



大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991

Green Low Carbon,
**High Quality
Development**

2020 Annual Report







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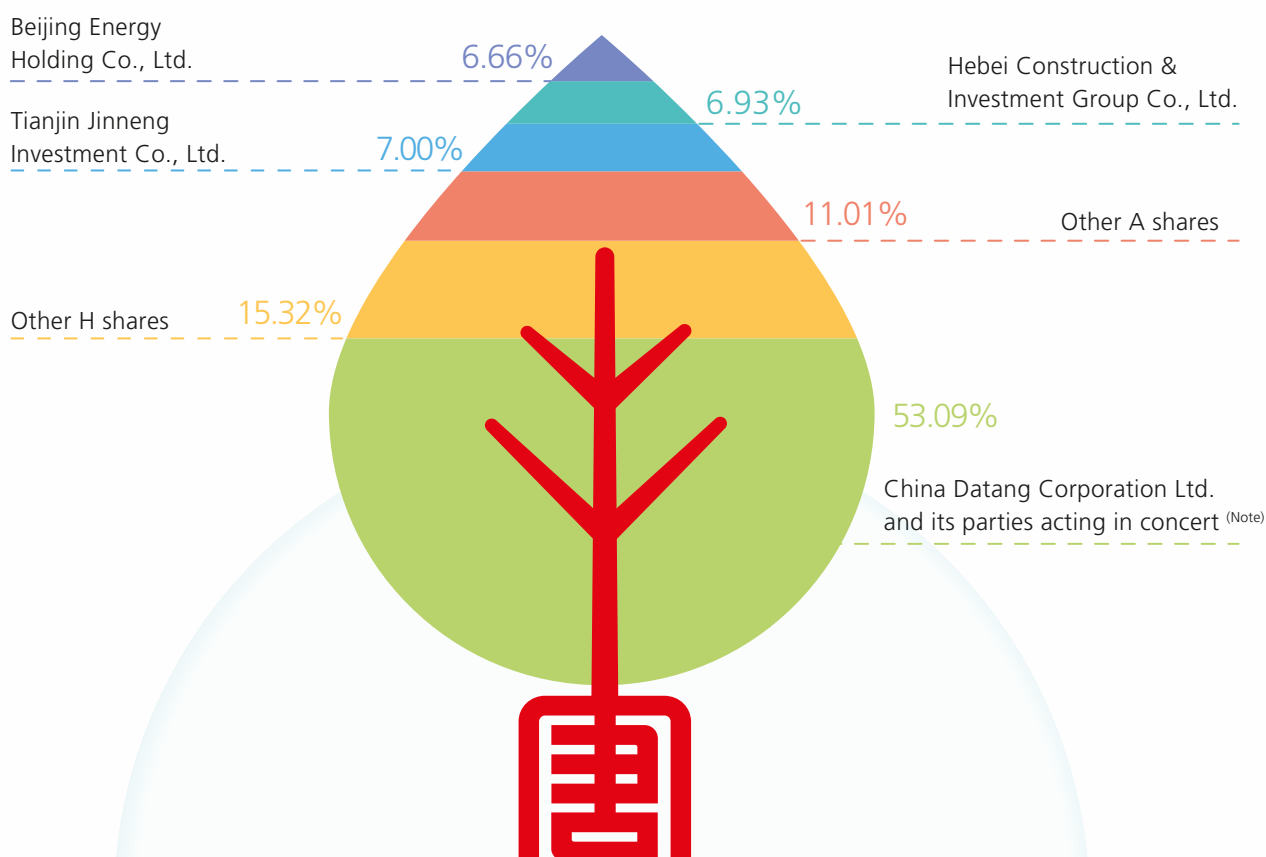
COMPANY PROFILE

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 2020, the total consolidated assets of the Company and its subsidiaries amounted to approximately RMB280.471 billion. Total installed capacity under management of the Company amounted to approximately 68,278.13 MW, and the power generation businesses of the Company and its subsidiaries are mainly distributed across 19 provinces (including municipalities and autonomous regions) throughout the country.

EQUITY STRUCTURE AND SHAREHOLDING OF THE COMPANY



Note:

As of 31 December 2020, the total number of shares of the Company was 18,506,710,504 shares, China Datang Corporation Ltd. (“CDC”) and its subsidiaries held a total of 9,825,068,940 shares of the Company, accounting for approximately 53.09% of the Company’s total issued shares in aggregate, being the controlling shareholder of the Company, of which, CDC held 6,540,706,520 A shares of the Company, accounting for approximately 35.34% of the total share capital of the Company; China Datang Group Finance Company Limited, a subsidiary of CDC, held 8,738,600 A shares of the Company, accounting for approximately 0.05% of the total share capital of the Company; and China Datang Overseas (HK) Co., Limited, a wholly-owned subsidiary of CDC, held 3,275,623,820 H shares of the Company, accounting for approximately 17.70% of the total share capital of the Company.



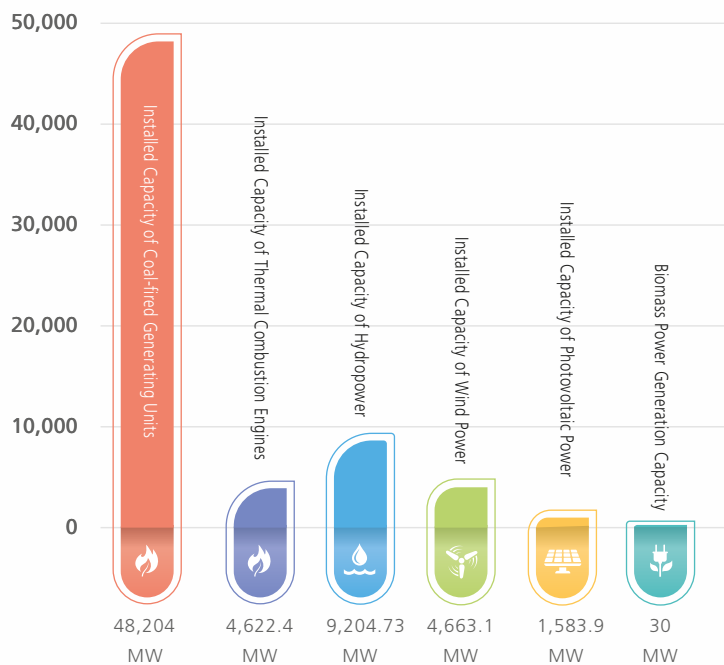
Facilitation of continuous structure optimisation

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 green and low carbon transformation

The Company adhered to the implementation of the new development concept, fully focusing on “wind, light, gas and service” projects, and the development of new energy has accelerated substantially.

Installed capacity structure of the Company

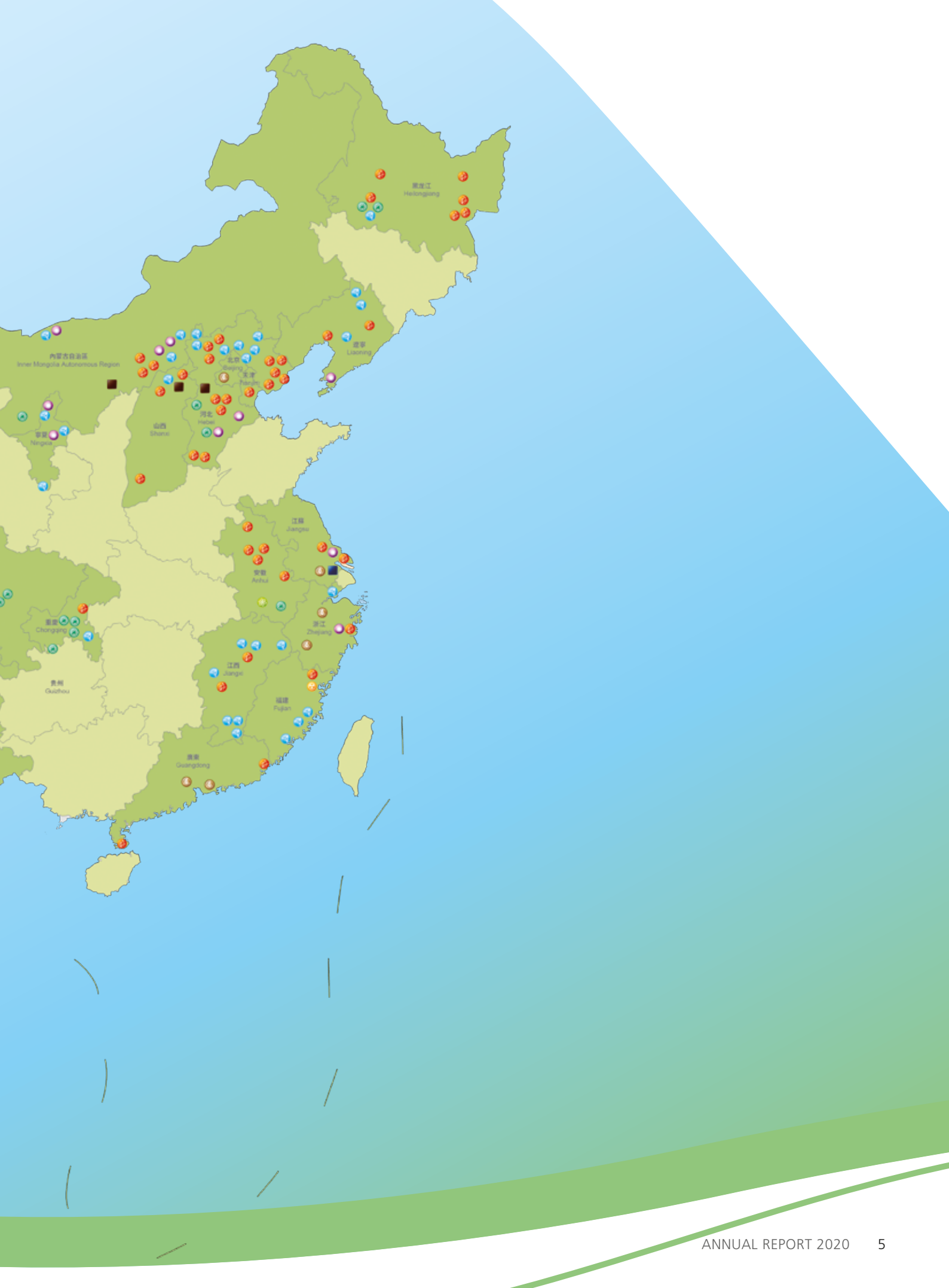


Managed an installed capacity of approximately 68,278.13 MW.
Completed power generation of approximately 272.630 billion kWh.

DISTRIBUTION OF PROJECTS



 燃煤發電項目 Coal-fired Power Project	 燃氣發電項目 Gas Power Project	 水電項目 Hydro Power Project
 風電項目 Wind Power Project	 核電項目 Nuclear Power Project	 光伏發電項目 Photovoltaic Power Project
 生物質能發電 Biomass Power	 航運項目 Shipping Project	 煤礦項目 Coal Mine Project



内蒙古自治区
Inner Mongolia Autonomous Region

黑龙江
Heilongjiang

辽宁
Liaoning

北京
Beijing

天津
Tianjin

河北
Hebei

山西
Shanxi

宁夏
Ningxia

江苏
Jiangsu

安徽
Anhui

重庆
Chongqing

贵州
Guizhou

江西
Jiangxi

浙江
Zhejiang

福建
Fujian

广东
Guangdong

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	2016	2017	2018	2019	2020
Operating revenue	75,829	84,185	93,390	95,453	95,614
Profit before tax	10,832	2,858	4,166	4,619	7,144
Income tax (expense)/credit	237	(677)	(1,379)	(1,721)	(1,891)
Profit for the year attributable to:					
– Ordinary shares	4,954	1,495	1,232	391	1,830
– Other equity instruments	–	–	–	595	1,159
– Non-controlling interests	6,115	686	1,555	1,911	2,264

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

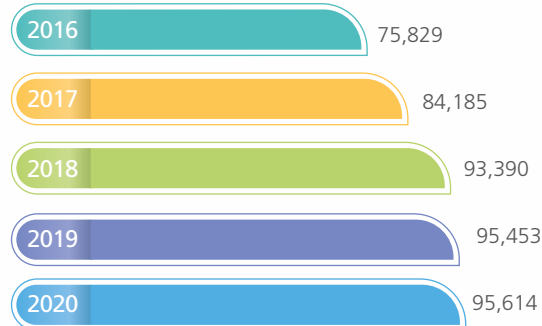
(Amounts expressed in millions of RMB)

As at 31 December	2016	2017	2018	2019	2020
Total assets	276,263	279,123	288,250	282,415	280,471
Total liabilities	204,768	207,044	217,760	200,386	188,962
Other equity instruments	–	–	5,000	22,935	31,316
Non-controlling interests	20,540	19,832	20,015	16,903	18,322
Equity attributable to owners of the Company	50,955	52,247	45,475	42,191	41,871

Financial and Operating Highlights

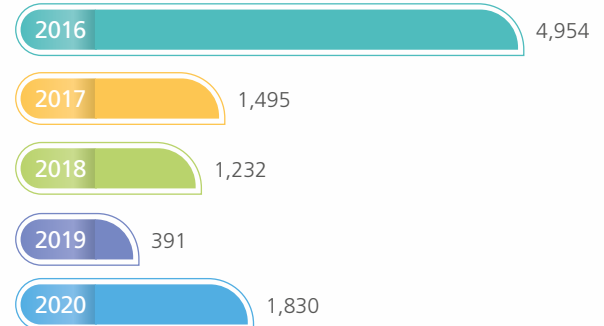
CONSOLIDATED OPERATING REVENUE

(RMB million)



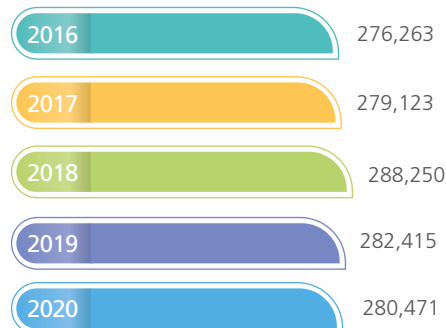
CONSOLIDATED PROFIT ATTRIBUTABLE TO ORDINARY SHARES

(RMB million)



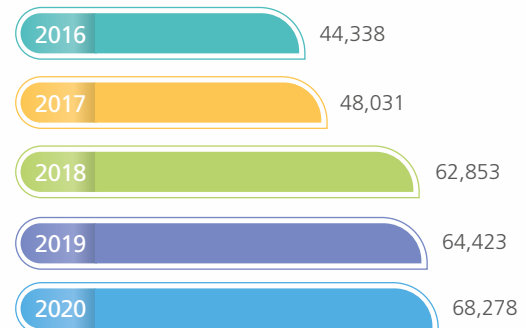
CONSOLIDATED ASSETS

(RMB million)



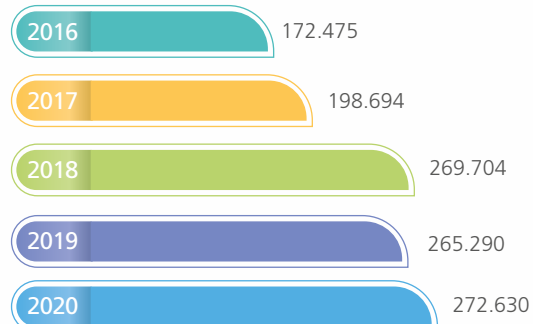
TOTAL INSTALLED CAPACITY

(MW)



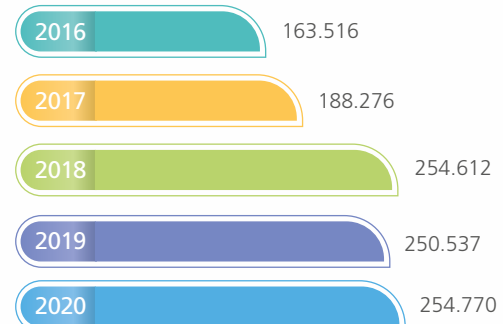
TOTAL POWER GENERATION

(billion kWh)



TOTAL ON-GRID POWER GENERATION

(billion kWh)



CHAIRMAN'S STATEMENT



The year 2020 marks the last year for the goal of building a moderately well-off society and the "13th Five-Year" plan, and is also the year crucial for Datang Power to promote development with high quality. The Company always insisted on taking benefit as center, overcame the adverse effects of the COVID-19 pandemic, and successfully completed various annual tasks.

This year, we committed to building a green, low-carbon, safe and efficient modern energy system. In 2020, the Company had a total production capacity of 4,705.50 MW, of which thermal power projects had a production capacity of 2,400 MW, wind power projects had a production capacity of 1,361.50 MW, photovoltaic projects had a production capacity of 944 MW. The power generation structure has been further optimized, and the approved capacity of new energy projects achieved 3,748.50 MW, of which approved capacity of wind power projects totaled 569.50 MW; and the approved capacity of photovoltaic projects totaled 3,179 MW. We adhered to the overall strategy of safety and stability, and the safety management and control in the fields of production, infrastructure, environmental protection, transportation and Internet information has been steadily improved.

This year, we have made every effort to promote energy conservation and emission reduction, and dedicated to be the main force to support "peaking carbon dioxide emissions". We persistently increased investment in energy conservation and emission reduction, committed to achieve green transformation, and continuously improved the level of green production, unit energy efficiency and ultralow emission. The total coal consumption for power supply of the Company achieved 293.17 g/kWh, representing a year-on-year decrease of 3.06 g/kWh. 9 units of the Company were awarded the title of Reliable Class A Units, and 32 units were awarded in the energy efficiency benchmarking of thermal power units in the power industry.

This year, we continued to maintain good operating results. We completed power generation of approximately 272.630 billion kWh, representing an increase of approximately 2.77% year-on-year; and on-grid power generation of approximately 254.770 billion kWh, representing an increase of approximately 1.69% year-on-year. The Company realised operating revenue of approximately RMB95,614 million, representing an increase of 0.17% year-on-year; net profit attributable to equity holders of the Company of approximately RMB2,989 million, representing an increase of approximately 203.14% year-on-year.

This year, we performed the responsibility as a state-owned enterprise more firmly and always adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 19th National Congress of the Communist Party of China and the 2nd, 3rd, 4th and 5th Plenary Sessions of the 19th Central Committee, and resolutely implemented the various decisions and deployments of the central government. We fought together against the COVID-19 pandemic, fully committed to poverty alleviation program, comprehensively served the "six stabilities" and "six guarantees", and fulfilled the responsibility as a state-owned enterprise in coordination and promotion of pandemic prevention and control as well as economic and social development.

Chairman's Statement

This year, we continued to promote independent innovation, quality and efficiency improvement. We have comprehensively promoted the deep integration of our work and modern technology of "Internet +", making it safe, convenient and efficient to "come on the cloud". We have carried out online video trainings to inject new vitality into the business development team. We have cultivated innovative talents, and fully stimulated innovation motivation and creative passion at all levels. In 2020, 2 people of the Group won the "Technical Expert" of National Power Industry, 8 people won the "Excellent Skilled Player" of National Power Industry, 15 people won the "Technical Experts" of Datang Group, and 27 people won the "Excellent Skills Players" of Datang Group.

As the new year begins, everything also starts anew. In the new year, we will base ourselves on the new development stage, implement the new development concept, integrate into the new development pattern. With promotion of high-quality development as the theme, the realization of green and low-carbon transformation as the development direction, the reform and innovation as the fundamental driving force, and the "green and low-carbon, multi-energy complementary, efficient synergy and digital wisdom" as the development vision, we will fully embark on a new journey of "second entrepreneurship". We will make every effort to build a first-class listed company, which is characterized by standardized governance, excellent performance, good image, and is responsible for shareholders, employees, dedicated for the society, and is favored by investors.

Chairman

Chen Feihu



MANAGEMENT DISCUSSION AND ANALYSIS

In 2020, closely following the theme of high-quality development, the Company adhered to efficiency as the center, insisted on safety for stability, and strived to overcome the adverse impact of COVID-19 pandemic, achieving excellent results.

Management Discussion and Analysis

(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 19 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 2020, closely following the theme of high-quality development, the Company adhered to efficiency as the center, insisted on safety for stability, and strived to overcome the adverse impact of COVID-19 pandemic, achieving excellent results.

(II) Review on the Operating Results of Principal Businesses

1. Maintaining continuous stability of pandemic prevention and control and production safety. The Company firmly implemented the normal pandemic prevention and control and achieved the "Double Zero" prevention and control objectives with zero confirmed and zero suspected cases. The Company comprehensively strengthened safety management with production safety maintaining stable and safety management and control level improving steadily. The Company smoothly fulfilled the tasks of power preservation, stable power supply and heating supply for people's livelihood for a series of significant events. The Company spared no effort to promote production quality improvement, and enhanced comprehensive management of equipment and facilities, constantly strengthened environmental protection. A total of 106 existing coal-fired thermal power units of the Company have completed ultra-low emission transformation, all of which were in line with compliant emission within the scope under the ultra-low emission environmental transformation plan. 32 units owned by subsidiaries won in the benchmarking of efficiency level of thermal power units in the country, and 9 units were awarded the Reliable Class A Units.

Management Discussion and Analysis

2. Maintaining stable growth in operating results. The cost lowering and efficiency improvement and profitability development work have been carried out in an all-round way so as to overcome the adverse impact arising from the COVID-19 pandemic. Affected by the COVID-19 pandemic, total power consumption experienced a significant decreased year-on-year for the first quarter of 2020, resulting in a decrease of approximately 5.65% and approximately 5.95% year-on-year of the power generation and on-grid power generation of the Company for the first quarter of 2020, respectively. Along with the domestic pandemic under effective control, the work and production resumption was advanced stably, and the power consumption demand from the economic and social development gradually returned to normal. During the reporting period, total power generation of the Company amounted to approximately 272.630 billion kWh, representing an increase of approximately 2.77% year-on-year; and total on-grid power generation amounted to approximately 254.770 billion kWh, representing an increase of approximately 1.69% year-on-year. The Company realised operating revenue of approximately RMB95,614 million, representing an increase of 0.17% as compared to the corresponding period last year; operating costs amounted to approximately RMB84,740 million, representing a decrease of 1.37% as compared to the corresponding period last year; net profit amounted to approximately RMB5,253 million, representing an increase of approximately 81.33% as compared to the corresponding period last year; net profit attributable to equity holders of the Company amounted to approximately RMB2,989 million, representing an increase of approximately 203.14% as compared to the corresponding period last year; total assets amounted to approximately RMB280,471 million, representing a decrease of approximately 0.69% as compared to the end of last year; total liabilities amounted to approximately RMB188,962 million, representing a decrease of 5.70% as compared to the end of last year; the liabilities-to-assets ratio was approximately 67.37%, representing a decrease of 3.58 percentage points as compared to the end of last year.
3. Achieving continuous breakthroughs in high-quality development. The Company adhered to the implementation of the new development concept, and promoted the green and low carbon transformation and accelerated power generation structure adjustment, and sped up the development of new energy significantly. New approved projects increased significantly. During the reporting period, there were a total of 48 power generation projects obtaining approval with approved capacity of 7,988.5MW, including three coal power projects with approved capacity of 4,240.00MW, 10 wind power projects with approved capacity of 569.50MW and 35 photovoltaic projects with approved capacity of 3,179.00MW. New unit put into operation increased significantly. During the reporting period, the capacity of new units put into operation totaled 4,705.50MW, including coal power projects of 2,400.00MW, wind power projects of 1,361.50MW and photovoltaic projects of 944.00MW.
4. Continuous optimisation in energy conservation and emission reduction. During the reporting period, coal consumption of the Company for power supply accumulated to 293.17g/kWh, representing a decrease of 3.06g/kWh as compared to 2019. The combined electricity consumption rate of power plants of the Company was 5.52%. The accumulated emission performance of sulfur dioxide, nitrogen oxide, smoke

Management Discussion and Analysis

ash and waste water was 0.07g/kWh, 0.13g/kWh, 0.01g/kWh and 21.34g/kWh respectively, all fully completed the planned target, and the emission of sulfur dioxide, nitrogen oxide and smoke ash remained the same year-on-year, and waste water reduced by 2.35g/kWh.

