshui Hydropower Company		Ganzi Hydropower Company	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by the NCI	**36%/36%**	36%/36%	**46.88%/46.88%**	47.50%/47.50%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**9,791,587**	10,277,189	**30,630,274**	31,235,469
Current assets	**446,093**	272,222	**605,585**	721,091
Non-current liabilities	**(7,166,580)**	(7,344,195)	**(22,664,305)**	(23,482,835)
Current liabilities	**(927,943)**	(1,334,029)	**(2,101,882)**	(2,238,613)
Net assets	**2,143,157**	1,871,187	**6,469,672**	6,235,112
Accumulated NCI	**771,536**	673,628	**3,043,321**	2,958,720
Year ended 31 December:				
Revenue	**1,541,628**	1,465,296	**2,183,998**	1,907,277
Profit for the year	**477,307**	456,307	**234,559**	513,070
Total comprehensive income	**477,307**	456,307	**234,559**	513,070
Profit allocated to NCI	**171,830**	164,270	**111,416**	243,708
Dividends paid to NCI	**(73,922)**	(226,689)	**–**	–
Net cash generated from operating activities	**1,250,392**	1,084,212	**2,472,103**	1,273,334
Net cash (used in)/ generated from investing activities	**(66,080)**	46,129	**(731,173)**	(1,007,537)
Net cash used in financing activities	**(1,154,509)**	(1,495,680)	**(1,536,045)**	(354,730)
Net increase/ (decrease) in cash and cash equivalents	**29,803**	(365,339)	**204,885**	(88,933)

50. PRINCIPAL SUBSIDIARIES (Continued)

(b) 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 (Continued)

Name	Tuoketuo II Power Company		Fuzhou Power Company	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by the NCI	**60%/60%**	60%/60%	**49%/49%**	49%/49%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**5,248,655**	5,646,682	**4,811,788**	5,138,410
Current assets	**880,549**	733,509	**823,092**	936,118
Non-current liabilities	**(2,201,950)**	(2,618,400)	**(2,228,950)**	(2,332,300)
Current liabilities	**(1,489,264)**	(1,824,859)	**(1,260,532)**	(1,557,293)
Net assets	**2,437,990**	1,936,932	**2,145,398**	2,184,935
Accumulated NCI	**1,470,094**	1,160,587	**1,051,245**	1,070,618
Year ended 31 December:				
Revenue	**3,905,419**	2,634,482	**3,980,645**	3,689,555
Profit for the year	**869,573**	434,106	**272,100**	243,319
Total comprehensive income	**869,573**	434,106	**273,813**	243,319
Profit allocated to NCI	**521,744**	260,463	**133,329**	119,226
Dividends paid to NCI	**(234,417)**	(191,085)	**(119,226)**	(197,072)
Net cash generated from operating activities	**1,273,293**	931,082	**550,831**	712,813
Net cash used in investing activities	**(239,980)**	(314,120)	**(134,282)**	(1,954,642)
Net cash (used in)/ generated from financing activities	**(904,067)**	(547,395)	**(396,597)**	1,937,973
Net increase in cash and cash equivalents	**129,246**	69,567	**19,952**	696,144

50. PRINCIPAL SUBSIDIARIES (Continued)

(b) 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 (Continued)

Name	Yunnan Electric Power Company	
	31 December 2018	31 December 2017
Principal place of business/ country of incorporation	PRC/PRC	
% of ownership interests/ voting rights held by the NCI	39.09%/39.09%	39.09%/39.09%
	RMB'000	RMB'000
At 31 December:		
Non-current assets	13,493,953	14,068,473
Current assets	742,499	755,815
Non-current liabilities	(9,099,122)	(9,553,713)
Current liabilities	(3,850,007)	(3,921,755)
Net assets	1,287,323	1,348,820
Accumulated NCI	411,294	440,398
Year ended 31 December:		
Revenue	1,729,166	1,010,806
Loss for the year	(58,320)	(606,268)
Total comprehensive expense	(58,320)	(606,268)
Loss allocated to NCI	(25,927)	(343,033)
Dividends paid to NCI	–	–
Net cash generated from operating activities	991,312	810,420
Net cash used in investing activities	(123,569)	(150,181)
Net cash used in financing activities	(1,027,659)	(530,874)
Net (decrease)/ increase in cash and cash equivalents	(159,916)	129,365

51. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At 1 January 2018 RMB'000	Cash inflow from financing activities RMB'000	Cash outflows from financing activities RMB'000	Non-cash changes RMB'000	At 31 December 2018 RMB'000
Long-term loans (including current portion)	117,350,406	19,898,474	(15,439,949)	–	121,808,931
Long-term bonds (including current portion)	16,742,853	19,491	(599,758)	–	16,162,586
Finance lease payables (including current portion)	11,436,532	–	(1,374,325)	144,821	10,207,028
Short-term loans	27,684,424	–	(2,912,783)	–	24,771,641
Short-term bonds	–	11,000,000	–	–	11,000,000
Consideration payable	–	–	(17,939,898)	18,131,114	191,216
	173,214,215	30,917,965	(38,266,713)	18,275,935	184,141,402

	At 1 January 2017 RMB'000 (Restated)	Cash inflow from financing activities RMB'000 (Restated)	Cash outflows from financing activities RMB'000 (Restated)	Non-cash changes RMB'000 (Restated)	At 31 December 2017 RMB'000 (Restated)
Long-term loans (including current portion)	115,329,840	15,044,286	(12,992,870)	(30,850)	117,350,406
Long-term bonds	16,721,352	21,501	–	–	16,742,853
Finance lease payables (including current portion)	13,151,576	–	(2,989,609)	1,274,565	11,436,532
Short-term loans	13,199,736	47,187,518	(32,702,830)	–	27,684,424
Short-term bonds	14,482,902	177,000	(14,785,000)	125,098	–
	172,885,406	62,430,305	(63,470,309)	1,368,813	173,214,215

52. COMPARATIVES

Certain comparative figures have been reclassified to conform to the current year's presentation. These new classifications of the accounting items were considered to provide a more appropriate presentation of the results and the state of affairs of the Group.

Differences Between Financial Statements

For The Year Ended 31 December 2018

The consolidated financial statements which are prepared by the Group in conformity with IFRS, differ in certain respects from 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:

		Net assets	
	Notes	31 December 2018 RMB'000	31 December 2017 RMB'000 (Restated)
Net assets attributable to owners of the Company under IFRS		**45,475,062**	52,246,837
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 mining funds	(b)	**(401,046)**	(337,906)
Applicable deferred tax impact of the above GAAP Differences		**(18,702)**	(18,702)
Non-controlling interests' impact of the above GAAP Differences after tax		**(35,122)**	(100,731)
Net assets attributable to owners of the Company under PRC GAAP		**45,126,658**	51,895,964

		Net profit	
	Note	2018 RMB'000	2017 RMB'000 (Restated)
Profit for the year attributable to owners of the Company under IFRS		**1,232,240**	1,494,723
Impact of IFRS adjustments:			
Difference in accounting treatment on mining funds	(b)	**2,469**	1,842
Non-controlling interests' impact of the above GAAP Differences after tax		**–**	125
Net profit for the year attributable to owners of the Company under PRC GAAP		**1,234,709**	1,496,690

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 mining funds

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRS, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to restricted reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of future development and work safety expenses whereas restricted reserve is offset against retained earnings to the extent of zero.

Corporate Information

Registered name of the company

大唐國際發電股份有限公司

English name of the company

Datang International Power Generation Company Limited

Office address of the company

No. 9 Guangningbo Street,
Xicheng District,
Beijing,
People's Republic of China

Principal place of business in Hong Kong

Eversheds Sutherland
21/F, Gloucester Tower, The Landmark,
15 Queen's Road Central,
Hong Kong

Legal representative

Chen Feihu

Authorised representatives

Wang Xin
Ying Xuejun

Secretary to the board

Ying Xuejun

Principal bankers

In the PRC:

Industrial and Commercial Bank of China, Xuanwu Branch
No. 1 Caishikou Street,
Xicheng District,
Beijing,
People's Republic of China

Outside the PRC:

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

Domestic auditor

ShineWing Certified Public Accountants
(Special General Partnership)
9/F, Block A, Fu Hua Mansion, No.8,
Chaoyangmen Beidajie,
Dongcheng District,
Beijing,
People's Republic of China

International auditor

SHINEWING (HK) CPA Limited
43/F., Lee Garden One,
33 Hysan Avenue,
Causeway Bay,
Hong Kong

Legal advisors

as to PRC law:

Beijing Hylands Law Firm
12/F Fortune Financial Centre,
No. 5 Dongsanhuan Central Road,
Chaoyang District,
Beijing,
People's Republic of China

as to Hong Kong law:

Eversheds Sutherland
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

Hetermedia Services Limited
9/F Infinitus Plaza,
199 Des Voeux 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: %
"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
"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
"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
"MW"	1,000,000 watts (equivalent to 1,000 kW)
"kWh"	A unit of power generation equivalent to the output generated by 1,000 watts of power in one hour

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