(III) Major Financial Indicators and Analysis

1. Operating Revenue

During the Year, the Group realised operating revenue of approximately RMB95,614 million, representing an increase of approximately 0.17% compared with the Previous Year, which was mainly attributable to the year-on-year increase of 2.21% in the revenue from power generation segment .

2. Operating Costs

During the Year, total operating costs of the Group amounted to approximately RMB84,740 million, representing a decrease of approximately RMB1,174 million or approximately 1.37% compared with the Previous Year, which was mainly attributable to the decrease in coal price.

3. Net Finance Costs

During the Year, finance costs of the Group amounted to approximately RMB6,880 million, representing a decrease of approximately RMB335 million or approximately 4.64% over the Previous Year. The decrease was primarily due to the decrease in interest expenses resulting from the narrowing scale of debt financing.

4. Total Profit

During the Year, the Group reported profit before tax from continuing operations amounting to approximately RMB7,144 million, representing a year-on-year increase of approximately 54.67% compared with the Previous Year. Net profit attributable to holders of equity instruments of the Company amounted to approximately RMB2,989 million, while net profit attributable to holders of equity instruments of the Company for the year of 2019 amounted to approximately RMB986 million.

Power generation segment of the Company realised profit before tax from continuing operations of approximately RMB7,358 million, representing a year-on-year increase of approximately RMB2,096 million.

5. Financial Position

As at 31 December 2020, total assets of the Group amounted to approximately RMB280,471 million, representing a decrease of approximately RMB1,944 million compared with the end of 2019. The decrease in total assets was mainly due to the impact of depreciation of fixed assets.

Total liabilities of the Group amounted to approximately RMB188,962 million, representing a decrease of approximately RMB11,424 million compared with the end of 2019. The decrease in total liabilities was mainly due to the decrease in debt financing scale.

Net profit attributable to equity holders of the Company amounted to approximately RMB2,989 million, representing an increase of approximately RMB2,003 million compared with the end of 2019. Net asset value per share attributable to the shareholders of the Company amounted to approximately RMB2.26, representing a decrease of approximately RMB0.02 per share compared with the end of 2019.

6. Liquidity

As at 31 December 2020, the liabilities-to-assets ratio of the Group was approximately 67.37%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 151.95%.

As at 31 December 2020, cash and cash equivalents of the Group amounted to approximately RMB8,275 million, among which deposits that were equivalent to approximately RMB89 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Year.

As at 31 December 2020, short-term loans of the Group amounted to approximately RMB29,040 million, bearing annual interest rates ranging from 1.00% to 5.80%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB92,151 million and long-term loans repayable within one year amounted to approximately RMB14,290 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.20% to 6.80%. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

7. Welfare Policy

As at 31 December 2020, the staff of the Group totaled 33,340. The Group has improved the salary payment and salary distribution methods, and established a three-in-one performance evaluation system of “monthly evaluation, annual evaluation and special rewards”. It has achieved timely process control, highlighted key objectives, and made obvious differences in incentives. The role of salary incentives has been further brought into play.

Management Discussion and Analysis

The Group has always focused on the implementation of hierarchical and classified training for all employees, established a sound long-term mechanism for talent training, and enhanced the core competitiveness of the Company. Through the targeted professional training, continuous consolidation of the training foundation, and increased investment in training, the vocational training work of the Company has been vigorously promoted, which has led to the continuous emergence of various talents and provided talent guarantee for the Company's sustainable and healthy development.

(IV) Outlook for 2021

2021 is the first year of the "14th Five-Year Plan". It is an important year for us to base ourselves on the new development stage, implement the new development concept, integrate into the new development pattern, and start a new journey of "second entrepreneurship". The Company will strive to build a first-class listed company with standardized governance, outstanding performance and good image with promotion of high-quality development as the theme, realization of green and low-carbon transformation as the development direction, and reform and innovation as the fundamental driving force.

1. Comprehensively improve safety management and control performance

We will carefully prevent and control the pandemic and focus on strengthening local emergency response to ensure that the power and heating supply are stable. We will comprehensively build a new safety management system, focus on building a big safety pattern, and complete major political power protection tasks at various times with high standards and high quality. We will improve the "dual prevention" mechanism for risk classification and hidden danger management, accurately supervise and provide classified guidance to ensure that risks are under control. In addition, we will speed up the flexibility transformation of units, scientifically formulate a comprehensive upgrade and transformation plan, and effectively boost production quality and efficiency.

2. Comprehensively improve the efficiency of transformation and development

We will scientifically formulate and implement the "14th Five-Year Plan" to accelerate the development of new energy industry layout. We will vigorously promote the approval and development of new energy base projects, actively participate in the competitive allocation of new energy projects, increase in-depth cooperation with first-class enterprises, and jointly explore and promote the development of energy coupling. We will also accelerate the optimization and upgrading of the coal power industry, effectively integrate regional thermal resources and service resources, and further expand the thermal service market.


3. Comprehensively enhance market competitive advantage

The Company will pay close attention to market changes, actively strive for base power generation, timely adjust market strategies, and further strengthen the idea of electricity marketing. The Company will strengthen research and judgment on coal market situation, flexibly adjust procurement and inventory strategies, accelerate the construction of supply channels, consolidate the low-cost supply chain, and effectively achieve supply guarantee and price control of fuel. The Company will strengthen the large-scale operation structure, coordinate the relationship between volume and price, strengthen the cost control of whole process, create the low-cost competitive advantage, strive for preferential policies to create benefits, and strive to maximize overall benefits.

4. Comprehensively improve corporate governance capability

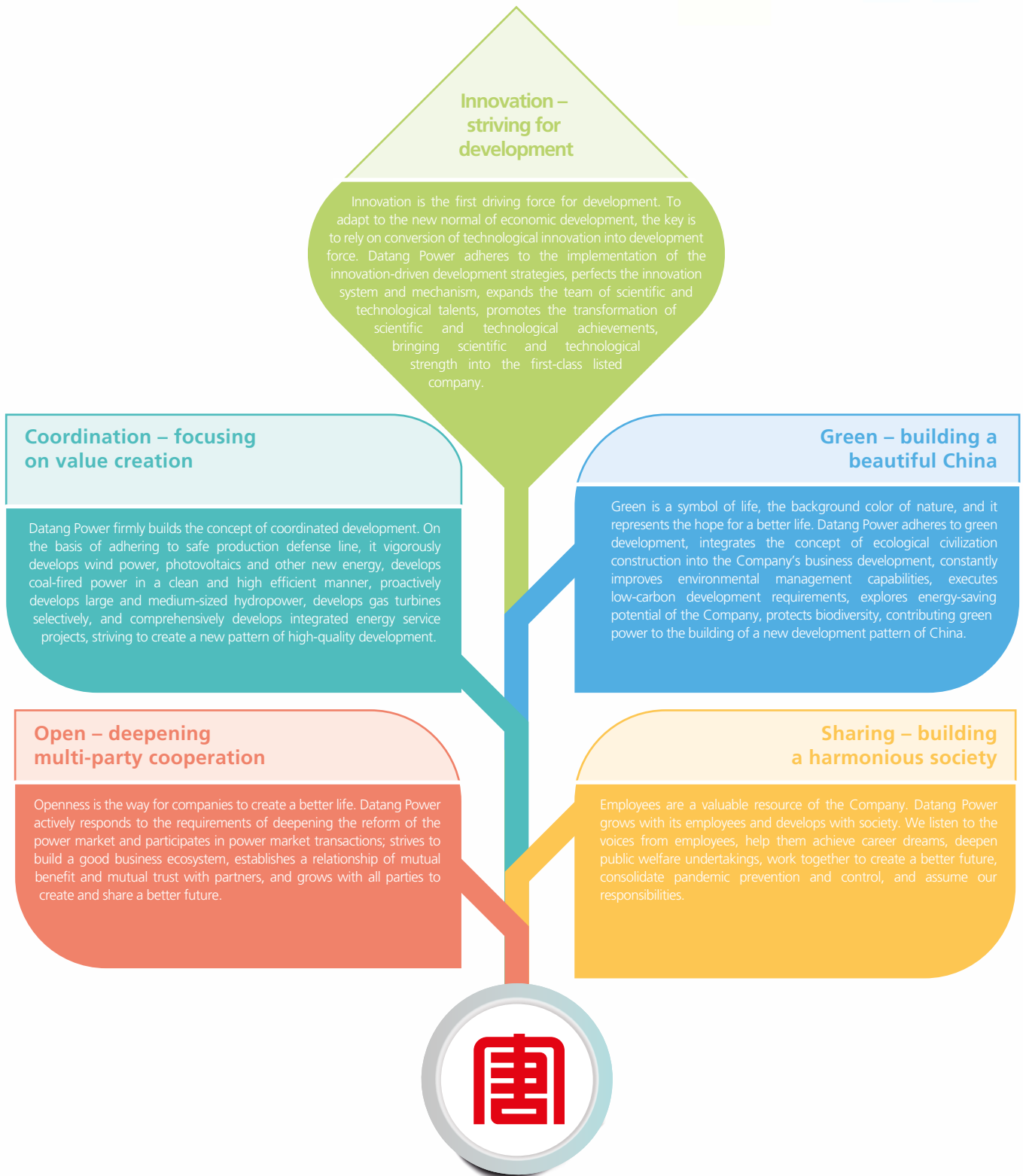
The Company will promote deep integration of legal construction and operation and management, and effectively improve the level of legal compliance in corporate governance. The Company will strengthen the construction of internal control system and build a comprehensive risk prevention and control mechanism of all-staff, full-process and whole-system. The Company will also further strengthen market value management, boost investor confidence, and stimulate the vitality of the listed company.

FULFILLMENT OF SOCIAL RESPONSIBILITIES



2020 has been an extraordinary and remarkable year like no other. We always upheld the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, maintained strategic positioning, coordinated development, improved political judgment, political understanding and political execution, performed political, economic and social responsibilities. And we were always aware of, assumed and performed our responsibilities, formed a strong force to stand side by side and overcome the difficulties to fight against the COVID-19 pandemic, and showed our responsibilities as a state-owned enterprise in comprehensively serving the “six stabilities” and “six guarantees”, and coordinately advancing the pandemic prevention and control and the economic and social development.






I. Our responsibility






Fulfillment of Social Responsibilities

II. Stakeholder management

We are concerned about the communication and participation with stakeholders. We positively accept public supervision by regularly releasing social responsibility reports, opening social responsibility columns on the Company's official website, and organizing public open days. We listen to the voices from all parties and respond to their aspirations via diversified communication mechanisms and communication channels.

Stakeholders	Concerns	Communication Methods	Performance Indicators
 Government	<ul style="list-style-type: none"> • Party building • Pandemic prevention and control • Clean energy • Poverty alleviation • Compliance management • Technological innovation 	<ul style="list-style-type: none"> • Laws, regulations and policies • Relevant meetings • Work reports • Statistical statements • Information submission • High-level meetings 	<ul style="list-style-type: none"> • Power generation capacity • Total profit and tax • Jobs provided • Innovation results
 Shareholders	<ul style="list-style-type: none"> • Power market development • Safety production • Risk management 	<ul style="list-style-type: none"> • General meetings • Temporary announcements • Periodic reports 	<ul style="list-style-type: none"> • Shareholder dividends • Shareholder rights and interests • Sales income • Company profit
 Staff	<ul style="list-style-type: none"> • Safety production • Employee rights • Staff development • Occupational health • Pandemic prevention and control 	<ul style="list-style-type: none"> • Staff representative • Reasonable suggestions • Interview • Collective contracts • Labor contracts • Openness of company affairs 	<ul style="list-style-type: none"> • Work environment • Accident rate • Labor union membership rate • Collective contract coverage ratio • Salary levels • Investment in staff training • Staff turnover rate
 Community	<ul style="list-style-type: none"> • Pandemic prevention and control • Poverty alleviation • Community development • Volunteer service • Public communication 	<ul style="list-style-type: none"> • Collaborative construction • Public welfare activities • Safety and environmental protection publicity 	<ul style="list-style-type: none"> • Investments in community building • Public welfare investment • Number of pollution complaint
 Client	<ul style="list-style-type: none"> • Clean energy • Power market development • Public communication 	<ul style="list-style-type: none"> • Contracts and agreements • Power and heat products • Relevant technical services 	<ul style="list-style-type: none"> • Client satisfaction level

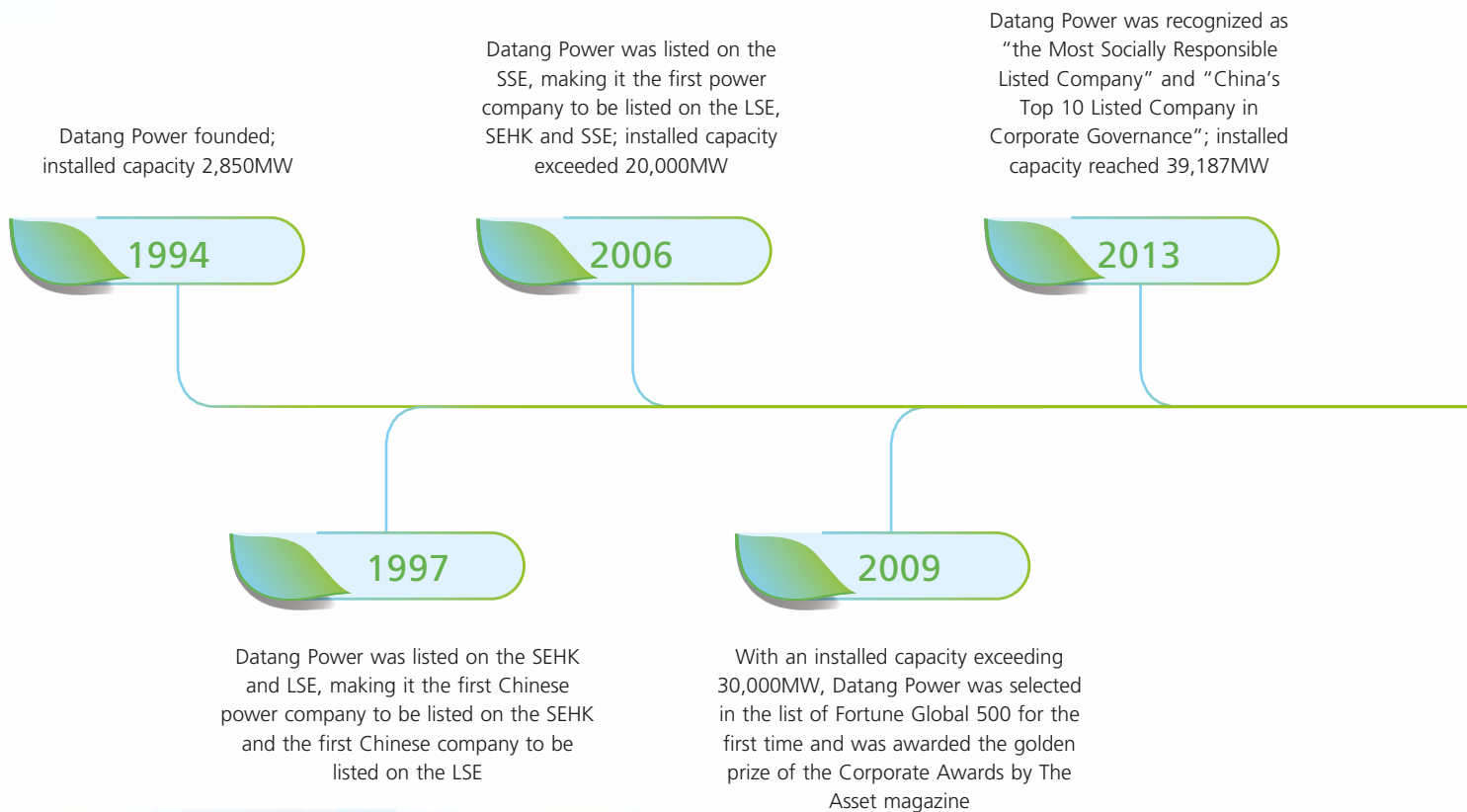
Fulfillment of Social Responsibilities

Stakeholders	Concerns	Communication Methods	Performance Indicators
 <p>Partner</p>	<ul style="list-style-type: none"> • Technological innovation • Compliance management • Win-win cooperation 	<ul style="list-style-type: none"> • Contracts and agreements • Products and services 	<ul style="list-style-type: none"> • Honesty level • Contract completion rate • Period of cooperation • Responsible purchasing • Profit
 <p>Environment</p>	<ul style="list-style-type: none"> • Clean energy • Carbon management • Energy saving and consumption reduction • Ultra-low emission • Protection of biodiversity 	<ul style="list-style-type: none"> • Environmental information disclosure • Publicity of energy conservation and emission reduction promotion • Environmental impact assessment 	<ul style="list-style-type: none"> • Installed capacity scale • Ultra-low emission transformation of units • Proportion of clean energy and renewable energy • Energy conservation indicators • Emission reduction indicators
 <p>Social Organization</p>	<ul style="list-style-type: none"> • Technological innovation • Public communication • Community development 	<ul style="list-style-type: none"> • Meetings • Activities 	<ul style="list-style-type: none"> • Frequency and depth of participation in activities • Membership fee amount

COMPANY HISTORY

Datang International Power Generation Co., Ltd. was founded in December 1994, with its headquarters in Beijing. In 1997, Datang Power was listed on the Hong Kong Stock Exchange (SEHK) and London Stock Exchange (LSE). In 2006, the Company was listed

on the Shanghai Stock Exchange (SSE), making it a Chinese company simultaneously listed on the SEHK, LSE and SSE. The Company has operating subsidiaries and ongoing projects in 19 provinces across the country. With power generation as the major business,



Company History

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 enterprise with operations in different sectors and industries. In 2020,

focusing on high-quality development topics, Datang International accelerated green transformation and improved excellence.

Datang Power accelerated its implementation of the "13th Five-Year Plan" and achieved major breakthroughs in 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 reached 44,338MW

2016

With an installed capacity of 62,853MW, the Company completed power generation of 269.704 billion kWh, representing a year-on-year increase of 35.74%; the Company was listed into the "Top 250 Global Energy Companies" by Platts for twelve consecutive years

2018

With an installed capacity of 68,278.1MW, the clean energy and renewable energy accounted for 29.4% of the total installed capacity of the Company, constantly making breakthroughs in high quality development

2020

2014

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

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"

2019

With an installed capacity of 64,422.6MW, the Company officially set up overseas business department, starting a new journey to tap into the overseas market

HUMAN RESOURCES OVERVIEW

1. Composition of employees (specialty, educational background)

Total number of employees: 33,340. By major: Management: 7,167; professional technicians: 5,526; production personnel: 18,711; other staff: 1,936. By educational background: Ph.D. graduate: 6; Postgraduate: 887; Undergraduate: 18,355; College graduate: 8,210; Secondary technical: 3,040; High-school graduate or below: 2,842.

2. Staff management

In 2020, on the human resources management front, by focusing on core tasks of the enterprise, we vigorously implemented the strategy of strengthening the enterprise with talents. We focused on optimizing the allocation of human resources, continued to strengthen the construction of leadership and cadre teams at all levels, continuously improved and strengthened salary incentives and performance evaluation, further increased training efforts, consolidated the foundation for talent growth, successfully implemented various reform measures of the Company, and successfully completed various tasks of the year.

3. Staff training

The Company always pays attention to the implementation of hierarchical and classified training for all employees. We have established and improved a long-term mechanism for talent training, and enhanced the core competitiveness of the Company. We organized targeted professional trainings, continuously consolidated the training foundation, increased investments in staff training and promoted the implementation of career training for the staff, attracting various types of talents to join the Company and building up talent reserve for the sustainable and healthy development of the Company. In 2020, we have actively responded to the impact of the pandemic, developed a training plan for the special period

of fighting the pandemic, gave full play to the advantages of network resources, and accelerated the construction and improvement of the remote training + online examination implementation system. During the year, the Company organized systematic trainings for 660,125 staff, including trainings for management personnel and professional technicians with 181,438 participants, trainings for production personnel with 465,226 participants and other trainings with 13,461 participants. A total of 993 employees of the Company passed intermediate or above professional and technical qualification assessments during the year, of whom 49 obtained senior engineer specialized technique qualification, 178 obtained senior specialized technique qualification and 706 obtained intermediate specialized technique qualification.

4. Implementation measures

- (1) The construction of the cadre team has been further strengthened. We focused on increasing the selection of young cadres, which has promoted the younger generation of the Company's cadres. We focused on exercising and training, strengthened cadre communications, and accelerated the experience and growth of cadres. We also focused on assessment and evaluation, actively responded to the pandemic, and innovatively developed the "Internet +" cadre evaluation system, which provided important support for the selection and appointment of cadres. We focused on capacity building and compiled the "General Handbook of Know-hows for Leaders" to accelerate the improvement of new cadres' ability to perform their duties.
- (2) The deepening of reform has achieved tangible results. The manager's tenure system and contract management reform have been fully implemented in companies within the Company system;

the pilot reform of improving the corporate governance structure has been successfully completed; the large-scale factory-run collective reform has achieved a successful conclusion; the market-oriented employment mechanism has been further improved, and the reform of the social management and maintenance system for retirees has been successfully completed.

- (3) The vitality of our talent team has been effectively stimulated. The Company comprehensively promoted the construction of multiple channels for employees' careers, actively built the platform for employee growth, and unblocked the three career development channels of "business functions", "production technology" and "production skills" so as to promote employees to grow based on their positions, by which 206 employees of the Company achieved career development during the year, which effectively mobilized the internal motivation of the majority of employees to grow, and played an important role in accelerating the Company's talent team building. The Company overcame the impact of the pandemic and vigorously implemented remote training. While implementing the annual training plan and improving the quality of all employees, based on the urgent needs for talents and needs for

key talents, the Company focused on the training of management professionals in finance, law, and power spot trading, put efforts on maintenance training and new college graduates, and accelerated the improvement of the quality of front-line technical and skilled personnel. As for the training of talents in new energy enterprises, the Company formulated and implemented a package of training and improvement plans, and the business level of employees has been significantly improved.

- (4) The allocation of human resources has been further optimized. The Company carried out high-quality recruitment of college graduates. The Company sped up the optimization of human resources. The Company further standardized employment management, laying a foundation for smoothly advancing various reform tasks.
- (5) Salary management and performance appraisal have been further improved. The Company improved salary payment and salary distribution methods, and established a three-in-one performance evaluation system of "monthly evaluation, annual evaluation and special rewards" to achieve timely process control, prominent key objectives, obvious differences in incentives, and further played the role of salary incentives.

Human Resources Overview

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



Chen Feihu
Chairman and Non-executive Director

Mr. Chen, aged 59, is a senior accountant with a bachelor's degree. He participated in work since August 1981 and has been a director of the tenth session of the Board of the Company since 1 July 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, 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). He is currently a full-time external director of central enterprises of the SASAC and the chairman of the Company.



Qu Bo
Non-executive director

Mr. Qu, aged 55, is a principal senior engineer with a doctoral degree. He participated in work since October 1987 and has been serving as a director of the tenth session of the Board of the Company since 29 April 2020. He served as an engineer of the Installation Engineering Division of Tianjin Electric Power Construction Company; deputy chief engineer, deputy manager and chief engineer of Tianjin Electric Power Construction Company First Engineering Company; deputy manager of the Power Station Construction Department of North China Power Group Company; deputy manager and manager of Beijing Electric Power Construction Company; Deputy Director (person-in-charge) and Director of Engineering Management Department of CDC; Deputy Chief Engineer and Director of Engineering Management Department of CDC; Chief Engineer of CDC; Chief Engineer of CDC and General Manager, Party Secretary of CDC Shanghai Branch, and leader of the preparatory group of China Datang Group Engineering Construction Co., Ltd. He is the Chief Engineer, Head of Party Office and Office of CDC. He is currently a member of the Party Group and Deputy General Manager of CDC, Chairman of Datang Environment Industry Group Co., Ltd. (1272.HK), and a director and Party Secretary of the Company.



Liang Yongpan
Executive Director, General Manager

Mr. Liang, aged 54, 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 tenth session of the Board of the Company since 1 July 2019. 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, 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. He is currently the Director, General Manager and Deputy Party Committee Secretary of the Company.



Ying Xuejun
Non-executive Director

Mr. Ying, aged 54, 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 tenth session of the Board of the Company since 1 July 2019. 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, Deputy General Manager, Party Committee Member, Secretary to the Board, Chairman of the Labour Union of the Company. He is currently a Director of the Company and the General Manager of Guangdong Branch Company.

Human Resources Overview



Zhu Shaowen
Non-executive Director

Mr. Zhu, aged 55, is a master's degree holder and a senior engineer with postgraduate qualifications and has been a director of the tenth session of the Board of the Company since 1 July 2019. 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 49, 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 tenth session of the Board of the Company since 1 July 2019. 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. (0956.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. (600956.SH, 0956.HK).



Zhao Xianguo
Non-executive Director

Mr. Zhao, aged 51, 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 tenth session of the Board of the Company since 1 July 2019. 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.



Jin Shengxiang
Non-executive Director

Mr. Jin, aged 46, a principal senior engineer with a postgraduate degree and a master degree of engineering and has been a director of the tenth session of the Board of the Company since 1 July 2019. 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 Electricity 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. and the Director of Beijing Jingneng Clean Energy Co., Limited (0579.HK). He is currently the Deputy Party Committee Secretary, Director and the General Manager of Beijing Jingneng Power Co., Ltd. (600578.SH).

Human Resources Overview



Sun Yongxing
Non-executive director

Mr. Sun, aged 54, is a senior engineer with a bachelor degree. He participated in work in July 1989 and has been serving as a director of the tenth session of the Board of the Company since 18 December 2020. He successively served as a chief engineer of Inspection Branch of Beijing Jingneng Thermal Power Co., Ltd.; project manager of the power investment department of Beijing International Power Development and Investment Company; deputy director (presiding work) of the preparation division of Ningxia Shuidonggou Power Plant; deputy general manager (presiding work) of Ningxia Jingneng Ningdong Electric Power Co., Ltd.; manager of Jingneng (Chifeng) Energy Development Co., Ltd. (京能(赤峰)能源發展有限公司); deputy officer of the security and technological environmental department of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司); deputy officer of the security and technological environmental department of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司). He is currently a fulltime director of invested enterprises of Beijing Energy Group Co., Ltd. and a director of Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) (600578.SH).



Liu Jizhen
Independent Non-executive Director

Mr. Liu, aged 69, is a professor, a tutor of doctoral students and an academicien of the Chinese Academy of Engineering and has been a director of the tenth session of the Board of the Company since 1 July 2019. 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 Chinese Society for Electrical Engineering, a Fellow of the Institution of Engineering and Technology (FIET) and the Vice President of the China Association for Public Safety.



Luo Zhongwei
Independent Non-executive Director

Mr. Luo, aged 65, holds a doctorate degree in Economics. He has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Luo served as an Independent Director of Zhejiang China Commodities City Group Co., Ltd. (600415.SH) and Sichuan Langsha Holding Ltd. (600137.SH), and a director of Beijing Red Date Technology Co., Ltd. Mr. Luo is currently a researcher of the Institute of Industrial Economics of Chinese Academy of Social Sciences, a professor and doctoral supervisor 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.



Liu Huangsong
Independent Non-executive Director

Mr. Liu, aged 52, is a Master of Science and holds a doctorate degree in Economics from Fudan University. He has been a director of the tenth session of the Board of the Company since 1 July 2019. 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).

Human Resources Overview



Jiang Fuxiu
Independent Non-executive Director

Mr. Jiang, aged 51, has a doctorate degree in Economics and is Postdoctoral Scholar in Management (Accounting). He has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Jiang served as the Independent Director of Lancy Co., Ltd. (002612.SZ), Northcom Group Co., Ltd. (002359.SZ) and Beijing UTour International Travel Service Co., Ltd. (002707.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) and Zhejiang Unifull Industrial Fibre Co., Ltd. (002427.SZ).



Niu Dongxiao
Independent non-executive director

Mr. Niu, aged 58, is a professor and doctoral supervisor with a doctoral degree majoring in technology economics and management. He has been serving as a director of the tenth session of the Board of the Company since 29 April 2020. He served as a professor in the Department of Basic Sciences of North China Electric Power University, a professor and dean of the School of Economics and Management of North China Electric Power University. He is a distinguished professor under the Yangtze River Scholars Programme, a national candidate for the multi-million talent project in the new century and a decision making consultant expert of the China Association for Science and Technology, and is entitled to special government allowances by the State Council. He is currently a professor in the School of Economics and Management of North China Electric Power University; the deputy director of the North China Electric Power University Academic Committee, the director of the China Energy Economic Management Research Center and the director of China Green Power Development Research (111) Discipline Innovation Base; member of Academic Committee of Chinese Society for Electrical Engineering; executive director of the Chinese Committee of the International Association for Energy Economics (IAEE); vice chairman of the Chinese Society of Technical Economics; chairman of the Overall Planning Department of Chinese Society of Optimization, Overall Planning and Economical Mathematics.



Song Bo

Chairman of the Supervisory Committee

Mr. Song, aged 48, is a bachelor's degree holder and senior economist. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 16 August 2019. Since 1999, he has successively served as the Deputy Director of the Planning Department, the Head of Operational Audit Department and the Deputy Chief Economist of Shandong Huangdao Power Generation Plant, a member of the Party Committee and the Deputy General Manager of Shandong Huangdao Electric Power Group Company* (山東黃島電力集團公司), the Director of Jinan Representative Office of Datang Shandong Power Generation Co., Ltd.* (大唐山東發電有限公司), the General Manager and the Party Committee Secretary of Datang Shandong Power Fuel Co., Ltd.* (大唐山東電力燃料有限公司), the Secretary of the leading party members' group, the Director of General Manager's Office and the Director of Human Resources Department of Datang Shandong Power Generation Co., Ltd.* (大唐山東發電有限公司), a member of the Party Committee and the Secretary of Committee for Discipline Inspection of China National Water Resources & Electric Power Materials & Equipment Group Co. Ltd., and a Party Committee member and the Secretary of Committee for Discipline Inspection of Datang Jingjinji Power Development Company Limited, a Party Committee member, the Secretary of Committee for Discipline Inspection and the Chairman of Labour Union of the Company, and a Party Secretary of the Chongqing Branch of the Company. He is currently the chairman of the Supervisory Committee of the Company, and the Party Secretary and Deputy General Manager of Yunnan Branch of the Company.



Zhang Xiaoxu

Vice Chairman of the Supervisory Committee

Mr. Zhang, aged 57, is a senior accountant with a bachelor degree. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 1 July 2019. 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., the Manager of the settlement center of Tianjin Energy Investment Group Co., Ltd. He currently serves as the General Manager of Tianjin Energy Group Finance Co., Ltd..

Human Resources Overview



Liu Quancheng

Member of the Supervisory Committee

Mr. Liu, aged 57, is a senior accountant with a bachelor's degree. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 1 July 2019. He started his career as the Chief Accountant of Xinxiang Coal-fired 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 and the Head of financial management department of CDC. He is currently director of the Financial Division of China Datang Corporation Ltd., Chairman of China Datang Group Finance Company Limited, and Chairman of the Supervisory Committee of China Datang Corporation Renewable Power Co., Limited (1798.HK), a Director of Datang Environment Industry Group Co., Ltd. (1272.HK) and a Director of Datang Huayin Electric Power Co., Ltd. (600744.SH).



Liu Genle

Member of the Supervisory Committee

Mr. Liu, aged 49, is a bachelor's degree holder and senior economist. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 16 August 2019. Since 2005, he successively served as the Director of Corporate Planning Department and Human Resource Department of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, the Assistant to the General Manager of Shanxi Zhongqiang Economic and Trade Co., Ltd.* (山西中強經貿有限公司), the Director of the Preparatory Office of Shanxi Datang International Fushan Coal Chemical Project* (山西大唐國際浮山煤化工項目籌備處), the Head of the Compensation Insurance Division of Human Resource Department, the Head of Compensation and Performance Assessment Division and the Deputy Director of Human Resources Department of the Company, and the Deputy Director of Human Resources Department of Datang Jingjinji Power Development Company Limited, the Deputy Director of Human Resources Department of the Company and the Director of Human Resources Department of the Company.



Wang Qiying
Deputy General Manager

Mr. Wang, aged 59, is a senior engineer and senior political engineer (高級政工師) with a bachelor's degree. He has been a member of the senior management of the Company since 30 October 2019. Since 1996, he has served as the Deputy General Manager and General Manager of Baoding Heat Power Plant (保定熱電廠); a Party Committee member and the Deputy General Manager of Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司); the General Manager and Party Committee Secretary of Datang Xinjiang Power Generation Co., Ltd. (大唐新疆發電有限公司); the Chief of the planning and development department of China Datang Corporation Ltd.; the Chief of the planning and development department of China Datang Corporation Ltd. and the General Manager and Party Committee Secretary of the Tibet Branch Company of China Datang Corporation Ltd. (中國大唐集團有限公司西藏分公司). He is currently the Party Committee Member and the Deputy General Manager of the Company.



Jiang Jinming
Chief Accountant, Joint Company Secretary

Mr. Jiang, aged 57, 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 Group Finance Company Limited. He is currently a member of the Party Committee, Chief Accountant and the Secretary to the Board of the Company.

Human Resources Overview



Chang Zheng
Deputy General Manager

Mr. Chang, aged 56, is a senior engineer with a bachelor's degree. He has been a member of the senior management of the Company since 20 December 2019. Since 1997, he has served as the head of the production and technology department, deputy chief engineer and deputy dean of Heilongjiang Electricity Science Research Institute, the chief of the production safety department, deputy chief engineer, Party Committee member and deputy general manager of Datang Heilongjiang Power Generation Co., Ltd., the Party Committee secretary and deputy dean, dean and deputy Party Committee secretary of China Datang Corporation Science and Technology Research Institute Co., Ltd., as well as the chief of the information technology department and chief of the technology innovation department of China Datang Corporation Ltd. He is currently the Party Committee Member and the Deputy General Manager of the Company.



Guo Hong
Deputy General Manager

Ms. Guo, aged 51, is a senior economist with a postgraduate degree. She has been a member of the senior management of the Company since 30 August 2019. Since 2003, she has successively served as the deputy officer of the human resources department, the officer of the human resources department, Deputy Economist and Manager of Import and Export Company of China National Water Resources & Electric Power Materials & Equipment Co., Ltd., the department head of the senior management personnel office of the human resources department of CDC, the officer of the human resources department of Datang International Power Generation Co., Ltd. and the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of Datang International. She is currently the Party Committee Member, the Deputy General Manager and Chairman of Labour Union of the Company.



Bai Fugui
Deputy General Manager

Mr. Bai, aged 59, is a senior economist with a bachelor's degree. He has been a member of the senior management of the Company since 30 August 2019. Since 2002, he has successively serves as the Assistant of the General Manager of Beijing Guohua Logistics Co., Ltd.* (北京國華物流有限公司), the Deputy General Manager of Safety Production Department of Datang International, the Manager of Fuel Management Department of Datang International (concurrently the General Manager of Beijing Datang Fuel Company Limited), the General Manager of Wangtan Power Generation of Datang International, the Head of Fuel Management Department of Datang International, and the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of Datang International. He is currently the Party Committee Member and the Deputy General Manager of the Company.

Human Resources Overview

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

- (1) As considered and approved at the general meeting of the Company, Mr. Wang Xin, an Executive Director, no longer served as an Executive Director since 29 April 2020 due to his work adjustment, Mr. Feng Genfu, an Independent Non-executive Director, no longer served as an Independent Non-executive Director since 29 April 2020 due to his work arrangement, and Mr. Zhang Ping no longer served as a Non-executive Director since 18 December 2020 due to his work adjustment.
- (2) Mr. Wang Sen submitted a written resignation to the Board of the Company on 31 July 2020 and resigned from the vice chairman, Non-executive Director and member of the audit committee under the Board.
- (3) Biographies of the Directors, supervisors and senior management who resigned before the date of this report, are as follows:

Wang Xin: aged 60, is a senior engineer with postgraduate qualifications. He participated in work since August 1979 in Tianjin First Power Plant. He has been a director of the tenth session of the Board of the Company since 1 July 2019. 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, the General Manager and the Party Secretary of the Company.

Feng Genfu, aged 63, a professor and a doctoral supervisor who holds a doctorate degree in Economics and has been a director of the tenth session of the Board of the Company since 1 July 2019. 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 and an Independent Director of Changchai Co., Ltd. (000570.SZ). He currently serves as a professor and a doctoral supervisor of the School of Finance and Economics of Xi'an Jiaotong University and CSC Financial Co., Ltd. (601066.SH, 6066.HK), an Independent Director of Huaren Pharmaceutical Co.,Ltd. (300110.SZ), an Independent Director of Xi'an Shaangu Power Co., Ltd. (601369.SH).

Zhang Ping, aged 53, is a Senior Economist as well as a Senior Political Officer with a postgraduate degree and a doctorate degree in management and has been a director of the tenth session of the Board of the Company since 1 July 2019. 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), the Director and General Manager of Beijing Jingneng Coal & Electricity Asset Management Co., Ltd., the Assistant to the General Manager, Secretary to the Board and Group Office Director of Beijing Energy Holding Co., Ltd. He is currently an executive director, chairman of the board of directors and chief executive director of Beijing Energy International Holding Co., Ltd. (0686.HK).

Wang Sen, aged 58, is a senior postgraduate engineer with a postgraduate 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 tenth session of the Board of the Company since 1 July 2019. He was the Deputy Director, the Director of the Office of Qinshan Nuclear Power Co., Ltd.; the Assistant to General Manager, Deputy General Manager, Deputy Party Committee Secretary (in charge of the work of the Party), 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, the Deputy General Manager, Director and the Deputy Party Committee Secretary of CDC, and chairman of Guangxi Guiguan Electric Power Co., Ltd. (600236.SH). He is currently the Director and the Deputy Party Committee Secretary of China Huaneng Group Co., Ltd.

The resignations of the abovementioned Directors, supervisors and senior management were all in compliance with the Listing Rules and the relevant procedures and relevant 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. In 2020, the Company conducted active and sincere communication with investors and analysts by various channels including results presentations, telephone conferences and through answering enquiry phone calls and replying to emails. During the reporting period, the Company met 256 investors and analysts.

INVESTOR Q&A

1. What plans does the Company have in the development of "CO₂ Emission Peak" and "Carbon Neutrality"?

The Company will focus on green and low carbon, accelerate the construction of large-scale and intensive clean energy bases, actively follow up and research high-efficiency photovoltaic power generation technology, building photovoltaic integration and various "photovoltaic+" technologies, and vigorously promote the application implementation of "new technologies, new scenarios, new model" of photovoltaic. The Company adheres to the land and onshore parallel development to accelerate the development of wind power industry, intensifies the planning and development of hydropower (pumped storage) projects, strives to increase the development scale of nuclear power projects, accelerates the research and application of new business forms of technologies such as hydrogen energy and CCUS, and fully realizes the optimization and adjustment of power sources structure.

2. What are the Company's utilisation hours in each type of energy on full operational basis in 2020?

Type/Item of Energy	Utilisation hours in 2020	<i>Unit: hours</i>
		Over the corresponding period last year
Full operational basis	4,132	-77
Coal-fired	4,325	-190
Including: coal-fired generator	4,444	-204
combustion engine	3,094	-49
Hydropower	3,902	+559
Wind power	2,260	+95
Photovoltaic power	1,355	-60

3. What progress did the Company make in obtaining approval for its projects and project operation in 2020?

For the year of 2020, the Company has obtained 48 official approvals for power generation projects with an approved capacity of 7,988.5MW, including 3 coal-fired projects with approved capacity of 4,240MW; 10 wind power projects with approved capacity of 569.5MW; 35 photovoltaic projects with approved capacity of 3,179MW. In 2020, the new total installed capacity of the Company was 4,705.5MW, including 4 coal-fired projects with new installed capacity of 2,400MW; 16 wind power projects with new installed capacity of 1,361.5MW; 10 photovoltaic projects with new installed capacity of 944MW.

4. What are the Company's performance of capital expenditure for 2020 and capital expenditure plans and structures for 2021?

The Company's capital expenditure on a consolidated basis actually incurred in 2020 was approximately RMB13,258 million, and the plan of capital expenditure on a consolidated basis to be incurred in 2021 is expected to be approximately RMB19,000 million.

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 2020, 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 other 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 2020 to 31 December 2020 (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 Report

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 11 ordinary resolutions and 4 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 2020 mainly included work reports of the Board (Supervisory Committee) of the Company for the year 2019, changes in directors of the Company, financing budget plan, final annual accounts, finance guarantees, major connected transactions, general mandate to issue shares, profit distribution, amendments to the Articles of Association and appointment of accounting firm, etc.

As of the year end of 2020, the implementation of the resolutions in the general meetings are as follows:

1. The guarantees: Provision of guarantees by the parent company of Datang International in 2020, amounting to RMB581 million in total, to its subsidiaries, companies invested by it and its associated companies, based on their actual needs for the construction of projects.
2. Financing: In terms of debt financing in 2020, the Company issued super short-term debentures of RMB11.5 billion in total, and raising bank loan of approximately RMB19.0 billion. In terms of equity financing, the Company issued renewable corporate bonds of RMB4.5 billion and perpetual medium-term notes of RMB3.5 billion.
3. Completion of the change of directors of the Company.
4. Connected transactions were carried out in compliance with the approval of the general meeting.
5. Completion of the profit distribution of RMB0.065 (tax inclusive) per share for the year 2019.
6. Appointment of Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as certified public accountants for carrying out the domestic and overseas audits of financial statements for the year 2020.
7. Relevant information on general counsel is added in the Articles of Association.

For details about the resolutions passed at general meetings for the year 2020, 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 2020, 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.

For the year 2020, 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 2020, 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 of the Company currently comprises 14 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, Qu Bo, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Jin Shengxiang, Sun Yongxing, Liu Jizhen*, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu*, Niu Dongxiao*

(* Independent non-executive Directors)

Corporate Governance Report

The Board formulates the overall strategy of the Company, 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 Company's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

The Directors fully understood their responsibilities, powers and obligations, and were able to discharge their duties with truthfulness, integrity and diligence. In order to enhance the decision-making mechanism, increase the scientific nature of decision-making and improve the quality of substantial decisions, the Board has established four specialised committees, namely the Nomination Committee, 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 10 meetings. The convening and voting procedures of the meetings were in compliance with the requirements under the Articles of Association and the "Rules of Proceedings for Board Meetings" 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 2019 work report of the Board and work report of president of the Company;
 - (2) the 2019 internal control evaluation and internal control audit report of the Company;
 - (3) 2019 Social Responsibility Report of the Company.
2. Consideration of matters related to the operating results of the Company, which primarily include:
 - (1) the 2019 final accounting report and 2020 annual budget plan of the Company;
 - (2) 2020 First Quarterly, Interim and Third Quarterly Report of the Company;
 - (3) the 2019 profit distribution plan of the Company.
3. Consideration of matters related to capital operation and investment of the Company, which primarily include:
 - (1) Engage in the second round of shareholding system in various provinces and regions, increase capital to China Datang Corporation Overseas Technologies Service Co., Ltd., and increase capital to Shenzhen Datang Baochang Gas Power Generation Co., Ltd.;

- (2) Abandon rights of first refusal to Tuoketuo No. 2 Power Company and Lvsigang Power Generation Company Limited, transfer Yunnan Honghe Power Generation Company, Datang Group Hong Kong Company, Dam Power Generation Company, Liancheng Power Generation Company and other equity;
 - (3) Investment and development Ningxia Hongsibao Nanchuan Phase II Wind Power Project and Inner Mongolia Tuquan Laoyeling Phase II Wind Power Project involving a total of 515MW, Jiangsu Lvsigang Photovoltaic Project involving a total of approximately 1,250MW, Jiangxi Xinyu 2×1 million kilnova thermal power project, Datang Huizhou Bo Luo 2 × 460MW gas thermal power generation project, etc.;
 - (4) Liquidating Heilongjiang Longtang Pipeline Engineering Co., Ltd.;
 - (5) The listing for trading of relevant alumina system assets and partial retired units and idle properties of Hohhot Aluminum Electric Company.
4. Consideration of guarantee and financing plans:
 - (1) financing budget plan of the Company for 2020 and 2021;
 - (2) provision of entrusted loans and guarantee financing for certain enterprises;
 5. Consideration of related financial matters:
 - (1) Provision of asset impairment, retirement of assets and write-off preliminary project expenses of certain affiliated enterprises;
 - (2) Information on non-operating fund occupation by substantial shareholders and other related parties;
 - (3) Deposit and actual use of proceeds;
 - (4) Replenishment of liquidity temporarily with idle proceeds.
 6. Consideration of connected transactions:
 - (1) confirmation of connected transactions of the Company for the year 2019 and the first half of 2020;
 - (2) entering into Factoring Business Cooperation Agreement with related parties;
 - (3) upward adjustment of the annual cap for partial connected transactions under the Integrated Products and Services Framework Agreement (2019-2021).

Corporate Governance Report

7. Changes in the composition of the Board and the management:

- (1) Adjustment of the Company's directors. Mr. Qu Bo and Mr. Niu Dongxiao were recommended to serve as a non-executive director and an independent non-executive director, respectively, of the tenth session of the Board of the Company, and Mr. Wang Xin no longer served as an executive director and Mr. Feng Genfu no longer served as an independent non-executive director, of the tenth session of the Board of the Company;
- (2) Adjustment of the Company's directors. Mr. Sun Yongxing was recommended to serve as a non-executive director of the tenth session of the Board of the Company, and Mr. Zhang Ping no longer served as a non-executive director of the tenth session of the Board of the Company;
- (3) making adjustment to the composition of members of the specialised committees under the Board according to the changes in the Directors of the Company;

8. Engagement of the Company's accountants for the year 2020:

- (1) engaged Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as domestic and overseas auditors of financial report for the year 2020 of the Company;

9. Amendments to regulations and rules:

- (1) Amendment to the Articles of Association, specifying the Company's implementation of general counsel;
- (2) Amendment to the working rules of the strategic development and risk control committee under the Board.

The Board of the Company reviewed the 2020 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.

For the year 2020, the Board members of the Company attended all the meetings either in person or by authorising proxies to attend the meetings on their behalf.

Ten Board meetings were held in 2020, of which three were on-site meetings and seven were meetings held through various ways of communication.

Executive Directors	Attendance at general meetings	Attendance at Board meetings	
	Attendance rate (%)	Attendance rate (%)	Attendance rate (in person) (%)
Liang Yongpan	66.67	100	100
Wang Xin [#]	0	100	100
Non-executive Directors	Attendance rate (%)	Attendance rate (%)	Attendance rate (in person) (%)
	Chen Feihu (Chairman)	0	100
Qu Bo*	66.67	100	100
Ying Xuejun	100	100	90
Zhu Shaowen	100	100	100
Cao Xin	66.67	100	100
Zhao Xianguo	66.67	100	100
Jin Shengxiang	0	100	100
Sun Yongxing*	/	100	100
Wang Sen [#]	0	100	40
Zhang Ping [#]	0	100	100
Independent Non-executive Directors	Attendance rate (%)	Attendance rate (%)	Attendance rate (in person) (%)
	Liu Jizhen	66.67	100
Luo Zhongwei	100	100	100
Liu Huangsong	100	100	100
Jiang Fuxiu	100	100	100
Niu Dongxiao*	66.67	100	100
Feng Genfu [#]	0	100	100

* Mr. Qu Bo and Mr. Niu Dongxiao were appointed as Directors of the Company as approved at the general meeting, with effect from 29 April 2020; and Mr. Sun Yongxing was appointed a Company's Director as approved at the general meeting, with effect from 18 December 2020;

[#] Mr. Wang Xin and Mr. Feng Genfu no longer served as the Company's Directors as approved at the general meeting, with effect from 29 April 2020; Mr. Wang Sen submitted a written resignation to the Company on 31 July 2020 and resigned from the Company's Director; and Mr. Zhang Ping no longer served as the Company's Director as approved at the general meeting with effect from 18 December 2020.

Corporate Governance Report

3. Supervisors and the Supervisory Committee

Pursuant to the Articles of Association, the Company's Supervisory Committee comprises four members, of whom two are supervisors representing the staff. The membership and composition of the Supervisory Committee 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 6 meetings, and attended all Board meetings and Audit Committee meetings. Through various channels and methods, the Supervisory Committee carried out regular inspections on the Company's finances and substantial matters, as well as supervising the lawfulness and compliance of the Directors, the President and other senior members in discharging their duties.

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

Song Bo (Chairman of the Supervisory Committee), Zhang Xiaoxu (Vice Chairman of the Supervisory Committee), Liu Quancheng, Liu Genle

	Attendance rate (%)	Attendance rate (in person) (%)
Shareholders' representatives		
Zhang Xiaoxu (Vice Chairman of the Supervisory Committee)	100	100
Liu Quancheng	100	83.33
Employees' representatives		
Song Bo (Chairman of the Supervisory Committee)	100	100
Liu Genle	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 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 2020 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 and report to the Board; (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 understand 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 understand 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 2020 are set out below:

Director	Position	Type of Training Participated	Training Type
Chen Feihu	Chairman	A, B, C, D	A. Training provided by regulators/counsels
* Qu Bo	Director	A, B, C, D	B. Attending seminars/forums
Ying Xuejun	Director	A, B, C, D	C. Reading economic, financial and business articles, as well as articles and information related to the duties of a director and the Company
Liang Yongpan	Director	A, B, C, D	
Zhu Shaowen	Director	A, B, C, D	D. Conducting on-site inspections on the Company's business
Cao Xin	Director	B, C	
Zhao Xianguo	Director	A, B, C, D	
Jin Shengxiang	Director	A, B, C	
* Sun Yonxing	Director	B, C, D	
* Wang Sen	Vice Chairman	A, B, C, D	
* Wang Xin	Director	A, B, C	
* Zhang Ping	Director	A, B, C	
Liu Jizhen	Independent Director	B, C	
Luo Zhongwei	Independent Director	B, C, D	
Liu Huangsong	Independent Director	A, B, C	
Jiang Fuxiu	Independent Director	A, B, C	
* Niu Dongxiao	Independent Director	A, B, C, D	
* Feng Genfu	Independent Director	B, C	

* As considered and approved at general meeting of the Company, Mr. Wang Xin and Mr. Feng Genfu no longer served as the Company's Directors as approved at the general meeting, with effect from 29 April 2020; Mr. Qu Bo and Mr. Niu Dongxiao were appointed as Directors of the Company on same day; Mr. Wang Sen submitted a written resignation to the Company on 31 July 2020 and resigned from the Company's Director; Mr. Zhang Ping no longer served as the Company's Director, with effect from 18 December 2020 and Mr. Sun Yonxing was appointed a Company's Director on same day.

Corporate Governance Report

Remuneration of directors, supervisors and senior management

As of 31 December 2020, the annual remuneration of the Company's senior management (excluding Directors and Supervisors) by band are as follows:

RMB300,001 to RMB600,000	2 persons
RMB600,001 and above	3 persons

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

Details of remuneration of Directors, Supervisors and senior management in 2020 are set out in Notes 14 and 15(c) to the Financial Statements from page 162 to page 167.

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 seven 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), Qu Bo,
Liang Yongpan, 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 2020, 1 meeting was held to consider the completion of the planning and development work of the Company in 2019 and work plan for 2020.

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

* Some members of the Committee were changed in 2020, among which Qu Bo, a director, was elected as a member of the Strategic Development and Risk Control Committee, and Wang Xin and Zhang Ping, both directors, ceased to be a member of the Strategic Development and Risk Control Committee.

Corporate Governance Report

2. Nomination Committee

- (1) **Composition:** The Board has established a Nomination Committee comprising five Directors, with 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: Liu Huangsong
(Independent Director)

Members:
Jiang Fuxiu (Independent Director),
Niu Dongxiao (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 managers 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 in 2020, at which changes to Directors of the Company were considered, and resolutions were passed and approved to be submitted to the Board for consideration and approval.

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

* Some members of the Committee were changed on 29 April 2020, among which Niu Dongxiao, a director, was elected as a member of the Strategic Development and Risk Control Committee, and Feng Genfu, a director, ceased to be a member of the Strategic Development and Risk Control Committee.

(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.

Corporate Governance Report

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
0%	14.29%	42.86%	28.57%	7.14%	7.14%

Cultural and educational background	
Bachelor's degree holder	Postgraduate degree holder
35.71%	64.29%

Professional experience	
Engineering	Accounting, Economics and Finance
57.14%	42.86%

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 Company'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, 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),
Niu Dongxiao (Independent Director),
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 establishment and improvement of the comprehensive internal control system;
- (x) to coordinate the audit of the internal controls and other related matters.

Corporate Governance Report

(4) Meetings:

The Audit Committee under the Board held three meeting in 2020 to review the Company's results, the 2019 Internal Control Report, the 2019 Audit Report, and the Special Report on Deposit and Actual Utilization of Proceeds.

Committee Members	Attendance rate (%)
Jiang Fuxiu (Independent Director)	100
Luo Zhongwei (Independent Director)	100
* Niu Dongxiao (Independent Director)	100
Jin Shengxiang	100
* Wang Sen	50
* Feng Genfu (Independent Director)	100

* Some members of the Committee were changed in 2020, among which Niu Dongxiao, a director, was elected as a member of the Audit Committee, and Wang Sen and Feng Genfu, both directors, ceased to be a member of the Audit Committee.

4. Remuneration and Appraisal Committee

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

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

Chairman: Liu Huangsong
(Independent Director)

Members:

Jiang Fuxiu (Independent Director),
Niu Dongxiao (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 2020 to review the remuneration packages of the Directors, Supervisors and senior management of the Company for 2019 and the remuneration proposal for 2020.

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

* Some members of the Committee were changed on 29 April 2020, among which Niu Dongxiao, a director, was elected as a member of the Remuneration and Appraisal Committee, and Feng Genfu, a director, ceased to be a member of the Remuneration and Appraisal Committee.

Corporate Governance Report

Corporate Governance Responsibilities

The Board is responsible for establishing and facilitating the implementation of corporate governance functions and for ensuring that the established effective management structure continues to improve the relevant 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 with the 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.

During the reporting year and 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 , 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 "2020 Internal Control Evaluation Report" compiled by the Company pursuant to the requirements of the Chinese domestic regulators has been reviewed by the Audit Committee, considered by the Board and audited by the accountants. For details of the Company's internal control, please refer to the "Establishment of the Company's Internal Control System" section.

Joint Company Secretaries

Mr. Jiang Jinming and Mr. Mok Chung Kwan, Stephen (a partner of Eversheds Sutherland and former legal advisor as to Hong Kong law of the Company) were appointed as joint company secretaries of the Company with effect from 30 August 2019. Ms. Ko Mei Ying (a manager of SWCS Corporate Services Group (Hong

Kong) Limited) was appointed as a joint company secretary of the Company with effect from 21 January 2020. Mr. Mok Chung Kwan, Stephen ceased to be a joint company secretary of the Company with effect from 20 January 2020. Mr. Jiang Jinming was the principal contact person in the Company for Mr. Mok Chung Kwan, Stephen and Ms. Ko Mei Ying during their tenure of service.

During the reporting period, Mr. Jiang Jinming and Ms. Ko Mei Ying have taken no less than 15 hours of relevant professional training in accordance with Rule 3.29 of Hong Kong Listing Rules.

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 2020 (being the benchmark date).

1. Establishment of Internal Control System

Datang Power attaches great importance to the construction of the internal control system. In 2020, internal control system of the Company has been continuously deepened. In accordance with the requirements of the corporate internal control standard system, the business process has been continuously sorted out, and the internal control process has been continuously optimized with a developmental vision and innovative thinking. We have accurately identified and evaluated various internal and external risks, improved internal control measures, optimized the information system, strengthened internal supervision, carried out regular internal control self-evaluation and supervision and evaluation, improved the internal control system, and formed an internal control system with a good internal environment, scientific decision-making procedures, clear rights and responsibilities, standardized management, and effective risk control.

2. Internal Control Work Plan

In 2021, the Company will continue to improve various internal control systems, build a mutually integrated, collaborative and efficient internal control system, and continue to improve the level of internal control work. First, we will continue to do a good job in daily work to ensure the effective operation of the internal control system; Second, we will use the annual risk assessment as a starting point to identify and study various risks, formulate effective and feasible risk management strategies, and ensure that various risks are controllable and under control; Third, we will strengthen the learning and training of internal control, do a good job in team building, and comprehensively promote the learning of comprehensive business knowledge of internal control personnel to meet the Company's needs for internal control work; Fourth, we will strengthen the use of internal control evaluation results and carry out in-depth internal control evaluation and risk assessment work, strengthen the rectification of internal control defects, and continue to track the effects of rectification.

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 securities and compliance department (legal affairs department, 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 Company has established standardised corporate governance structure and rules of procedure to specify the responsibilities and authority in decision-making, 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 Company 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, response 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 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 Company 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 Company follow up and evaluate the management of significant risks on a regular basis.

The Company 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 Compliance 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 Company, 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 and in light of 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 access to 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.

Corporate Governance Report

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 Company is set out in the Independent Auditor's Report on pages 89 to 94.

Company's Auditors

In 2020, the Company engaged Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong 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 2020, the fee payable by the Company to Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited for the provision of audit service amounted to RMB11.305 million. No fee was paid by the Company in respect of non-statutory audit services. RMB1.80 million was paid by the Company to ShineWing Certified Public Accountants (Special General Partnership) as internal control 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 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 the same as those procedures of the Board for convening a shareholders' general meeting as much as possible.

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.

Corporate Governance Report

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, the PRC
Fax: 86 (10) 8800 8264
E-mail: shijiang@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 2020, amendment to the Articles of Association was made to clarify the Company's general counsel system. Please refer the announcements of the Company dated 30 October 2020 and 18 December 2020 and the circular dated 2 November 2020.

REPORT OF THE DIRECTORS

The directors are pleased to present the audited results of the Company for the year ended 31 December 2020.

Company results

During the Year, operating revenue of the Group was approximately RMB95,614 million, representing an increase of approximately 0.17% as compared to the previous year. Profit before tax amounted to approximately RMB7,144 million, representing an increase of approximately 54.67% as compared to the previous year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0989, while the basic earnings per share attributable to equity holders of the Company for the year 2019 amounted to approximately RMB0.0211. Net profit attributable to equity holders of the Company amounted to approximately RMB2,989 million, while the net profit attributable to equity holders of the Company for the year 2019 amounted to approximately RMB986 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 2020 of RMB0.091 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, the total number of shares of the Company was 18,506,710,504 shares. Apart from that, the Company did not issue any new shares.

Use of proceeds

The Company completed the non-public issuance of H-Shares (the “**H-Share Issuance**”) 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 (the “**A-Share Issuance**”) on 23 March 2018, issuing 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised.

Report of the Directors

1. Use of proceeds from the A-Share Issuance as at 31 December 2020

Details of the use of proceeds from the A-Share Issuance as at 31 December 2020 are as follows:

	Intended use of the proceeds <i>Approximately</i> <i>RMB0'000</i>	Utilisation of proceeds during the year ended 31 December 2020 <i>Approximately</i> <i>RMB0'000</i>	Remaining balance of un-utilised proceeds as at 31 December 2020 <i>Approximately</i> <i>RMB0'000</i>
Investments in power plant projects	278,400	242,091	36,309
(i) Investment in "Replacing Small Units with Larger Units" Newly-constructed Project of Liaoning Datang International Huludao Thermal Power Plant (遼寧大唐國際葫蘆島熱電廠「上大壓小」新建工程項目) (the "Huludao Project")	108,200	108,200	–
(ii) Investment in Jiangsu Datang International Jintan Gas Turbine Thermal Power Cogeneration Project (江蘇大唐國際金壇燃機熱電聯產項目) (the "Jiangsu Project")	92,200	57,515	34,685
(iii) Investment in Guangdong Datang International Gaoyao Jintao Heating, Power and Cooling Supply Co-generation Project (廣東大唐國際高要金淘熱電冷聯產項目) (the "Guangdong Project")	78,000	76,376	1,624
Repayment of borrowings for project infrastructure	555,000	555,000	–
Total	833,400	797,091	36,309

The following table sets out the breakdown of the un-utilised proceeds from the A-Share Issuance as at 31 December 2020:

Intended use of the proceeds not yet utilised	Expected amount <i>Approximately</i> <i>RMB0'000</i>	Expected timeline
Further investments in power plant projects		
(i) Investment in the Jiangsu Project	34,685	Before end of December 2021
(ii) Investment in the Guangdong Project	1,624	Before end of December 2021

The sixteenth meeting of the tenth session of the Board and the eleventh meeting of the tenth session of the Supervisory Committee of the Company were convened on 30 December 2020, the Resolution regarding Utilizing Idle Funds to Temporarily Replenish the Working Capital of Jintan Thermal Power Company (《關於金壇熱電公司利用閒置募集資金暫時補充流動資金的議案》) was considered and approved. It was approved that Jintan Thermal Power Company would use idle funds not exceeding RMB165 million to temporarily replenish the working capital, for a term no more than 12 months from date of consideration and approval at the general meeting. The independent directors expressed their opinions on the above matter and clearly expressed their agreement. As of 31 December 2020, the amount of idle funds used by the Company to temporarily replenish the working capital was RMB0. For details, please refer to the overseas regulatory announcement issued by the Company on the same day.

During the year ended 31 December 2020, the proceeds raised by the Company from the A-Share Issuance were utilised, or were proposed to be utilised, according to the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

2. Use of proceeds from the H-Share Issuance as at 31 December 2020

Details of the use of proceeds from the H-Share Issuance as at 31 December 2020 are as follows:

	Intended use of the proceeds <i>Approximately</i> <i>RMB0'000</i>	Utilisation of proceeds during the year ended 31 December 2020 <i>Approximately</i> <i>RMB0'000</i>	Remaining balance of un-utilised proceeds as at 31 December 2020 <i>Approximately</i> <i>RMB0'000</i>
General corporate purposes (including loan and bond payment)	502,272	501,932	377

The following table sets out the details of the un-utilised proceeds from the H-Share Issuance as at 31 December 2020:

Intended use of the proceeds not yet utilised	Expected amount <i>Approximately</i> <i>RMB0'000</i>	Expected timeline
General corporate purposes (including loan and bond payment)	377	Before end of December 2021

During the year ended 31 December 2020, the proceeds raised by the Company from the H-Share Issuance were utilised, or were proposed to be utilised, according to the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

Report of the Directors

Performance of the Company's A shares and H shares during 2020 (No adjustment)

Performance of the Company's H shares during 2020:

Closing price of H shares as at 31 December 2020	HK\$1.00 per share
Highest trading price between 1 January and 31 December 2020	HK\$1.52 per share
Lowest trading price between 1 January and 31 December 2020	HK\$0.93 per share
Total number of trading between 1 January and 31 December 2020	2.540 billion shares

Performance of the Company's A shares during 2020:

Closing price of A shares as at 31 December 2020	RMB2.39 per share
Highest trading price between 1 January and 31 December 2020	RMB2.77 per share
Lowest trading price between 1 January and 31 December 2020	RMB1.93 per share
Total number of trading between 1 January and 31 December 2020	4.122 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. 24 April 2021, and as at 31 December 2020, 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 2020 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 2020 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 2020 are set out in the Consolidated Statement of Cash Flows on page 101 to page 102.

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 2020.

Environmental policies and performances

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

Compliance with laws and regulations

In 2020, 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:

	2020	2019
Purchases		
The largest supplier	16.86%	18.93%
Top five suppliers	35.93%	30.41%
Sales		
The largest customer	14.20%	12.53%
Top five customers	41.41%	36.98%

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 49 to the Financial Statements from page 220 to page 234, Note 23 to the Financial Statements from page 183 to page 185 and Note 22 to the Financial Statements from page 177 to page 182 respectively.

Dividend and earnings per share

The Board recommended the distribution of cash dividend for 2020 of RMB0.091 per share (tax inclusive).

Details of dividends and earnings per share are set out in Notes 16 and 17 to the Financial Statements on page 168.

Relationship with employees

Since employees are the foundation for development, the Company adheres to the "people-oriented" principle in its human resources management and practices equal employment opportunities and prohibits any career discrimination. The Company 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 Company strives to build and maintain long term and strong relationships with customers. The Company 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 Company's objective is to keep mutually beneficial and win-win partnerships with all suppliers. At the same time, the Company regularly evaluates the performance of our suppliers including suppliers' social responsibility.

Report of the Directors

Reserves

Movements in reserves during the Year are set out in Note 31(b) to the Financial Statements on page 193, among which distributable reserves attributable to the shareholders amounted to approximately RMB12.642 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 169 to page 171.

Pledge of Assets

Details on pledge of assets as at the end of the year were set out in Note 47 to the financial statements on page 209.

Donation

During the Year, the Company and its subsidiaries have made charitable and relief donations of approximately RMB22,271,000.

Share capital

As at 31 December 2020, 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 each.

Share capital structure

As at 31 December 2020, 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, 1,295,092,600 A shares, 1,281,872,927 A shares, 1,231,730,854 A shares, 2,046,686,205 A shares and 6,110,621,398 H shares, respectively, representing 35.34%, 7.00%, 6.93%, 6.66%, 11.06% and 33.02%, respectively, of the total share capital of the Company.

As at the date of this annual report, China Datang Corporation Limited and its subsidiaries held a total of 9,825,068,940 shares, 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 charge 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 2021, the Company was informed that CDOHKC would continue to pledge its H shares of the Company to Wing Lung Bank, Limited from 19 March 2021 to 17 March 2022. For details, please refer to the overseas regulatory announcement of the Company issued on 18 March 2021. 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 2020 were as follows:

Total number of shareholders	184,650
Holders of domestic shares	184,143
Holders of H shares	507

Substantial shareholders of the Company

So far as the Directors of the Company are aware, as at 31 December 2020, 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), 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 (%)
China Datang Corporation Ltd. (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	1,295,092,600	7.00	10.45	/
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	1,231,730,854	6.66	9.94	/

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

Notes:

- (1) Mr. Qu Bo, who is currently non-executive Director, is employee 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 Xianguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.
- (4) Mr. Jin Shengxiang and Mr. Sun Yongxing, who were both non-executive Directors, are employees of Beijing Energy Investment Holding Co., Ltd.

Report of the Directors

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

As of 31 December 2020, 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	Capacity/ Nature of Interest	No. of A Shares Held	Approximate Percentage of the Total Issued Share Capital of the Company
Mr. Liu Jizhen	A shares	Beneficial interest	9,100 (L)	0.000049% (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
Chen Feihu	No longer serve as the Chairman, secretary to the party committee of China Datang Corporation Ltd. and serves as a full-time external director of the Central Enterprises under SASAC since December 2020
Qu Bo	Appointed as the Chairman of Datang Environment Industry Group Co., Ltd. in October 2020

Directors' and supervisors' service contracts

As at 31 December 2020, 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 are 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

No transactions, arrangements or contracts of significance subsisting during or at the end of the Year 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 within the settlement date of the Year or anytime 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 contracts

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

Equity-linked agreement

The Company did not enter into any equity-linked agreement for the year ended 31 December 2020.

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 and senior management. Details of their remunerations are set out in Notes 14 and 15(c) to the Financial Statements from page 162 to page 167.

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.

Report of the Directors

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 set out in Note 41, Note 34, Note 42 and Note 35 to the Financial Statements on page 204, page 197 to page 198, page 204 and page 199, respectively, there were no other loans of the Company and its subsidiaries as at 31 December 2020.

Issuance of debentures

As of 31 December 2020, the issuance of debentures by the Company is as follows:

Completion date of issuance	Types of issued debentures	Coupon rate	Financing Amount (RMB'00 million)	Reason for issuance
28 February 2020	Super short-term bonds	2.10%	20	Replenishing the Company's working capital and repaying outstanding interest-bearing debts
21 May 2020	Super short-term bonds	1.40%	30	Repaying outstanding interest-bearing debts
19 June 2020	Medium-term notes	3.50%	20	Repaying the Company's interest-bearing debts due in the future
24 June 2020	Medium-term notes	3.79%	15	Repaying the Company's interest-bearing debts due in the future
21 July 2020	Super short-term bonds	1.25%	25	Repaying the Company's outstanding borrowings from financial institution, debt financing instruments due in the future and replenishing the liquidity
18 August 2020	Super short-term bonds	1.30%	20	Repaying the Company's outstanding borrowings from financial institution and debt financing instruments due in the future
15 September 2020	Super short-term bonds	2.38%	20	Repaying the Company's outstanding borrowings from financial institution and debt financing instruments due in the future
26 November 2020	Renewable corporate bonds	4.39%	45	Repaying interest-bearing debts and replenishing the liquidity of the Company

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 of the Hong Kong Stock Exchange:

Currency: RMB Unit: '00 million

No.	Terms of Transaction	Annual Caps	Actual Amount
I.	Transactions under the Comprehensive Product and Service Framework Agreement between Datang International and CDC		
	(I) Products and services provided by CDC to Datang International		
	1 Procurement of production and infrastructure materials and relevant auxiliary services	65	46.31
	2 Coal supply	450	112.77
	3 Technological transformation, operations management and repair and maintenance	14	1.98
	4 Technical supervision and technical services	3.8	3.10
	5 Infrastructure EPC contracting	18	13.15
	6 Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	16	0.53
	7 Alternative power generation	1	0.12
	8 Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	25.8	22.29
	9 Research and development in technological projects	0.8	0.04
	10 Information system development	1	0.97
	11 Property rights brokerage services	0.3	0
	12 Property management and other logistical services	0.5	0.35
	(II) Products and services provided by Datang International to CDC		
	1 Coal supply and coal transportation	130	13.40
	2 Sale of electricity	6	1.61
	3 Alternative power generation	8	0
	4 Operations management and repair and maintenance	1.8	0.74
	5 Water, electricity and gas fee in respect of Flue Gas Environmental Protection Facilities Franchising	6.5	6.46

Report of the Directors

No.	Terms of Transaction	Annual Caps	Actual Amount
II.	Transaction under the Financial Services Agreement with China Datang Group Finance Company Limited (“Datang Finance Company”)		
	1 Loan from Datang Finance Company and entrusted loans through Datang Finance Company	270	104.22
	2 The daily balance of the deposits of Datang Finance Company	180	127.36
III.	Transaction under the Financial Business Cooperation Agreement with Datang Finance Leasing Company Limited (“Datang Leasing Company”)		
	1 Lease payments with Datang Leasing Company	100	10.75
IV.	Transaction under the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Co., Ltd. (“Shanghai Datang Financial Lease Company”)		
	1 Lease payments with Shanghai Datang Financial Lease Company	100	21.89
V.	Transaction under the Factoring Business Cooperation Agreement entered into with Datang Commercial Factoring Company Limited (“Datang Factoring Company”)		
	1 Factoring business with Datang Factoring Company	20	5.81

For related party transactions disclosed in Note 48 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.

Continuing connected transactions in 2020

- On 23 January 2019, the Company entered into the Comprehensive Product and Service Framework Agreement with CDC. CDC Group agreed to provide products and services (including (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Technological Transformation, Operations Management and Repair and Maintenance, (iv) Technical Supervision and Technical Services, (v) Infrastructure EPC Contracting, (vi) Sale of Electricity (including sale of water, gas and other resources) and Electricity Entrustment Agency, (vii) Alternative Power Generation, (viii) Flue Gas Environmental Protection Facilities Franchising, (ix) Research and Development in Technological Projects, (x) Information System Development, (xi) Property Rights Brokerage Services and (xii) 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 (i) Coal Supply and Coal Transportation, (ii) Alternative Power Generation, (iii) Sale of Electricity, (iv) Operations Management and Repair and Maintenance and (v) the supply of water, electricity and gas in respect of Flue Gas Environmental Protection Facilities Franchising) to CDC Group during the term of the Comprehensive Product and Service Framework Agreement. The transactions 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 conducive to the normal commencement of the production and operation of the Company.

Datang Group and its subsidiaries collectively hold approximately 53.09% of the issued share capital of the Company and are the controlling shareholder of the Company. Therefore, Datang Group is a connected person of the Company.

For the year ended 31 December 2020, the annual caps and actual aggregate transaction amounts are as follows:

1) Products and services to be provided by CDC Group to the Group

Currency: RMB Unit: '00,000,000

No.	Transactions	Annual Caps	Actual Amount
1	Procurement of production and infrastructure materials and relevant auxiliary services	65	46.31
2	Coal supply	450	112.77
3	Technological transformation, operations management and repair and maintenance	14	1.98
4	Technical supervision and technical services	3.8	3.10
5	Infrastructure EPC contracting	18	13.15
6	Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	16	0.53
7	Alternative power generation	1	0.12
8	Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	25.8	22.29
9	Research and development in technological projects	0.8	0.04
10	Information system development	1	0.97
11	Property rights brokerage service	0.3	0
12	Property management and other logistical services	0.5	0.35

2) Products and services to be provided by the Group to CDC

Currency: RMB Unit: '00,000,000

No.	Transactions	Annual Caps	Actual Amount
1	Coal supply and coal transportation	130	13.40
2	Sale of electricity	6	1.61
3	Alternative power generation	8	0
4	Operations management and repair and maintenance	1.8	0.74
5	Water, electricity and gas fee in respect of Flue Gas Environmental Protection Facilities Franchising	6.5	6.46

Report of the Directors

During the term of the agreement, all of the aforesaid transaction amounts did not exceed the annual caps as set out in the agreement. For details of the transactions, please refer to the announcements of the Company dated 23 January 2019 and 28 August 2020 and the circulars dated 11 March 2019 and 30 October 2020. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcements and circulars.

2. On 16 October 2019, the Company and Datang Finance Company entered into the Financial Services Agreement. Pursuant to the agreement, Datang Finance Company agreed to provide the Company and its subsidiaries with deposit businesses, loan businesses and other financial businesses, and the daily balance of the deposits of the Company and its subsidiaries with Datang Finance Company should not exceed RMB18,000 million. The term of the agreement commenced from 1 January 2020 to 31 December 2022.

Datang Finance Company is a subsidiary of Datang Group, the controlling shareholder of the Company, and Datang Finance Company is therefore a connected person of the Company.

As of 31 December 2020, the daily balance of the deposits of the Company and its subsidiaries with Datang Finance Company was RMB12,736 million and did not exceed the annual cap as set out in the agreement, which complied with the relevant provisions of the agreement. For details please refer to the announcement of the Company dated 16 October 2019 and the circular dated 20 November 2019.

3. On 25 July 2019, the Company entered into the Financial Business Cooperation Agreement with Datang Lease Company. Pursuant to the agreement, Datang Lease Company shall provide financial services (including financial leasing, accounts receivable factoring and entrustment loan services) to the Company and its subsidiaries for an aggregate value of not exceeding RMB10 billion for every 12 months from the effective date of the agreement. The term of the agreement commenced from 20 December 2019 to 31 August 2022.

Datang Leasing Company is a subsidiary of Datang Group, the controlling shareholder of the Company, and Datang Leasing Company is therefore a connected person of the Company.

In 2020, the financing amount entered between the Company and Datang Lease Company was RMB1,075 million and did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 25 July 2019 and the circular of 18 October 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

4. 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.

Shanghai Datang Financial Lease Company is an indirect holding subsidiary of Datang Group, the controlling shareholder of the Company, and Shanghai Datang Financial Lease Company is therefore a connected person of the Company.

In 2020, the financing amount entered between the Company and Shanghai Datang Financial Lease Company was RMB2,189 million and did not exceed the annual cap as set out in the agreement. For details of the agreement, please refer to the announcement of the Company dated 4 July 2018 and the circular dated 31 July 2018. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

5. On 27 May 2019, the Company entered into the Factoring Business Cooperation Agreement with Datang Factoring Company, pursuant to which, Datang Factoring Company will provide factoring business support in an aggregate value of not more than RMB2 billion to the Company and its subsidiaries for a term of 12 months from the effective date of the agreement. On 21 May 2020, the Company entered into the Factoring Business Cooperation Agreement with Datang Factoring Company, pursuant to which, Datang Factoring Company will provide factoring business support in an aggregate value of not more than RMB2 billion to the Company and its subsidiaries for a term of 12 months from the effective date of the agreement.

Datang Factoring Company is a subsidiary of Datang Group, the controlling shareholder of the Company, and Datang Factoring Company is therefore a connected person of the Company.

For the year ended 31 December 2020, actual aggregate annual transaction amounts was approximately RMB581 million and did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcements of the Company dated 27 May 2019 and 21 May 2020 and the circular dated 5 June 2020. Unless otherwise specified, the abovementioned 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 2020.

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.

Report of the Directors

The Company's auditor was engaged to report on its continuing connected transactions for the year ended 31 December 2020 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; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) 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 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. Provided that employees are dismissed or cancelled the employment contract due to the violation of laws or disciplines, unvested contributions to the supplementary pension insurance funds by the Company will be transferred back to the Company's enterprise annuity account. The amount of forfeited contributions is not material. 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 RMB538,792,000.

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.

Auditors

Provided that ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited (collectively "ShineWing") are also the accountants responsible for the annual auditing of China Datang Corporation Ltd. ("CDC"), the controlling shareholder of the Company, and has provided services for CDC for five years, ShineWing can no longer serve as the annual auditor of CDC and its subsidiaries since 2020 and shall be subject to change pursuant to the relevant provisions on the number of years of audit by accounting firms as stipulated in the Measures for the Administration of the Final Account Reports of Central Enterprises 《(中央企業財務決算報告管理辦法)》 and the Notice on Strengthening the Auditing of Final Accounts of Central Enterprises 《(關於加強中央企業財務決算審計工作的通知)》 issued by the State-owned Assets Supervision and Administration Commission of the State Council. Accordingly, ShineWing no longer serves as the Company's domestic and international auditor upon expiration of the 2019 annual general meeting. Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited were appointed as the Company's domestic and international auditor for 2020 respectively as approved at the 2020 second extraordinary general meeting of the Company, responsible for the audit work of the Company's domestic and international financial reports for 2020. Save as disclosed above, there has been no change in the auditors of Company in any of the preceding three years.

By order of the Board
Chen Feihu
Chairman

26 March 2021

REPORT OF THE SUPERVISORY COMMITTEE

Dear supervisors,

In 2020, in the spirit of being accountable to all shareholders of Datang International Power Generation Co., Ltd. (“Datang International” or 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 2020, members of the Supervisory Committee attended all general meetings, Board meetings and meetings of the specialised committees under 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 2020 is as follows:

I. Supervisory Committee Meetings

No.	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
1	6th meeting of the tenth session of the Supervisory Committee	30 March 2020	On-site meeting	Considered and approved the working report for 2019 of the Supervisory Committee, financial budget report for 2019, financial budget report for 2020, provision of asset impairment, retirement of assets and supplies and write-off preliminary project expenses of certain affiliated enterprises; special report on the deposit and actual use of proceeds for 2019, profit distribution plan in 2019, internal control and appraisal report and audit report in 2019, and resolution on publication of 2019 annual report
2	7th meeting of the tenth session of the Supervisory Committee	29 April 2020	Communication conference	Considered and approved the resolution on the first quarterly report in 2020
3	8th meeting of the tenth session of the Supervisory Committee	28 August 2020	Communications conference	Considered and approved the resolution on publication of the 2020 interim report and the special report on the deposit and actual use of proceeds of the Company in the first half of 2020
4	9th meeting of the tenth session of the Supervisory Committee	29 September 2020	Communications conference	Considered and approved the resolution on provision for impairment of partial alumina system assets of Hohhot Aluminum Company
5	10th meeting of the tenth session of the Supervisory Committee	30 October 2020	Communications conference	Considered and approved the resolution on the third quarterly report in 2020
6	11th meeting of the tenth session of the Supervisory Committee	30 December 2020	Communications conference	Considered and approved the resolution on temporarily replenishment of liquidity with the idle proceeds by Jintan Company

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 general meetings, Board 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 2020 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 Management of the Company

During the reporting period, the Supervisory Committee conscientiously and carefully examined and reviewed the Company's financial statements and financial information, expressed opinions on asset impairment, changes in accounting policies and retirement of assets, 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 Standards for Business Enterprises and Financial Accounting Systems of the Company, and that the Company's 2020 financial report and the standard unqualified audit report issued by the accountants truthfully reflect the financial position and the operating results of the Company.

3. Acquisition and Disposal of Assets of the Company

The Supervisory Committee reviewed 4 resolutions in relation to acquisition and disposal of assets which were considered and approved by the Board, including the "Resolution on the renunciation of pre-emptive rights in regard to 20% equity interest in Tuoketuo No. 2 Power Generation Company and 35% equity interest in Lvsigang Power Company", "Resolution on the transfer of 70% equity interest in Yunnan Honghe Power Company", "Resolution on the transfer of equity interest in CDC Hong Kong Company", "Resolution on the transfer of 50% equity interest in Ningxia Dam Power Generation Company" and "Resolution on the transfer of equity interest in Gansu Liancheng Power Generation Company".

Report of the Supervisory Committee

The Supervisory Committee is of the view that in the work involved in the above resolutions, the Company adopted strict systems and decision-making procedures to ensure that the transaction prices of acquisition and disposal of the Company's assets were fair and reasonable. Major operating matters implemented by the Company did not violate the approval procedures and information disclosure obligations, nor did the transaction pricing appear to be unfair. There are no major decisions that do not meet the needs of the Company's business development, and there are no circumstances that damage the rights and interests of the Company and minority shareholders.

4. 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" and the "Rules Governing the Funds Raised by Datang International Power Generation Co., Ltd." 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 disguised 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.

5. Connected Transactions of the Company

During the reporting period, connected transactions have been considered and approved by the corresponding Board or general meetings of the Company, and during the execution process, the transaction cap for the period from January 2020 to December 2020 did not exceed the maximum limit approved. Major connected transactions conducted by the Company include: 1. connected transactions between the Company and China Datang Corporation Limited (a controlling shareholder) and its subsidiaries in respect of procurement of production or construction materials, sale and purchase of coal, technical transformation projects, technical services, sale of electricity, alternative power generation, franchising of flue gas environmental protection facilities, infrastructure EPC contracting, repair and maintenance, research and development of science and technology projects, development of informatization system, deposit and loan business and financial services; and 2. sale and purchase of fuels and coal transportation conducted between the Company and related subsidiaries.

The Supervisory Committee is of the opinion that the connected transactions of the Company in 2020 were conducted on normal commercial terms and were in compliance with the relevant requirements of the PRC laws and regulations and the Articles of Association; and the Company has fulfilled its approval and disclosure processes as required by the listing rules of Shanghai Stock Exchange and Hong Kong Stock Exchange.

6. Review Status of and Opinion on the Internal Control Evaluation Report

The Supervisory Committee of the Company reviewed the Company's 2020 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 2020 of the Company truthfully and objectively reflected the conditions on the operation and improvement 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 by the Company.

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

III. Work Plan for 2021

In 2021, the Supervisory Committee of the Company will continue to follow the Company Law, the Articles of Association, and the Rules of Procedure of the Supervisory Committee Meeting. 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 business 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 more effectively.

Datang International Power Generation Co., Ltd.
Supervisory Committee
26 March 2021

TAXATION IN THE UNITED KINGDOM

The contents below are a general guide only, based on the tax law and practice in force as at the date of this report 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”) residents holding shares in the Company as an investment, and who are not 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, following the application to the relevant PRC tax authorities, 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.



TO THE SHAREHOLDERS OF DATANG INTERNATIONAL POWER GENERATION COMPANY LIMITED
(a joint stock company incorporated in the People's Republic of China with limited liabilities)

OPINION

We have audited the consolidated financial statements of Datang International Power Generation Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 95 to 235, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 2020, 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 Hong Kong Standards on Auditing ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). 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 HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another independent auditor whose report dated 30 March 2020 expressed an unmodified opinion on those consolidated financial statements.

Independent Auditor's Report

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 Matter

How our audit addressed the key audit matter

Recognition of deferred tax assets

As at 31 December 2020, the Group recognised RMB3,241,730,000 deferred tax assets arising from deductible tax losses.

The recognition of these deferred tax assets involves management judgement and estimations about the timing and the amount of taxable profits to be generated during the forecast period.

Management has prepared the profit forecasts to assess the timing and amount at taxable profits in the foreseeable future and considers that the utilisation of these deferred tax assets is probable.

We have identified the recoverability assessments on the recognition of deferred tax assets as a key audit matter because significant judgement and estimates are involved in recognition of deferred tax assets.

The related disclosures are included in notes 4, 5 and 37 to the consolidated financial statements.

Our procedures in relation to recognition of deferred tax assets included:

- Obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the recoverability assessments of deferred tax assets including testing controls over management's review of the significant assumptions used in the forecasts;
- Obtained the annual tax filling of preceding year, checked the deductible temporary differences and tax losses acknowledged by the tax authority;
- Reviewed the profit forecasts for the future periods approved by management, compared the historical operating results, trends, and future operating, investing and financing plans, assessed the main data and key assumptions adopted by management in the prediction of the future taxable profits, reviewed the reconciliation items between the profit forecast and future taxable profits;
- Assessed the tax positions and the related assumptions with assistance of tax specialists of the Group; and
- Assessed the adequacy of the Group's disclosures included in the consolidated financial statements regarding the deferred tax assets.

We found the estimation and judgement made by management in respect of the recognition of deferred tax assets were supportable by the available evidence.

KEY AUDIT MATTERS (Continued)

Key Audit Matter

Impairment of property, plant and equipment

As at 31 December 2020, the carrying amount of property, plant and equipment of the Group was RMB208,922,692,000.

Management identified indicators of potential impairment of certain property, plant and equipment and performed impairment assessments of these assets as at 31 December 2020 by using value-in-use calculations, as recoverable amounts, for each cash-generating units ("CGUs") by preparing discounted cash flow forecasts for each CGU.

The impairment assessments involve a significant degree of management judgement, particularly in relation to the key assumptions adopted, including the future sales volumes and selling prices, future fuel prices and the discount rate applied in the discounted cash flow forecasts.

We identified assessing potential impairment of certain property, plant and equipment as a key audit matter because the carrying amount of property, plant and equipment is material to the consolidated financial statements and because of the significant management judgement and estimation required in assessing potential impairment which could be subject to error or potential management bias.

The related disclosures are included in notes 4, 5 and 18 to the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to impairment of property, plant and equipment included:

- Obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the management's key process of the Group's property, plant and equipment impairment assessment;
- Assessed management's identification of CGUs and the allocation of assets to each CGU and assessing the methodology adopted by management in its preparation of the discounted cash flow forecasts with reference to our understanding of the Group's business;
- Comparing the most significant assumptions used in the discounted cash flow forecasts, including the future sales volumes and selling prices, future fuel prices and discount rate applied, with the historical performance of each CGU, management's budgets and forecasts and industry and other externally available information;
- Performing sensitivity analyses of the significant assumptions described by assessing the changes to the recoverable amounts of the CGUs resulting from change in these assumptions; and
- Assessed the adequacy of the Group's disclosures included in the consolidated financial statements regarding the impairment assessments.

We found the estimation and judgement made by management in respect of the impairment assessment of property, plant and equipment were supportable by the available evidence.

Independent Auditor's Report

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all 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 AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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 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. This report is made 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 HKSA's 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 HKSAAs, 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.
- Conclude on the appropriateness of the 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.

Independent Auditor's Report

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, action taken to eliminate threats or safeguards applied.

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 director on the audit resulting in this independent auditor's report is Gao Yajun.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Gao Yajun

Practising Certificate Number P06391

Hong Kong

Consolidated Statement of Profit or Loss

For the Year Ended 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Operating revenue	8	95,614,422	95,453,055
Operating costs			
Fuel for power and heat generation	13(a)	(46,359,211)	(47,229,574)
Depreciation	13(a)	(14,470,015)	(13,983,474)
Repairs and maintenance		(3,177,683)	(2,914,673)
Salaries and staff welfare	13(a)	(8,122,452)	(7,476,549)
Local government surcharges		(1,329,803)	(1,304,634)
Others	13(b)	(11,281,171)	(13,005,073)
Total operating costs		(84,740,335)	(85,913,977)
Operating profit		10,874,087	9,539,078
Share of results of associates	22	1,805,028	1,621,931
Share of results of joint ventures	23	(123,825)	(64,555)
Investment income	13(a)	343,100	221,383
Interest income		84,192	96,637
Other income and other gains and losses, net	10	1,040,920	419,018
Finance costs	11	(6,879,659)	(7,214,883)
Profit before tax		7,143,843	4,618,609
Income tax expense	12	(1,891,112)	(1,721,486)
Profit for the year	13	5,252,731	2,897,123
Profit for the year attributable to:			
Holders of equity instruments of the Company			
– Owners of the Company		1,829,942	390,639
– Holders of other equity instruments		1,158,742	595,024
		2,988,684	985,663
– Non-controlling interests		2,264,047	1,911,460
		5,252,731	2,897,123
Earnings per share			
Basic and diluted (RMB cents)	17	9.89	2.11

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	2020 RMB'000	2019 RMB'000
Profit for the year	5,252,731	2,897,123
Other comprehensive expense, net of tax (Note 12(b)):		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive (expense)/income of associates	(456)	44,669
Exchange differences on translating foreign operations	(16,534)	6,908
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income	(209,344)	(126,527)
Other comprehensive expense for the year, net of tax	(226,334)	(74,950)
Total comprehensive income for the year	5,026,397	2,822,173
Total comprehensive income for the year attributable to:		
Holder of equity instruments of the Company		
– Owners of the Company	1,621,737	346,556
– Holders of other equity instruments	1,158,742	595,024
	2,780,479	941,580
– Non-controlling interests	2,245,918	1,880,593
	5,026,397	2,822,173

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment	18	208,922,692	211,471,481
Right-of-use assets	19	5,073,892	4,255,606
Investment properties	20	473,183	620,612
Intangible assets	21	2,010,821	1,950,663
Interests in associates	22	17,608,093	16,866,007
Interests in joint ventures	23	453,947	673,265
Financial assets at fair value through profit or loss	24	3,839,505	4,203,692
Financial assets at fair value through other comprehensive income	24	899,309	1,096,638
Deferred tax assets	37	3,915,125	4,059,693
Other non-current assets	25	3,562,559	3,643,632
		246,759,126	248,841,289
Current assets			
Inventories	26	3,145,945	4,062,916
Trade and notes receivables	27	16,732,397	15,895,914
Prepayments and other receivables	28	5,404,839	5,347,914
Tax recoverable		154,544	119,425
Current portion of other non-current assets	25	–	11,660
Cash and cash equivalents and restricted deposits	29	8,274,612	8,136,055
		33,712,337	33,573,884
Current liabilities			
Trade payables and accrued liabilities	40	22,208,032	23,529,082
Contract liabilities	40	1,539,392	1,022,615
Consideration payable		169,216	169,216
Taxes payables		1,416,964	1,518,340
Dividend payables		805,672	1,497,360
Short-term loans	41	29,040,022	34,854,678
Short-term bonds	42	2,622,655	–
Current portion of lease liabilities	39	271,946	171,833
Current portion of non-current liabilities	34,35,38	20,946,331	17,590,719
		79,020,230	80,353,843
Net current liabilities		(45,307,893)	(46,779,959)
		201,451,233	202,061,330

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Capital and reserves			
Share capital	30	18,506,711	18,506,711
Reserves		23,364,587	23,684,669
		41,871,298	42,191,380
Non-controlling interests		18,321,656	16,902,527
Other equity instruments	33	31,316,377	22,935,045
Total equity		91,509,331	82,028,952
Non-current liabilities			
Long-term loans	34	92,151,095	99,490,886
Long-term bonds	35	5,982,740	8,973,801
Deferred income	36	2,168,887	2,280,161
Deferred tax liabilities	37	618,048	715,957
Lease liabilities	39	1,714,402	734,944
Other non-current liabilities	38	7,306,730	7,836,629
		109,941,902	120,032,378
		201,451,233	202,061,330

The consolidated financial statements on pages 95 to 235 were approved and authorised for issue by the board of directors on 26 March 2021 and are signed on its behalf by:

Qu Bo
Director

Liang Yongpan
Director

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2020

	Attributable to the owners of the Company											
	Share capital	Capital reserve	Statutory surplus reserve	Merger reserve	Discretionary surplus reserve	Foreign currency translation reserve	FVTOCI reserve	Retained earnings	Total	Other equity instruments	Non-controlling interests	Total equity
		(Note 32(a))	(Note 32(b))	(Note 32(c))	(Note 32(d))	(Note 32(e))						
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019	18,506,711	17,077,265	5,894,278	(8,579,790)	7,967,487	54,592	(295,947)	4,850,466	45,475,062	5,000,000	20,014,759	70,489,821
Profit for the year	-	-	-	-	-	-	-	390,639	390,639	595,024	1,911,460	2,897,123
Other comprehensive income/(expense), net of tax (Note 12(b)):												
- Share of other comprehensive income of associates	-	-	-	-	-	-	44,669	-	44,669	-	-	44,669
- Exchange differences on translating foreign operations	-	-	-	-	-	6,908	-	-	6,908	-	-	6,908
- Fair value loss on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(95,660)	-	(95,660)	-	(30,867)	(126,527)
Total comprehensive income/(expense) for the year	-	-	-	-	-	6,908	(50,991)	390,639	346,556	595,024	1,880,593	2,822,173
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	213,544	213,544
Acquisition of additional interests in subsidiaries (Note 43(b))	-	(1,938,318)	-	-	-	-	-	-	(1,938,318)	-	(3,423,469)	(5,361,787)
Appropriation to statutory surplus reserve	-	-	240,900	-	-	-	-	(240,900)	-	-	-	-
Appropriation to discretionary surplus reserve	-	-	-	-	1,883,410	-	-	(1,883,410)	-	-	-	-
Distributions made to holders of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	(595,024)	-	(595,024)
Share of reserves of associates	-	4,456	-	-	-	-	-	-	4,456	-	-	4,456
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	528,095	528,095
Issue of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	17,935,045	-	17,935,045
Dividends paid (Note 16)	-	-	-	-	-	-	-	(1,850,671)	(1,850,671)	-	-	(1,850,671)
Dividends declared to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,320,993)	(2,320,993)
Others	-	(68,547)	-	-	-	-	-	222,842	154,295	-	9,998	164,293
At 31 December 2019	18,506,711	15,074,856	6,135,178	(8,579,790)	9,850,897	61,500	(346,938)	1,488,966	42,191,380	22,935,045	16,902,527	82,028,952

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2020

	Attributable to the owners of the Company											
	Share capital	Capital reserve	Statutory surplus reserve	Merger reserve	Discretionary surplus reserve	Foreign currency translation reserve	FVTOCI reserve	Retained earnings	Total	Other equity instruments	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	18,506,711	15,074,856	6,135,178	(8,579,790)	9,850,897	61,500	(346,938)	1,488,966	42,191,380	22,935,045	16,902,527	82,028,952
Profit for the year	-	-	-	-	-	-	-	1,829,942	1,829,942	1,158,742	2,264,047	5,252,731
Other comprehensive expense, net of tax (Note 12(b)):												
- Share of other comprehensive expense of associates	-	-	-	-	-	-	(456)	-	(456)	-	-	(456)
- Exchange differences on translating foreign operations	-	-	-	-	-	(16,534)	-	-	(16,534)	-	-	(16,534)
- Fair value loss on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(191,215)	-	(191,215)	-	(18,129)	(209,344)
Total comprehensive income/(expense) for the year	-	-	-	-	-	(16,534)	(191,671)	1,829,942	1,621,737	1,158,742	2,245,918	5,026,397
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	508,955	508,955
Acquisition of additional interests in subsidiaries (Note 43(b))	-	(676,506)	-	-	-	-	-	-	(676,506)	-	673,245	(3,261)
Appropriation to statutory surplus reserve	-	-	339,727	-	-	-	-	(339,727)	-	-	-	-
Appropriation to discretionary surplus reserve	-	-	-	-	380,534	-	-	(380,534)	-	-	-	-
Distributions made to holders of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	(764,657)	-	(764,657)
Disposal of a subsidiary (Note 44)	-	-	-	-	-	-	-	-	-	-	13,957	13,957
Share of reserves of associates	-	259	-	-	-	-	-	-	259	-	-	259
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(13,076)	13,076	-	-	-	-
Issue of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	7,987,247	-	7,987,247
Dividends paid (Note 16)	-	-	-	-	-	-	-	(1,202,936)	(1,202,936)	-	-	(1,202,936)
Dividends declared to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,037,048)	(2,037,048)
Others	-	(60,199)	-	-	-	-	-	(2,437)	(62,636)	-	14,102	(48,534)
At 31 December 2020	18,506,711	14,338,410	6,474,905	(8,579,790)	10,231,431	44,966	(551,685)	1,406,350	41,871,298	31,316,377	18,321,656	91,509,331

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Operating activities			
Cash from operations	43(a)	28,296,409	23,613,968
Income tax paid		(1,965,117)	(1,530,062)
Interest received		193,325	96,637
Net cash generated from operating activities		26,524,617	22,180,543
Investing activities			
Placement of restricted bank balances		(245,842)	(63,607)
Proceeds on disposal of property, plant and equipment, right-of-use assets, investment properties and intangible assets		897,725	292,899
Purchase of property, plant and equipment		(15,780,910)	(10,876,566)
Purchase of investment properties		–	(221)
Purchase of intangible assets		(156,573)	(58,554)
Increase in investments in associates		–	(44,000)
Increase in investments in joint ventures		(12,160)	(50,439)
Dividend received from associates		1,001,585	–
Proceeds on disposal of associates and joint ventures		204,552	–
Dividend received from equity investments		233,967	–
Purchase of equity investments		(58,422)	(118,297)
Disposal of equity investments		22,301	53,490
Proceed from disposal of a subsidiary, net of cash and cash equivalents	44	258,630	–
Net cash used in investing activities		(13,635,147)	(10,865,295)

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Financing activities			
Payment for acquisition of additional interests in subsidiaries	43(b)	(3,261)	(5,361,787)
Capital injections from non-controlling interests		508,955	213,544
Net proceeds from issue of perpetual bonds		7,987,247	17,935,045
Raise of new long-term loans		18,696,869	30,004,415
Repayment of long-term loans		(25,740,210)	(37,991,937)
Repayment of long-term bonds		–	(7,188,785)
Raise of new short-term loans		50,649,167	46,462,927
Repayment of short-term loans		(56,397,823)	(36,379,890)
Raise of new short-term bonds		12,100,000	14,000,000
Repayment of short-term bonds		(9,477,345)	(25,000,000)
Repayment for acquisition of subsidiaries under common control		–	(22,000)
Dividends paid		(3,931,672)	(4,399,917)
Raise of other pledged financing		2,138,900	3,853,775
Repayment to other pledged financing		(1,984,790)	(2,593,941)
Repayment to lease liabilities		(159,065)	(357,796)
Interest paid		(7,605,843)	(8,280,532)
Government grants received		220,100	313,233
Others		–	11,364
Net cash used in financing activities		(12,998,771)	(14,782,282)
Net decrease in cash and cash equivalents		(109,301)	(3,467,034)
Effect of foreign exchange rate changes		2,016	(2,267)
Cash and cash equivalents at 1 January		7,964,249	11,433,550
Cash and cash equivalents at 31 December, represented by bank balances and cash	29	7,856,964	7,964,249

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

1 GENERAL INFORMATION

Datang International Power Generation Company Limited (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 Limited (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 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and amendments to IFRSs in issue but not yet effective

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

IFRS 17	Insurance Contracts and the related Amendments ⁴
Amendment to IFRS 16	Covid-19-Related Rent Concessions ¹
Amendments to IFRS 3	Reference to the Conceptual Framework ³
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform Phase 2 ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures ⁵
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ⁴
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use ³
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract ³
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018-2020 ³

¹ Effective for annual periods beginning on or after 1 June 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

⁵ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of the new and amendments IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

At 31 December 2020, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2020, the Group had net current liabilities of RMB45,307,893,000. The Group had significant undrawn borrowing facilities, subject to certain conditions, of not less than RMB150 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these consolidated financial statements on a going concern basis.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment ("IFRS 2"), leasing transactions that are accounted for in accordance with IFRS 16 Lease ("IFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets ("IAS 36").

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

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 owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

Acquisition method for business combination involving entity not under common control

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes ("IAS 12") and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Acquisition method for business combination involving entity not under common control (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Merger accounting for business combination involving entities under common control

Business combination involving entities under common control has been accounted for by applying the principles of merger accounting.

In applying merger accounting, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of for goodwill or bargain purchase gain at the time of common control combination.

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

The comparative amounts in the consolidated financial statements have been restated as if the business combination had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses incurred in relation to the common control combination that are to be accounted for by using merger accounting are recognised as expenses in the year in which they were incurred.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

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 joint arrangement. 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.

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal or partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

Where a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers

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 obligation is transferred to the customer.

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

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 and enhances an asset that the customer controls as the Group performs; 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.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

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

(a) Sales of electricity and heat supply

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

Revenue is recognised when the electricity and heat 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.

(b) Sales of coal and other goods

Revenue from the sales of coal and other goods is recognised when the control of goods is passed 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.

Revenue 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.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings and structures and transportation facilities that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options the carrying amount of the relevant right-of-use assets are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers ("IFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group acts as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowing within the scope of IFRS 9.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "foreign currency translation reserve" (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

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 added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on temporary investment specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are 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 compensation of expenses are deducted from the related expenses, other government grants are presented under "Other income and other gains and losses, net".

Employee benefits

Pension and other social obligation

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 and recognised as an expense in profit or loss when employees have rendered service entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when it recognises any restructuring costs.

Short-term benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the income tax expense currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" because 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. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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 assets and liabilities are measured 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 rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets 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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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 to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly to equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods, or for administrative purposes (other than construction in progress) as described below. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress represents buildings and structures under construction and plant and equipment and transportation facilities pending installation. Construction in progress is carried at cost less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Intangible assets other than goodwill

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets other than goodwill (Continued)

Internally-generated intangible assets-research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets other than goodwill (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, investment properties, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss or a group of CGUs.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made on the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. 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 fair value through profit or loss ("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.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. 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 from the next reporting period. If 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 from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Debts instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debts instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debts instruments are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debts instruments. When these debts instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently 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; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends from 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.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured 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. 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 income and other gains and losses, net" line item.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets including trade and notes receivables, other receivables and cash and cash equivalents and restricted deposits, and financial guarantee contracts which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. 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. 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 always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case 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.

(i) Significant increase in credit risk

In assessing whether the credit risk 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:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: (Continued)

- 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; or
- 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.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk 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 debt 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. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs (i) when there is a breach of financial covenants by the debtor or (ii) 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).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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.

(iv) 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, for example, 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. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) 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 and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, 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. Accordingly, the ECL is the present value of 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.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for debts instruments that are measured at FVTOCI and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and notes receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

For debts instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

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 entity. 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.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments 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 are recognised at the proceeds received, net of direct issue costs.

Perpetual capital instruments, which include no contractual obligation for the Group to deliver cash or financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Financial liabilities

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

Financial guarantee contract

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 payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

Comparatives

Certain comparative figures have been reclassified in order to conform to the current year's presentation.

5 CRITICAL ACCOUNTING 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 underlying 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, in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), 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 3 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

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

Critical judgement in applying accounting policies (Continued)

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.

Key sources of estimation uncertainty

The following are 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.

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 2020 was RMB208,922,692,000 (2019: RMB211,471,481,000).

Estimated impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have suffered any impairment in accordance with relevant accounting policy. An impairment loss is recognised when the carrying amount of property, plant and equipment exceeds their recoverable amount which has been determined based on the higher of its value in use and fair value less cost of disposal.

These calculations of value in use require the use of estimates and judgement on future operating cash flow and discount rate adopted. The fair value less costs of disposal was determined by an independent professional valuer using the depreciated replacement cost approach and/or market comparable approach, as appropriate. Further details on the impairment assessment are set out in note 18.

During the year ended 31 December 2020, impairment losses of RMB1,256,655,000 (2019: RMB1,539,077,000) were recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

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

Key sources of estimation uncertainty (Continued)

Estimated 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 its value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs in which the goodwill and other intangible assets are allocated, and a suitable discount rate in order to calculate the present value.

At 31 December 2020, the carrying amount of goodwill was RMB762,979,000 (2019: RMB795,525,000). Impairment loss of RMB32,546,000 (2019: RMB104,361,000) was recognised in profit or loss during the year ended 31 December 2020. In respect of other intangible assets amounting to RMB1,247,842,000 (2019: RMB1,155,138,000), no impairment losses was recognised during the year ended 31 December 2020 (2019: Nil). Details of the impairment assessment are disclosed in note 21.

Deferred tax assets

At 31 December 2020, deferred tax assets of RMB3,241,730,000 (2019: RMB3,216,741,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax assets has been recognised on the tax losses of RMB21,616,264,000 (2019: RMB22,053,880,000) due to the unpredictability of future profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place. The information about the Group's deferred tax assets are disclosed in note 37.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

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

Key sources of estimation uncertainty (Continued)

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.

At 31 December 2020, the carrying amount of inventories is RMB3,145,945,000 (2019: RMB4,062,916,000) in which allowance for inventories amounted to RMB26,968,000 (2019: RMB9,428,000) and the reversal of allowance for inventories of RMB72,000 (2019: RMB10,391,000) have been recognised in profit or loss for the year ended 31 December 2020.

Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, for trade receivables which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 6 and 27.

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 2020, income tax expense of RMB1,891,112,000 (2019: RMB1,721,486,000) was charged to profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt balance, which includes the borrowings disclosed in notes 34, 35, 41 and 42, net of cash and cash equivalents and restricted deposits and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure periodically. As part of this review, the management considers the cost of capital and the risks associates with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts or equity instruments or sell assets to reduce debts.

	2020 RMB'000	2019 RMB'000
Short-term loans	29,040,022	34,854,678
Short-term bonds	2,622,655	–
Long-term loans	106,440,968	113,821,409
Long-term bonds	9,220,109	8,973,801
	147,323,754	157,649,888
Less: Cash and cash equivalents and restricted deposits	(8,274,612)	(8,136,055)
Net debt	139,049,142	149,513,833
Equity attributable to owners of the Company	41,871,298	42,191,380
Debt to equity ratio	3.32	3.54

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (Continued)

(b) Categories of financial instruments

	2020 RMB'000	2019 RMB'000
Financial assets:		
Financial assets at amortised cost	25,574,978	26,691,775
Financial assets at fair value through profit or loss	3,839,505	4,203,692
Financial assets at fair value through other comprehensive income	2,141,116	1,096,638
Financial liabilities:		
Financial liabilities at amortised cost	183,218,841	194,849,148

(c) Financial risk management

The Group's major financial instruments include financial assets at fair value through profit or loss and other comprehensive income, trade and notes receivables, other receivables, cash and cash equivalents and restricted deposits, trade payables and accrued liabilities, consideration payable, lease liabilities and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate and other price risk), credit risk and liquidity risk. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the group entities. Accordingly, no currency risk sensitivity analysis is presented.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (Continued)

(c) Financial risk management (Continued)

Interest rate risk (Continued)

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 and no sensitivity analysis presented for these assets held as at 31 December 2020 and 2019.

The Group's exposure to interest rate risk primarily 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 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 2020, if interest rates on loans had been 50 basis points (2019: 50 basis points) lower with all other variables held constant, consolidated profit after tax for the year would have been RMB508,032,000 (2019: RMB593,106,000) higher, arising mainly as a result of lower interest expense on the loans. If interest rates on loans had been 50 basis points (2019: 50 basis points) higher with all other variables held constant, consolidated profit after tax for the year would have been RMB508,032,000 (2019: RMB593,106,000) lower, arising mainly as a result of higher interest expense on the loans.

Other price risk

The Group was exposed to other price risk in relation to its equity instruments measured at fair value through other comprehensive income. 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (Continued)

(c) Financial risk management (Continued)

Credit risk and impairment assessment

Credit risk refer to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primary attributable to trade and notes receivables, other receivables, cash and cash equivalents and restricted bank deposits and the amount of financial guarantee provided by the Group.

Trade receivables arising from contracts with customers

With regard to trade receivables arising from power sales and heat supply, most of the power plants of the Group sell electricity and heat supply to their sole customer, the power grid companies or heat supply companies of their respective provinces or regions where the power plants operate.

For trade receivables arising from sales of electricity and heat supply, the directors are of the opinion that there is no significant credit risk as these power plants of the Group communicate with their individual power grid companies periodically and maintains long-term and stable business relationships with these companies.

In respect of trade receivables arising from tariff premium of renewable energy, pursuant to Caijian [2012] No. 102 Notice on the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, a set of new standardised procedures for the settlement of the aforementioned renewable energy tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies. As at 31 December 2020, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. The tariff premium receivables are settled in accordance with prevailing government policies and prevalent payment trends of the Ministry of Finance. There is no due date for settlement. The directors are of the opinion that the approvals will be obtained in due course and these trade receivables from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government.

For trade receivables arising from coal sales and others operation, 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 credit losses has been made in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (Continued)

(c) Financial risk management (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

The Group uses internal credit rating to assess the impairment for its customers in relation to its sales of coal and others operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB1,005,908,000 as at 31 December 2020 (2019: RMB976,760,000) were assessed individually.

At 31 December 2020, trade and notes receivables due from the top five debtors amounted to RMB5,525,255,000 (2019: RMB6,216,499,000), representing 31.38% (2019: 37.11%) of the total trade and notes receivables. Except for trade and notes receivables, the Group has no significant concentrations of credit risk.

For the quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 27.

Notes receivables, other receivables, cash and cash equivalents and restricted bank deposits and financial guarantee

For notes receivables, the credit risk is limited because the notes are guaranteed by banks for payments and the banks are either the state-owned banks or other creditworthy financial institutions in the PRC.

For other receivables, management makes periodic individual assessment on their recoverability based on historical settlement records and also quantitative and qualitative information that is reasonable and supportive forward-looking information. At 31 December 2020, the Group had made an accumulated lifetime loss allowance on credit-impaired other receivables amounting to RMB1,383,473,000 (2019: RMB1,970,091,000).

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.

For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was RMB1,147,669,000 as at 31 December 2020 (2019: RMB6,496,414,000). At the end of the reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Details of the financial guarantee contracts are set out in note 45.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (Continued)

(c) Financial risk management (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

As at 31 December 2020, the Group has net current liabilities of approximately RMB45,307,893,000 (2019: RMB46,779,959,000). The Group relies on borrowings as a significant source of liquidity. As at 31 December 2020, the Group has available undrawn borrowing facilities of not less than RMB150 billion (2019: RMB150 billion).

The following table details the Group's remaining contractual maturity for its 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 or on demand 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 2020						
Long-term loans	18,072,831	15,682,654	38,890,867	77,958,573	150,604,925	106,440,968
Long-term bonds	3,347,043	308,395	6,285,715	–	9,941,153	9,220,109
Other non-current liabilities	3,957,787	2,729,416	4,446,361	1,186,784	12,320,348	10,725,819
Trade payables and accrued liabilities	22,208,032	–	–	–	22,208,032	22,208,032
Consideration payable	169,216	–	–	–	169,216	169,216
Dividends payables	805,672	–	–	–	805,672	805,672
Short-term loans	29,726,160	–	–	–	29,726,160	29,040,022
Short-term bonds	2,634,579	–	–	–	2,634,579	2,622,655
Lease liabilities	353,824	317,791	1,085,234	1,422,995	3,179,844	1,986,348
	81,275,144	19,038,256	50,708,177	80,568,352	231,589,929	183,218,841
Financial guarantee issued- maximum amount guaranteed (Note)	1,147,669	–	–	–	1,147,669	–

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (Continued)

(c) Financial risk management (Continued)

Liquidity risk (Continued)

	Less than 1 year or on demand 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 2019						
Long-term loans	18,639,915	21,921,288	50,004,072	88,710,763	179,276,038	113,821,409
Long-term bonds	460,500	3,347,043	6,594,110	–	10,401,653	8,973,801
Other non-current liabilities	3,639,568	2,897,633	4,170,247	1,501,940	12,209,388	11,096,825
Trade payables and accrued liabilities	23,529,082	–	–	–	23,529,082	23,529,082
Consideration payable	169,216	–	–	–	169,216	169,216
Dividends payables	1,497,360	–	–	–	1,497,360	1,497,360
Short-term loans	36,265,088	–	–	–	36,265,088	34,854,678
Lease liabilities	219,203	327,869	502,505	107,176	1,156,753	906,777
	84,419,932	28,493,833	61,270,934	90,319,879	264,504,578	194,849,148
Financial guarantee issued- maximum amount guaranteed (Note)	6,496,414	–	–	–	6,496,414	–

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Certain Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Disclosures of level in fair value hierarchy at 31 December 2020:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s)	Significant input(s)	Relationship of unobservable input(s) to fair value
	31 December 2020	31 December 2019				
Equity instruments measured at fair value through profit or loss	Unlisted equity shares, amount of RMB3,839,505,000	Unlisted equity shares, amount of RMB4,203,692,000	Level 3	Market comparable approach	Discount for lack of marketability 10.47%– 44.18% (2019: 50.00%– 65.00%)	The higher the discount rate, the lower the fair value
Equity instruments measured at fair value through other comprehensive income	Listed equity shares, amount of RMB165,563,000	Listed equity shares, amount of RMB171,098,000	Level 1	Quoted bid prices in an active	N/A	N/A
	Unlisted equity shares, amount of RMB733,746,000	Unlisted equity shares, amount of RMB925,540,000	Level 3	Market comparable approach	Discount for lack of marketability 10.47%– 44.18% (2019: 50.00%–65.00%)	The higher the discount rate, the lower the fair value
Notes receivables at fair value through other comprehensive income	RMB1,241,807,000	N/A	Level 2	Discounted cash flow	Estimated future cash flows are discounted at market interest rate that reflects the time value to the date of settlement	N/A

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

During the year ended 31 December 2020, there were no significant transfers between level 1 and level 2, or transfers into or out of level 3 (2019: Nil).

Reconciliation of Level 3 fair value measurements of financial assets:

	Equity instruments at FVTPL RMB'000	Equity instruments at FVTOCI RMB'000
At 1 January 2019	4,311,248	935,464
Purchase	–	112,283
Disposal	(53,490)	–
Fair value change recognised in profit or loss	(54,066)	–
Fair value change recognised in other comprehensive income	–	(122,207)
At 31 December 2019 and 1 January 2020	4,203,692	925,540
Purchase	–	58,422
Disposal	–	(22,301)
Fair value change recognised in profit or loss	(364,187)	–
Fair value change recognised in other comprehensive income	–	(227,915)
At 31 December 2020	3,839,505	733,746

(b) Fair value of the Group's financial assets and financial liabilities that are measured at amortised cost

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statement approximate their fair values.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

8 OPERATING REVENUE

The Group's operating revenue was generated from contracts with customers and revenue is recognised at a point in time. The disaggregation of the Group's operating revenue by product types for the year is as follows:

	2020 RMB'000	2019 RMB'000
Sales of electricity and heat supply	90,398,770	88,442,906
Sales of coal	1,268,774	3,222,207
Others	3,946,878	3,787,942
	95,614,422	95,453,055

9 SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the "Senior Management") perform the function as CODM. 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 and heat 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"). Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

1. Power and heat generation segment – operation of power plants through subsidiaries, generating electric power and heat 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 "other segments" comprises a number of immaterial businesses and none of these units has ever individually met the quantitative thresholds for determining a reportable segment.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

9 SEGMENT INFORMATION (Continued)

Segment revenues and results

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

Year ended 31 December 2020

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
SEGMENT REVENUE				
Revenue from external customers	90,398,770	1,268,774	3,946,878	95,614,422
Inter-segment revenue (Note)	1,245,209	5,703,424	131,758	7,080,391
	91,643,979	6,972,198	4,078,636	102,694,813
Segment profit/(loss)	7,358,462	834,256	(988,075)	7,204,643

Year ended 31 December 2019

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
SEGMENT REVENUE				
Revenue from external customers	88,442,906	3,222,207	3,787,942	95,453,055
Inter-segment revenue (Note)	1,402,246	7,627,034	128,377	9,157,657
	89,845,152	10,849,241	3,916,319	104,610,712
Segment profit/(loss)	5,261,968	876,315	(1,450,289)	4,687,994

Note: The inter-segment sales were carried out with reference to market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

9 SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	2020 RMB'000	2019 RMB'000
SEGMENT ASSETS		
Power and heat generation segment	270,225,400	270,635,319
Coal segment	4,829,265	5,139,742
Other segments	5,278,843	6,345,267
Total reporting segment assets	280,333,508	282,120,328
SEGMENT LIABILITIES		
Power and heat generation segment	180,134,312	189,261,672
Coal segment	2,811,237	3,571,155
Other segments	5,995,403	7,534,721
Total reporting segment liabilities	188,940,952	200,367,548

Reconciliations of reportable segment results and assets and liabilities under PRC GAAP and IFRSs:

	2020 RMB'000	2019 RMB'000
Total reporting segment profit	7,204,643	4,687,994
IFRSs adjustments	(60,800)	(69,385)
Profit before tax under IFRSs	7,143,843	4,618,609

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

9 SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

Reconciliation of reportable segment results and assets and liabilities under PRC GAAP and IFRSs: (Continued)

	2020 RMB'000	2019 RMB'000
Assets		
Total reportable segment assets	280,333,508	282,120,328
IFRSs adjustments	137,955	294,845
Total assets under IFRSs	280,471,463	282,415,173
Liabilities		
Total reportable segment liabilities	188,940,952	200,367,548
IFRSs adjustments	21,180	18,673
Total liabilities under IFRSs	188,962,132	200,386,221

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

9 SEGMENT INFORMATION (Continued)

Other segment information

Year ended 31 December 2020

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
<i>Amounts included in the measurement of segment results or segment assets:</i>				
Addition of non-current assets*	18,394,850	189,523	74,607	18,658,980
Depreciation and amortisation	13,830,986	28,490	665,445	14,524,921
Impairment of non-current assets*	406,214	39,383	843,604	1,289,201
Share of results of associates	1,203,936	685,367	(84,275)	1,805,028
Share of results of joint ventures	927	(124,752)	–	(123,825)
Interest expenses	6,571,372	80,015	228,272	6,879,659
Allowance for inventories	244	–	26,724	26,968
Reversal of allowances of inventories	–	(72)	–	(72)
Interests in associates	8,310,490	4,908,101	4,389,502	17,608,093
Interests in joint ventures	5,263	448,684	–	453,947
<i>Amounts regularly provided to the CODM but not included in the measurement of segment results:</i>				
Income tax expense	1,784,895	45,764	60,453	1,891,112

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

9 SEGMENT INFORMATION (Continued)

Other segment information (Continued)

Year ended 31 December 2019

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
<i>Amounts included in the measurement of segment results or segment assets:</i>				
Addition of non-current assets*	12,146,267	230,675	284,779	12,661,721
Depreciation and amortisation	13,464,386	13,320	551,235	14,028,941
Impairment on non-current assets*	356,847	–	1,286,591	1,643,438
Share of results of associates	1,047,078	688,859	(114,006)	1,621,931
Share of results of joint ventures	(343)	(64,212)	–	(64,555)
Interest expense	6,909,959	108,139	196,785	7,214,883
Allowance for inventories	–	–	9,428	9,428
Reversal of allowances of inventories	(10,054)	–	(337)	(10,391)
Interests in associates	8,040,268	4,286,812	4,538,927	16,866,007
Interests in joint ventures	4,336	668,929	–	673,265
<i>Amounts regularly provided to the CODM but not included in the measurement of segment results:</i>				
Income tax expense	1,627,852	53,259	40,375	1,721,486

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

9 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 2020 and 2019 and most of their customers and non-current assets as at 31 December 2020 and 2019 were located in the PRC.

Information about major customers

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

	2020 RMB'000	2019 RMB'000
Customer A ¹	13,575,485	13,097,365

¹ Revenue from power and heat generation segment

10 OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2020 RMB'000	2019 RMB'000
Loss on change of fair value of financial assets at fair value through profit or loss	(364,187)	(54,066)
Amortisation of deferred income	327,071	467,595
Gain on disposal of non-current assets	528,611	154,586
Gain on disposal of a subsidiary (Note 44)	353,392	–
Gain on disposal of interests in joint ventures	79,555	–
Gain on disposal of interests in associates	71	–
Loss on deconsolidation of subsidiaries	–	(222,778)
Others	116,407	73,681
Total	1,040,920	419,018

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

11 FINANCE COSTS

	2020 RMB'000	2019 RMB'000
Interest expense on bank loans, bonds and other borrowings	7,300,113	8,028,218
Interest on lease liabilities	51,213	38,473
Less: Amounts capitalised in property, plant and equipment	(538,792)	(938,185)
	6,812,534	7,128,506
Foreign exchange (gain)/loss, net	(6,052)	15,558
Others	73,177	70,819
	6,879,659	7,214,883

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying capitalisation rate ranged from 3.85% to 5.70% (2019: 4.41% to 5.76%) per annum to expenditure on qualifying assets.

12 INCOME TAX EXPENSE

(a) Taxation in consolidated statement of profit of loss

	2020 RMB'000	2019 RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT"):		
Provision for the year	1,782,388	1,679,421
Under provision in respect of prior years	48,543	21,358
	1,830,931	1,700,779
Deferred tax	60,181	20,707
	1,891,112	1,721,486

The PRC EIT represents tax charged on the estimated assessable profits arising in the PRC. In general, the Group's subsidiaries operating in the PRC are subject to PRC EIT rate of 25% (2019: 25%), except for certain subsidiaries which are tax exempted or entitled to preferential tax rates, as determined in accordance with the relevant tax rules and regulations in the PRC.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

12 INCOME TAX EXPENSE (Continued)

(a) Taxation in consolidated statement of profit or loss (Continued)

The tax charge for the year can be reconciled to the profit before tax as follows:

	2020 RMB'000	2019 RMB'000
Profit before tax	7,143,843	4,618,609
Tax at PRC EIT rate of 25% (2019: 25%)	1,785,961	1,154,652
Tax effect of income not taxable for tax purpose	(601,527)	(561,603)
Tax effect of expenses not deductible for tax purpose	227,121	615,113
Utilisation of tax losses previously not recognised	(123,900)	(31,810)
Tax effect of tax losses not recognised	932,029	570,853
Tax effect of deductible temporary differences not recognised	34,439	63,619
Effect of income tax on concessionary rate in the PRC	(384,708)	(173,858)
Under provision in respect of prior years	48,543	21,358
Others	(26,846)	63,162
Income tax expense	1,891,112	1,721,486

(b) Tax effects relating to component of other comprehensive income/(expense)

	2020			2019		
	Before taxation RMB'000	2020 Taxation credited (Note 37(b)) RMB'000	Net of taxation RMB'000	Before taxation RMB'000	2019 Taxation credited (Note 37(b)) RMB'000	Net of taxation RMB'000
Share of other comprehensive (expense)/income of associates	(456)	–	(456)	44,669	–	44,669
Exchange differences on translating foreign operations	(16,534)	–	(16,534)	6,908	–	6,908
Fair value loss on investments in equity instruments at fair value through other comprehensive income	(222,866)	13,522	(209,344)	(133,438)	6,911	(126,527)
	(239,856)	13,522	(226,334)	(81,861)	6,911	(74,950)

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

13 PROFIT FOR THE YEAR

(a) Profit for the year has been arrived at after charging/(crediting):

	2020 RMB'000	2019 RMB'000
Staff costs including directors' and supervisors' emoluments		
– Salaries and welfares	6,600,336	6,153,723
– Retirement benefits and other benefits	1,522,116	1,322,826
Total staff cost	8,122,452	7,476,549
Auditors' remuneration	11,200	13,420
Recognition/(reversal) of impairment of trade receivables, net	23,276	(51,217)
Recognition of impairment of other receivables, net	497,401	436,442
Allowance for inventories	26,968	9,428
Cost of inventories recognised as an expense	46,359,211	47,229,574
Reversal of allowance for inventories	(72)	(10,391)
Impairment of property, plant and equipment	1,256,655	1,539,077
Impairment of goodwill	32,546	104,361
Rental income generated from investment properties	(25,408)	(32,640)
(Gain)/loss from written-off of property, plant and equipment	(41,970)	1,334,729
Depreciation on right-of-use assets	196,753	211,554
Depreciation on property, plant and equipment	14,242,753	13,744,761
Depreciation on investment properties	30,509	27,159
Total depreciation on non-current assets	14,470,015	13,983,474
Amortisation of intangible assets	54,906	45,467
Interest income from entrusted loans receivables	(109,133)	(2,310)
Dividend income from financial assets at fair value through profit or loss	(219,199)	(193,470)
Dividend income from financial assets at fair value through other comprehensive income	(14,768)	(25,603)
Investment income	(343,100)	(221,383)

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

13 PROFIT FOR THE YEAR (Continued)

(b) Other operating expenses:

	2020 RMB'000	2019 RMB'000
Auditors' remuneration	11,200	13,420
Recognition/(reversal) of impairment of trade receivables, net	23,276	(51,217)
Impairment of goodwill	32,546	104,361
Impairment of property, plant and equipment	1,256,655	1,539,077
Allowance for inventories	26,968	9,428
Reversal of allowance for inventories	(72)	(10,391)
Amortisation of intangible assets	54,906	45,467
Procurement cost of aluminum products and coal products	3,523,602	5,606,925
Environmental protection fee	3,305,399	3,157,210
Electricity expense	504,602	276,179
Water fee and water resource fee	637,323	599,350
Research and development expenses	5,638	29,646
Sales services fee	23,763	16,758
Short-term lease expenses	58,042	58,417
Property management fee	147,635	154,112
Greenery fee	43,863	37,823
Transportation expenses	73,999	71,600
Intermediary fees	62,500	64,961
Insurance	171,572	158,301
Office expenses	87,713	101,895
Travel expenses	63,256	89,331
Outsourcing expenses	225,235	223,186
Public security fire fee	106,754	100,725
Information expenses	94,085	83,823
Entertainment expenses	16,797	17,915
Others (Note)	723,914	506,771
	11,281,171	13,005,073

Note: Others mainly represents expenses of utilities concession income and heat supply cost.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS

(a) Directors' and supervisors' emoluments

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

For the year ended 31 December 2020

Name of directors	Fees	Basic salaries and allowances	Discretionary bonus	Subtotal	Retirement benefits	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chen Feihu	-	-	-	-	-	-	-
Wang Sen (i)	-	-	-	-	-	-	-
Wang Xin (ii)	-	-	461	461	-	-	461
Liang Yongpan	-	314	619	933	56	111	1,100
Ying Xuejun	-	280	534	814	39	114	967
Cao Xin	-	-	-	-	-	-	-
Zhao Xianguo	-	-	-	-	-	-	-
Feng Genfu (ii)	112	-	-	112	-	-	112
Luo Zhongwei	137	-	-	137	-	-	137
Liu Huangsong	137	-	-	137	-	-	137
Jiang Fuxiu	137	-	-	137	-	-	137
Zhu Shaowen	-	-	-	-	-	-	-
Liu Jizhen	137	-	-	137	-	-	137
Niu Dongxiao (iii)	20	-	-	20	-	-	20
Qu Bo (iii)	-	-	-	-	-	-	-
Sun Yongxing (iv)	-	-	-	-	-	-	-
Zhang Ping (v)	-	-	-	-	-	-	-
Jin Shengxiang	-	-	-	-	-	-	-
	680	594	1,614	2,888	95	225	3,208

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows: (Continued)

Name of supervisors	Fees	Basic salaries and allowances	Discretionary bonus	Subtotal	Retirement benefits	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Zhang Xiaoxu	-	-	-	-	-	-	-
Song Bo	-	233	480	713	30	92	835
Liu Genle	-	546	-	546	39	100	685
Liu Quancheng	-	-	-	-	-	-	-
	-	779	480	1,259	69	192	1,520
	680	1,373	2,094	4,147	164	417	4,728

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

Notes:

- (i) Resigned on 31 July 2020
- (ii) Resigned on 29 April 2020
- (iii) Appointed on 29 April 2020
- (iv) Appointed on 18 December 2020
- (v) Resigned on 18 December 2020

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows: (Continued)

For the year ended 31 December 2019

Name of directors	Fees	Basic salaries and allowances	Discretionary bonus	Subtotal	Retirement benefits	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chen Feihu (i)	-	-	-	-	-	-	-
Wang Sen (i)	-	-	-	-	-	-	-
Chen Jinhang (ii)	-	-	-	-	-	-	-
Wang Xin	-	353	427	780	69	127	976
Liang Yongpan	-	313	496	809	46	127	982
Ying Xuejun	-	290	358	648	47	127	822
Cao Xin	-	-	-	-	-	-	-
Zhao Xianguo	-	-	-	-	-	-	-
Feng Genfu	111	-	-	111	-	-	111
Luo Zhongwei	111	-	-	111	-	-	111
Liu Huangsong	111	-	-	111	-	-	111
Jiang Fuxiu	111	-	-	111	-	-	111
Zhu Shaowen	-	-	-	-	-	-	-
Liu Chuangdong (ii)	-	-	-	-	-	-	-
Liu Jizhen	111	-	-	111	-	-	111
Zhang Ping	-	-	-	-	-	-	-
Jin Shengxiang	-	-	-	-	-	-	-
	555	956	1,281	2,792	162	381	3,335

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows: (Continued)

Name of supervisors	Fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Zhang Xiaoxu	-	-	-	-	-	-	-
Yu Meiping (iv)	-	150	358	508	33	64	605
Guo Hong (iv)	-	242	439	681	36	126	843
Song Bo (iii)	-	255	182	437	35	123	595
Liu Genle (iii)	-	557	-	557	32	127	716
Liu Quancheng	-	-	-	-	-	-	-
	-	1,204	979	2,183	136	440	2,759
	555	2,160	2,260	4,975	298	821	6,094

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

Notes:

- (i) Appointed on 28 March 2019
- (ii) Resigned on 28 March 2019
- (iii) Appointed on 16 August 2019
- (iv) Reigned on 16 August 2019

There was no arrangement under which a director or a supervisor waived or agreed to waive any remunerations during the year (2019: Nil).

(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.

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For the Year Ended 31 December 2020

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 Mandatory Provident Fund Scheme (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 HKD1,500 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 2020, the total retirement benefit scheme contributions charged to the consolidated statement of profit or loss amounted to RMB1,522,116,000 (2019: RMB1,322,826,000).

(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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

15 EMPLOYEES' EMOLUMENTS (Continued)

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included two (2019: three) directors and nil (2019: one) supervisor whose emoluments are reflected in the analysis presented in note 14(a) to the consolidated financial statements. The emoluments of the remaining three (2019: one) individual(s) are set out below:

	2020 RMB'000	2019 RMB'000
Basic salaries and allowances	771	243
Discretionary bonus	1,507	440
Retirement benefits	164	42
Other benefits	333	126
	2,775	851

The emoluments fell within the following bands:

	Number of individuals	
	2020	2019
Nil to HKD1,000,000	–	1
HKD1,000,001 to HKD1,500,000	3	–
	3	1

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

16 DIVIDENDS

Pursuant to the board of Directors' meeting on 26 March 2021, the Directors recommended to declare the final dividends for the year ended 31 December 2020 of RMB0.091 per share totalling RMB1,684,111,000. 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 2020, a final dividend of RMB0.065 per share in respect of the year ended 31 December 2019 totalling RMB1,202,936,000 (2019: final dividend of RMB0.1 per share amounting to RMB1,850,671,000 in aggregate) 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 data:

	2020 RMB'000	2019 RMB'000
Earnings		
Profit for the purpose of basic and diluted earnings per share	1,829,942	390,639
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	18,506,711	18,506,711

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 2020 and 2019.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

18 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 2019	121,228,938	199,752,579	2,040,093	6,615,244	32,455,198	362,092,052
Transfer from construction in progress	2,583,632	8,659,333	37,399	239,385	(11,519,749)	–
Additions	94,200	141,229	28,202	192,446	11,514,541	11,970,618
Disposals/write-off	(874,523)	(4,688,450)	(177,400)	(173,824)	–	(5,914,197)
At 31 December 2019 and 1 January 2020	123,032,247	203,864,691	1,928,294	6,873,251	32,449,990	368,148,473
Transfer from construction in progress	9,646,504	13,144,364	107,261	149,648	(23,047,777)	–
Transfer from investment properties (Note 20)	157,906	–	–	–	–	157,906
Additions	191,921	234,527	14,806	72,400	13,432,064	13,945,718
Disposals/write-off	(1,538,699)	(2,640,753)	(222,603)	(1,734,356)	(6,713)	(6,143,124)
Disposal of a subsidiary (Note 44)	(498,242)	(1,132,514)	(9,013)	(16,986)	(15,502)	(1,672,257)
At 31 December 2020	130,991,637	213,470,315	1,818,745	5,343,957	22,812,062	374,436,716
Accumulated depreciation and impairment losses						
At 1 January 2019	33,342,717	107,478,733	1,547,638	3,015,882	153,441	145,538,411
Charge for the year	3,906,354	9,245,327	165,997	427,083	–	13,744,761
Impairment losses	530,843	52,923	2	766,367	188,942	1,539,077
Eliminated upon disposals/write-off	(561,829)	(3,289,812)	(177,400)	(116,216)	–	(4,145,257)
At 31 December 2019 and 1 January 2020	37,218,085	113,487,171	1,536,237	4,093,116	342,383	156,676,992
Charge for the year	4,136,265	9,688,389	104,681	313,418	–	14,242,753
Impairment losses	523,031	224,823	24	335,775	173,002	1,256,655
Transfer from investment properties (Note 20)	30,557	–	–	–	–	30,557
Eliminated upon disposals/write-off	(1,347,668)	(2,539,644)	(216,648)	(1,636,485)	(2,555)	(5,743,000)
Disposal of a subsidiary (Note 44)	(292,334)	(636,991)	(8,151)	(12,457)	–	(949,933)
At 31 December 2020	40,267,936	120,223,748	1,416,143	3,093,367	512,830	165,514,024
Carrying amount						
At 31 December 2020	90,723,701	93,246,567	402,602	2,250,590	22,299,232	208,922,692
At 31 December 2019	85,814,162	90,377,520	392,057	2,780,135	32,107,607	211,471,481

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18 PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction in progress, after taking into account their estimated residual value, are depreciated on a straight line basis at the following rates per annum:

Buildings and structures	8 – 45 years
Electricity utility plants	4 – 35 years
Transportation facilities	6 – 12 years
Others	5 – 22 years

At 31 December 2020, certain buildings and structures with the carrying amount of RMB11,071,462,000 (2019: RMB10,680,138,000) are still in the process of applying the title certificate.

Impairment assessment

Shutdown of alumina production line of Inner Mongolia Datang International Hohhot Aluminum and Power Company Limited

In December 2018, in response to the work requirements of the State-owned Assets Supervision and Administration Commission of the State Council relating to the “Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties”, Inner Mongolia Datang International Hohhot Aluminum and Power Company Limited (“Hohhot Aluminum”), a direct subsidiary of the Company, suspended its production line of alumina project (the “Alumina System”) due to production cost far higher than the market price of its products.

In November 2019, Hohhot Aluminum formulated the disposal proposal by way of listing and transferring in respect of the relevant assets of the Alumina system on the Shanghai Assets and Equity Exchange and the directors of the Company have identified the Alumina system as a CGU and determined, with assistance from an independent professional valuer, based on fair value less costs of disposal for the Alumina System, the recoverable amount from the use or sale of the Alumina system was RMB13,420,395,000 and which was lower than its carrying amount.

The key assumptions used in estimating the fair value of the Alumina system under depreciation replacement cost approach include estimation of construction as if building the similar structures, adjusting for physical deterioration, obsolescence and optimisation or referring to current market price of the similar assets. The valuation was categorised as Level 3 fair value measurement.

Accordingly, Hohhot Aluminum provided impairment loss of approximately RMB1,258,000,000 for property, plant and equipment during the year ended 31 December 2019.

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18 PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment (Continued)

Shutdown of alumina production line of Inner Mongolia Datang International Hohhot Aluminum and Power Company Limited (Continued)

In 2020, in view of the fact that the Alumina system which are non-standardised equipment and most of the relevant assets cannot be used for other production. There was no inquiry from any interested party for certain assets of the Alumina system during the listing and transferring period and the overall transfer of assets became impossible.

After that, Hohhot Aluminum planned to retire and provide impairment loss on the Alumina system, except for certain assets of the Alumina system that can be revitalised and used by other business within the Group. The directors of the Company determined, with assistance from an independent professional valuer, based on fair value less costs of disposal for the rest of Alumina System, the recoverable amount from the use or sale of the rest of Alumina system as scrap was approximately RMB86,982,000 which was lower than its carrying amount.

The key assumptions used in estimating the fair value of the rest of Alumina system are based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The valuation was categorised as Level 2 fair value measurement.

Accordingly, Hohhot Aluminum provided further impairment loss of RMB837,287,000 for property, plant and equipment during the year ended 31 December 2020.

Others

Certain property, plant and equipment were idle or physically damaged. The Group does not expect to have future economic benefits recoverable from the use of such property, plant and equipment. There is no alternative use of such property, plant and equipment which is specifically designed. The recoverable amounts of such property, plant and equipment are estimated to be zero by the management of the Group. As a result, impairment loss of RMB419,368,000 (2019: RMB279,077,000) was recognised on such property, plant and equipment.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

19 RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Electricity utility plants RMB'000	Buildings and structures RMB'000	Transportation facilities RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2019	3,638,346	181,225	–	1,301,440	–	5,121,011
Additions	265,986	75,142	100,180	14,246	82,335	537,889
Disposals	(53,380)	–	(3,899)	(4,022)	–	(61,301)
At 31 December 2019 and 1 January 2020	3,850,952	256,367	96,281	1,311,664	82,335	5,597,599
Additions	31,168	1,139,420	20,888	720	7,967	1,200,163
Disposals	(164,794)	–	(19,981)	–	–	(184,775)
Disposal of a subsidiary (Note 44)	(33,690)	–	–	–	–	(33,690)
At 31 December 2020	3,683,636	1,395,787	97,188	1,312,384	90,302	6,579,297
Accumulated depreciation						
At 1 January 2019	728,770	–	–	428,735	–	1,157,505
Charge for the year	91,355	30,482	16,479	66,592	6,646	211,554
Eliminated upon disposals	(27,066)	–	–	–	–	(27,066)
At 31 December 2019 and 1 January 2020	793,059	30,482	16,479	495,327	6,646	1,341,993
Charge for the year	79,605	22,062	20,837	66,856	7,393	196,753
Eliminated upon disposals	(23,271)	–	(1,933)	–	–	(25,204)
Disposal of a subsidiary (Note 44)	(8,137)	–	–	–	–	(8,137)
At 31 December 2020	841,256	52,544	35,383	562,183	14,039	1,505,405
Carrying amount						
At 31 December 2020	2,842,380	1,343,243	61,805	750,201	76,263	5,073,892
At 31 December 2019	3,057,893	225,885	79,802	816,337	75,689	4,255,606

Notes to the Consolidated Financial Statements

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19 RIGHT-OF-USE ASSETS (Continued)

Right-of-use assets of RMB2,842,380,000 (2019: RMB3,057,893,000) represent land use rights located in the PRC.

The Group has lease arrangements for buildings and structures, electricity utility plants and transportation facilities. The lease terms were ranged from two to twenty years.

During the year ended 31 December 2020, the expenses relating to short-term leases amounted to RMB58,042,000 (2019: RMB58,417,000).

The total cash outflow for leases for the year ended 31 December 2020 was RMB159,065,000 (2019: RMB357,796,000).

Extension options are included in the lease of buildings and structures, electricity utility plants and transportation facilities. Certain periods covered by extension options were included in these lease terms as the Group was reasonably certain to exercise the option.

In respect of lease arrangement for transportation facilities, the Group has options to purchase transportation facilities for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such lease.

The Group has obtained the land use right certificates for all land use rights except for leasehold lands with carrying amount of RMB292,430,000 (2019: RMB311,330,000) where the Group is still in the process of applying the title certificates.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

20 INVESTMENT PROPERTIES

	RMB'000
Cost	
At 1 January 2019	846,768
Additions	221
Disposals	(385)
At 31 December 2019 and 1 January 2020	846,604
Additions	11,413
Disposals	(20,128)
Transfer to property, plant and equipment (Note 18)	(157,906)
At 31 December 2020	679,983
Accumulated depreciation	
At 1 January 2019	198,893
Charge for the year	27,159
Eliminated upon disposals	(60)
At 31 December 2019 and 1 January 2020	225,992
Charge for the year	30,509
Eliminated upon disposals	(19,144)
Transfer to property, plant and equipment (Note 18)	(30,557)
At 31 December 2020	206,800
Carrying amount	
At 31 December 2020	473,183
At 31 December 2019	620,612

The above investments properties are depreciated on a straight-line basis to allocate the cost to the residual value over their estimated useful lives of 30 years.

The Group lease out properties under operating leases with monthly rental payable.

During the year ended 31 December 2020, the Group had recognised the rental income generated from investment properties for the amount of RMB25,408,000 (2019: RMB32,640,000). Direct operating expenses arising on the investment properties amounted to RMB5,520,000 (2019: RMB10,363,000).

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities.

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21 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 2019	954,118	1,017,060	37,847	377,841	16,811	2,403,677
Additions	-	-	-	54,738	3,816	58,554
Disposals/write-off	-	-	-	(7,490)	(30)	(7,520)
At 31 December 2019 and 1 January 2020	954,118	1,017,060	37,847	425,089	20,597	2,454,711
Additions	-	-	-	127,076	29,497	156,573
Disposals/write-off	-	-	-	(10,665)	(55)	(10,720)
Disposal of a subsidiary (Note 44)	-	-	-	(879)	-	(879)
At 31 December 2020	954,118	1,017,060	37,847	540,621	50,039	2,599,685
Accumulated amortisation and impairment losses						
At 1 January 2019	54,232	34,136	36,999	218,212	15,235	358,814
Charge for the year	-	6,197	30	39,016	224	45,467
Impairment losses	104,361	-	-	-	-	104,361
Eliminated upon disposals/write-off	-	-	-	(4,575)	(19)	(4,594)
At 31 December 2019 and 1 January 2020	158,593	40,333	37,029	252,653	15,440	504,048
Charge for the year	-	7,485	30	45,877	1,514	54,906
Impairment losses	32,546	-	-	-	-	32,546
Eliminated upon disposals/write-off	-	-	-	(2,513)	(2)	(2,515)
Disposal of a subsidiary (Note 44)	-	-	-	(121)	-	(121)
At 31 December 2020	191,139	47,818	37,059	295,896	16,952	588,864
Carrying amount						
At 31 December 2020	762,979	969,242	788	244,725	33,087	2,010,821
At 31 December 2019	795,525	976,727	818	172,436	5,157	1,950,663

The above intangible assets, other than goodwill, have finite useful lives. Mining rights are amortised based on the units of production method while other intangible assets are amortised on a straight-line basis over the following periods:

Resource use rights	10 – 40 years
Computer software	2 – 9 years
Others	10 years

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21 INTANGIBLE ASSETS (Continued)

Impairment assessment on goodwill

For the purposes of impairment testing, goodwill with indefinite useful lives have been allocated to CGUs of the Group. The carrying amounts of goodwill allocated to these units are as follows:

	2020 RMB'000	2019 RMB'000
Power and heat generation segment		
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	273,795	273,795
Zhangjiakou Power Plant No. 2 Generator	33,561	33,561
Yuneng (Group) Company Limited	18,040	18,040
Hohhot Aluminum	902	902
Yunnan Datang International Deqin Hydropower Development Company Limited	18	18
Sichuan Jinkang Electricity Development Company Limited	130,830	130,830
Shenzhen Datang Baochang Gas Power Generation Company Limited	165,995	165,995
	623,141	623,141
Coal segment		
Inner Mongolia Datang International Zhunge'er Mining Company Limited	120,177	120,177
Inner Mongolia Baoli Coal Company Limited	18,712	18,712
Erdos Ruidefeng Mining Company Limited ("Erdos Ruidefeng")	-	32,546
	138,889	171,435
Other segments		
Datang Tongzhou Technology Company Limited	949	949
	762,979	795,525

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21 INTANGIBLE ASSETS (Continued)

Impairment assessment on goodwill (Continued)

The recoverable amounts of the above CGUs were determined based on value in use calculations 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 expects cash flows beyond the respective forecast periods will be similar to that of last year of respective forecasts based on existing production capacity.

The pre-tax discount rates used in respective value in use calculations ranged from 9.77% to 18.17% (2019: 8.05% to 10.26%) per annum.

During the year ended 31 December 2020, impairment loss of RMB32,546,000 was recognised in relation to goodwill arising on the acquisition of Erdos Ruidefeng, which is engaged in coal washing. Prolonged losses have been incurred by Erdos Ruidefeng and the recoverable amount of Erdos Ruidefeng is less than its carrying amount. The management does not expect Erdos Ruidefeng to operate at a profit in the foreseeable future. Accordingly, goodwill of RMB32,546,000 was fully impaired.

During the year ended 31 December 2019, impairment loss of RMB104,361,000 was recognised in relation to goodwill arising on the acquisition of Datang International Xinyu Power Generation Company Limited, which is engaged in power generation. The management assessed the recoverable amount to be minimal which was due to cessation of business during the year ended 31 December 2019. Accordingly, goodwill of RMB104,361,000 was fully impaired.

22 INTERESTS IN ASSOCIATES

	2020 RMB'000	2019 RMB'000
Cost of investments in associates, unlisted	12,130,914	12,137,914
Share of post-acquisition profits and other comprehensive income, net of dividend received	5,477,179	4,728,093
	17,608,093	16,866,007
Share of results of associates	1,805,028	1,621,931

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22 INTERESTS IN ASSOCIATES (Continued)

Set out below are the associates of the Group as at 31 December 2020, which in the opinion of the directors are material to the Group and principally affected the results or assets of the Group:

Name of associate	Place of incorporation/ registration	Paid-up capital RMB'000	Percentage of equity interest held by the Group		Principal activities
			2020	2019	
Fujian Ningde Nuclear Power Company Limited ("Ningde Nuclear Power")	the PRC	11,177,500	44.00%	44.00%	Nuclear power development, construction and operations
Tongmei Datang Tashan Coal Mine Company Limited ("Tashan Coal")	the PRC	2,072,540	28.00%	28.00%	Coal mine construction and mining
China Datang Group Finance Company Limited ("Datang Finance") (Note)	the PRC	4,869,872	16.95%	16.95%	Financial services
Inner Mongolia Xiduo Railway Company Limited ("Xiduo Railway")	the PRC	3,466,793 (2019: 3,240,862)	34.00%	34.00%	Railway transportation services
Datang Finance Leasing Company Limited ("Datang Leasing")	the PRC	2,499,824 (2019: 2,300,000)	20.00%	20.00%	Finance leasing business
Baxin Railway Company Limited ("Baxin Railway")	the PRC	2,600,000	20.00%	20.00%	Railway construction

Note:

Although the Group holds less than 20% equity interest in Datang Finance, the Group exercises significant influence over Datang Finance because the Group has board representation in Datang Finance.

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22 INTERESTS IN ASSOCIATES (Continued)

All of the associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs.

Name	Ningde Nuclear Power		Tashan Coal	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Non-current assets	43,016,144	44,646,695	7,404,148	6,414,629
Current assets	8,742,953	6,433,824	13,165,157	10,548,073
Non-current liabilities	(27,539,470)	(29,684,129)	(1,093,488)	(201,227)
Current liabilities	(9,862,736)	(7,472,251)	(2,736,878)	(2,430,750)
Net assets	14,356,891	13,924,139	16,738,939	14,330,725
Revenue	9,904,700	9,389,312	8,966,333	9,555,173
Profit for the year	2,213,478	1,985,252	2,304,587	2,313,102
Other comprehensive income	–	–	–	–
Total comprehensive income	2,213,478	1,985,252	2,304,587	2,313,102
Dividends received from associates during the year	786,157	884,703	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Ningde Nuclear Power		Tashan Coal	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Net assets of the associates	14,356,891	13,924,139	16,738,939	14,330,725
Non-controlling interests of the associates' subsidiaries	–	–	(1,389)	(2,193)
	14,356,891	13,924,139	16,737,550	14,328,532
Proportion of the Group's ownership interest in the associates	44.00%	44.00%	28.00%	28.00%
Group's share of net assets	6,317,032	6,126,621	4,686,514	4,011,989
Other adjustments	15,261	17,898	(3,982)	6,511
Carrying amount of the Group's interest	6,332,293	6,144,519	4,682,532	4,018,500

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

22 INTERESTS IN ASSOCIATES (Continued)

Name	Datang Finance		Xiduo Railway	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Non-current assets	39,778,970	34,077,222	10,961,491	10,647,982
Current assets	11,378,388	7,696,867	277,780	293,487
Non-current liabilities	–	–	(5,551,024)	(5,426,301)
Current liabilities	(42,709,488)	(33,843,058)	(3,859,228)	(3,280,416)
Net assets	8,447,870	7,931,031	1,829,019	2,234,752
Revenue	1,610,961	1,549,066	1,260,855	1,216,292
Profit/(loss) for the year	866,420	797,874	(601,170)	(532,933)
Other comprehensive income	10,324	56,195	–	–
Total comprehensive income/(expense)	876,744	854,069	(601,170)	(532,933)
Dividends received from associates during the year	60,868	26,584	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Datang Finance		Xiduo Railway	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Net assets of the associates	8,447,870	7,931,031	1,829,019	2,234,752
Non-controlling interests of the associates' subsidiaries	–	–	(20,235)	(21,242)
	8,447,870	7,931,031	1,808,784	2,213,510
Proportion of the Group's ownership interest in the associates	16.95%	16.95%	34.00%	34.00%
Group's share of net assets	1,431,914	1,344,309	614,987	752,594
Goodwill and other adjustments	(24,817)	(24,815)	234,609	301,400
Carrying amount of the Group's interest	1,407,097	1,319,494	849,596	1,053,994

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

22 INTERESTS IN ASSOCIATES (Continued)

Name	Datang Leasing		Baxin Railway	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Non-current assets	17,002,521	22,954,274	8,030,059	7,517,965
Current assets	10,850,892	7,750,607	57,905	517,822
Non-current liabilities	(7,896,832)	(6,845,306)	(5,430,283)	(5,510,382)
Current liabilities	(12,744,947)	(15,591,947)	(1,313,554)	(789,960)
Net assets	7,211,634	8,267,628	1,344,127	1,735,445
Revenue	1,385,418	1,496,176	125,428	142,280
Profit/(loss) for the year	241,652	254,783	(348,335)	(313,148)
Other comprehensive income	–	–	–	–
Total comprehensive income/(expense)	241,652	254,783	(348,335)	(313,148)
Dividends received from associates during the year	20,000	20,000	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Datang Leasing		Baxin Railway	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Net assets of the associates	7,211,634	8,267,628	1,344,127	1,735,445
Non-controlling interest of the associates' subsidiaries	(100)	(5,056,411)	–	–
Holders of perpetual bonds of the associates	(3,600,000)	–	–	–
	3,611,534	3,211,217	1,344,127	1,735,445
Proportion of the Group's ownership interest in the associates	20.00%	20.00%	20.00%	20.00%
Group's share of net assets	722,307	642,243	268,825	347,089
Goodwill and other adjustments	8,431	40,164	122,544	113,947
Carrying amount of the Group's interest	730,738	682,407	391,369	461,036

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For the Year Ended 31 December 2020

22 INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material:

	2020 RMB'000	2019 RMB'000
The Group's share of results	264,691	158,381
The Group's share of other comprehensive (expense)/income	(2,206)	35,144
The Group's share of total comprehensive income	262,485	193,525
Aggregate carrying amount of the Group's interests in these associates	3,214,468	3,186,057

	2020 RMB'000	2019 RMB'000
The unrecognised share of losses of associates for the year	162,083	238,006
Disposal of an associate with unrecognised share of loss during the year	(55,598)	–
Cumulative unrecognised share of losses of associates	714,152	607,667

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23 INTERESTS IN JOINT VENTURES

	2020 RMB'000	2019 RMB'000
Cost of investments in joint ventures, unlisted	1,394,673	1,502,437
Share of post-acquisition losses, net of dividend received	(940,726)	(829,172)
	453,947	673,265
Share of results of joint ventures	(123,825)	(64,555)

Set out below is the joint venture of the Group as at 31 December 2020, which in the opinion of the directors is material to the Group and principally affected the results or assets of the Group:

Name of joint venture	Place of incorporation/ Registration	Paid-up capital RMB'000	Percentage of equity interest held by the Group		Principal activities
			2020	2019	
Yuzhou Energy Multiple Company ("Yuzhou Energy")	the PRC	1,893,004 (2019: 1,868,684)	50.00%	50.00%	Power generation

Notes to the Consolidated Financial Statements

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23 INTERESTS IN JOINT VENTURES (Continued)

All of the joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

	2020 RMB'000	2019 RMB'000
Yuzhou Energy		
Non-current assets	5,794,759	6,087,022
Current assets	475,971	592,405
Non-current liabilities	(4,842,691)	(5,239,674)
Current liabilities	(530,672)	(581,980)
Net assets	897,367	857,773
Cash and cash equivalents (included in current assets)	19,141	238,917
Revenue	1,376,891	440,614
Interest expense	221,353	111,177
Income tax expense	–	–
Profit/(loss) for the year	15,274	(86,400)
Other comprehensive income	–	–
Total comprehensive income/(expense) for the year	15,274	(86,400)
Dividend received from Yuzhou Energy during the year	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in Yuzhou Energy recognised in the consolidated financial statements:

	2020 RMB'000	2019 RMB'000
Net assets of the Yuzhou Energy	897,367	857,773
Proportion of the Group's ownership interest in Yuzhou Energy	50.00%	50.00%
Carrying amount of the Group's interest in the Yuzhou Energy	448,684	428,886

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For the Year Ended 31 December 2020

23 INTERESTS IN JOINT VENTURES (Continued)

Aggregate information of joint ventures that are not individually material:

	2020 RMB'000	2019 RMB'000
The Group's share of results	(131,462)	(21,355)
The Group's share of comprehensive income	–	–
The Group's share of total comprehensive expense	(131,462)	(21,355)
Aggregate carrying amount of the Group's interests in these joint ventures	5,263	244,379

	2020 RMB'000	2019 RMB'000
The unrecognised share of loss of an joint venture for the year	293,671	110,423
Cumulative unrecognised share of loss of an joint venture	404,094	110,423

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24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	2020 RMB'000	2019 RMB'000
Unlisted equity investments	3,839,505	4,203,692

(b) Financial assets at fair value through other comprehensive income

	2020 RMB'000	2019 RMB'000
Equity securities listed in Hong Kong (Note)	165,563	171,098
Unlisted equity investments (Note)	733,746	925,540
	899,309	1,096,638

Note:

The directors of the Company have elected to designate these investments in equity instruments at fair value through other comprehensive income as they believe that they are not held for trading and for long-term investment purpose.

25 OTHER NON-CURRENT ASSETS

	2020 RMB'000	2019 RMB'000
Long-term receivables	110,185	98,510
Long-term prepaid expenses	556,123	569,361
Prepayments for acquisition of property, plant and equipment	2,039,698	1,427,007
Value-added tax recoverable	611,272	1,350,667
Others	245,281	209,747
	3,562,559	3,655,292
Less: Current portion of other non-current assets	-	(11,660)
	3,562,559	3,643,632

Notes to the Consolidated Financial Statements

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26 INVENTORIES

	2020 RMB'000	2019 RMB'000
Raw materials	2,918,762	3,800,182
Finished goods	39,584	6,940
Others	187,599	255,794
	3,145,945	4,062,916

27 TRADE AND NOTES RECEIVABLES

	2020 RMB'000	2019 RMB'000
Trade receivables	16,025,109	15,640,645
Less: Allowance for credit losses	(877,747)	(855,731)
	15,147,362	14,784,914
Notes receivables		
– At amortised cost	343,228	1,111,000
– At fair value through other comprehensive income	1,241,807	–
	1,585,035	1,111,000
	16,732,397	15,895,914

As at 31 December 2020 and 2019, trade receivables from contracts with customers amounted to RMB15,147,362,000 and RMB14,784,914,000 respectively.

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

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27 TRADE AND NOTES RECEIVABLES (Continued)

	2020 RMB'000	2019 RMB'000
Within one year	13,766,550	14,062,639
Between one to two years	2,092,326	1,390,091
Between two to three years	610,477	223,930
Over three years	263,044	219,254
	16,732,397	15,895,914

Notes receivables that are solely held for collection of contractual cash flows at maturity date are measured at amortised cost. Notes receivables that are held for collection of contractual cash flows and for selling purpose are measured at fair value through other comprehensive income. All notes received by the Group are with a maturity period of less than one year.

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB148,302,000 (2019: RMB94,009,000) which are past due as at the reporting date. The past due balances are not considered as in default because the debtors are not in significant financial difficulty and the management expects that the debtor is able and likely to pay for the debts. The Group does not hold any collateral over these balances.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade 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.

The movement in the loss allowance of trade receivables is as follows:

	Lifetime ECL (credit-impaired) RMB'000
At 1 January 2019	906,948
Impairment losses recognised	31,576
Reversal of impairment losses	(82,793)
At 31 December 2019 and 1 January 2020	855,731
Impairment losses recognised	27,333
Reversal of impairment losses	(4,057)
Written-off	(1,260)
At 31 December 2020	877,747

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For the Year Ended 31 December 2020

28 PREPAYMENTS AND OTHER RECEIVABLES

	2020 RMB'000	2019 RMB'000
Prepayments		
Prepayments to suppliers	1,475,072	1,187,394
Other receivables		
Value-added tax recoverable	2,230,176	1,587,564
Receivables from fuel and materials	1,550,944	1,988,703
Advance to construction	245,114	355,436
Dividend receivables	235,005	293,895
Deposits	250,366	220,456
Advance to financial guarantee	–	332,876
Others (Note)	801,635	1,351,681
	5,313,240	6,130,611
Less: Allowance for credit losses	(1,383,473)	(1,970,091)
	3,929,767	4,160,520
	5,404,839	5,347,914

Note:

Others mainly represents entrusted loans receivables, interest receivables and proceeds receivables from disposal of other non-current assets.

The movement in the loss allowance of other receivables is as follows:

	Lifetime ECL (credit-impaired) RMB'000
At 1 January 2019	1,533,649
Impairment losses recognised	436,739
Reversal of impairment losses	(297)
At 31 December 2019 and 1 January 2020	1,970,091
Impairment losses recognised	554,475
Reversal of impairment losses	(57,074)
Written-off	(1,084,019)
At 31 December 2020	1,383,473

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29 CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2020 RMB'000	2019 RMB'000
Bank deposits	881,744	1,034,546
Deposits with an associate	7,392,767	7,101,347
Cash on hand	101	162
	8,274,612	8,136,055
Restricted deposits included in bank deposits (Note 47)	(417,648)	(171,806)
Cash and cash equivalents	7,856,964	7,964,249

Restricted bank deposits represents deposits pledged to bank to secure banking facilities granted to the Group.

30 SHARE CAPITAL

	2020 RMB'000	2019 RMB'000
Registered, issued and fully paid:		
12,396,089,106 (2019: 12,396,089,106) A shares of RMB1 each	12,396,089	12,396,089
6,110,621,398 (2019: 6,110,621,398) H shares of RMB1 each	6,110,622	6,110,622
	18,506,711	18,506,711

Notes to the Consolidated Financial Statements

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31 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2020 RMB'000	2019 RMB'000
Non-current assets		
Property, plant and equipment	13,427,322	14,285,383
Right-of-use asset	683,802	724,262
Investment properties	177,375	185,658
Intangible assets	78,099	59,905
Investments in subsidiaries	63,872,539	61,161,003
Interests in associates	16,828,134	16,157,337
Interests in joint ventures	448,683	649,896
Financial assets at fair value through profit or loss	3,728,306	4,079,552
Financial assets at fair value through other comprehensive income	269,423	429,855
Long-term entrusted loans to subsidiaries	1,913,945	640,000
Deferred tax assets	2,662,635	2,735,495
Other non-current assets	262,910	273,032
	104,353,173	101,381,378
Current assets		
Inventories	222,163	306,244
Trade and notes receivables	1,014,469	1,025,298
Prepayments and other receivables	2,977,185	3,392,895
Tax recoverable	61,191	61,191
Current portion of long-term entrusted loans to subsidiaries	1,843,386	3,188,359
Cash and cash equivalents	1,100,694	1,701,855
	7,219,088	9,675,842

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

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

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

	2020 RMB'000	2019 RMB'000
Current liabilities		
Trade payables and accrued liabilities	1,444,083	2,211,933
Consideration payable	169,216	169,216
Taxes payables	52,279	52,558
Short-term loans	6,548,620	14,890,000
Short-term bonds	2,014,084	–
Current portion of lease liabilities	19,186	13,610
Current portion of non-current liabilities	4,938,886	315,187
	15,186,354	17,652,504
Net current liabilities	(7,967,266)	(7,976,662)
	96,385,907	93,404,716
Capital and reserves		
Share capital	18,506,711	18,506,711
Reserves	36,656,941	35,946,544
	55,163,652	54,453,255
Other equity instruments	31,316,377	22,935,045
Total equity	86,480,029	77,388,300
Non-current liabilities		
Long-term loans	3,531,000	6,474,042
Long-term bonds	5,982,740	8,973,801
Deferred income	248,043	300,455
Deferred tax liabilities	121,260	219,830
Lease liabilities	22,835	48,288
	9,905,878	16,016,416
	96,385,907	93,404,716

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

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

(b) Reserves movement of the Company

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Discretionary surplus reserve RMB'000	FVTOCI reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2019	18,055,517	5,760,749	7,967,487	(259,075)	4,340,683	35,865,361
Total comprehensive (expense)/ income for the year	-	-	-	(1,690)	1,732,923	1,731,233
Appropriation to statutory surplus reserve	-	240,900	-	-	(240,900)	-
Appropriation to discretionary surplus reserve	-	-	1,883,410	-	(1,883,410)	-
Dividends paid	-	-	-	-	(1,850,671)	(1,850,671)
Others	-	-	-	-	200,621	200,621
At 31 December 2019 and 1 January 2020	18,055,517	6,001,649	9,850,897	(260,765)	2,299,246	35,946,544
Total comprehensive (expense)/ income for the year	-	-	-	(186,067)	2,074,062	1,887,995
Appropriation to statutory surplus reserve	-	339,727	-	-	(339,727)	-
Appropriation to discretionary surplus reserve	-	-	380,534	-	(380,534)	-
Dividends paid	-	-	-	-	(1,202,936)	(1,202,936)
Others	64,658	-	-	-	(39,320)	25,338
At 31 December 2020	18,120,175	6,341,376	10,231,431	(446,832)	2,410,791	36,656,941

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32 RESERVES

(a) 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; (ii) the premium from convertible bonds converted to shares; (iii) the effect from acquisition of additional interests in subsidiaries of the Group; and (iv) specific reserves made pursuant to the relevant PRC regulations (Note).

Note:

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 capital 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 capital reserve to retained earnings.

(b) 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.

(c) Merger reserve

It represented the difference between the consideration payable to China Datang for acquisition of certain of its subsidiaries under common control combinations and share capital of the acquired subsidiaries.

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32 RESERVES (Continued)

(d) 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.

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 IFRSs.

(e) FVTOCI reserve

The FVTOCI reserve comprise share of cumulative net change in the fair value of financial assets measured at other comprehensive income of the Group and associates and joint ventures of the Group at the end of the reporting period.

33 OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS

	Principal RMB'000	Distribution/ appropriation RMB'000	Total RMB'000
At 1 January 2019	5,000,000	–	5,000,000
Issuance of perpetual bonds	17,935,045	–	17,935,045
Profit attributable to holders of perpetual bonds	–	595,024	595,024
Distributions made to holders of perpetual bonds	–	(595,024)	(595,024)
At 31 December 2019 and 1 January 2020	22,935,045	–	22,935,045
Issuance of perpetual bonds	7,987,247	–	7,987,247
Profit attributable to holders of perpetual bonds	–	1,158,742	1,158,742
Distributions made to holders of perpetual bonds	–	(764,657)	(764,657)
At 31 December 2020	30,922,292	394,085	31,316,377

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For the Year Ended 31 December 2020

33 OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS (Continued)

During the year ended 31 December 2020, the Company issued the perpetual bonds in an aggregate principal amounts of RMB8 billion with coupon rates ranging from 3.50% to 4.39%. The net proceeds after deducting the issuance cost amounted to approximately RMB7,987,247,000. On each interest payment date of the perpetual bonds, the Company can elect to defer payment of interest due and all interest deferred pursuant to this term and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The aforesaid deferral of interest shall not constitute a default by the Company. Interest shall accrue on the deferred interest at the prevailing coupon rate over the period of deferral. The perpetual bonds have no maturity date and will continue indefinitely until redeemed by the Company in accordance with their terms. The Company is entitled to redeem the perpetual bonds at par value plus payable interest (including all deferred interest) on the three and each of the subsequent interest payment dates of the perpetual bonds. If the Company does not exercise the right of redemption, the coupon rate will be reset every three years from the fourth interest-bearing year onwards.

Interest payment of RMB764,657,000 (2019: RMB595,024,000) has been paid by the Group to the holders of perpetual bonds for the year ended 31 December 2020.

During the year ended 31 December 2019, the Company issued the perpetual bonds in an aggregate principal amounts of RMB18 billion with coupon rates ranging from 4.25% to 4.71%. The net proceeds after deducting the issuance cost amounted to RMB17,935,045,000. On each interest payment date of the perpetual bonds, the Company can elect to defer payment of interest due and all interest deferred pursuant to this term and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The aforesaid deferral of interest shall not constitute a default by the Company. Interest shall accrue on the deferred interest at the prevailing coupon rate over the period of deferral. The perpetual bonds have no maturity date and will continue indefinitely until redeemed by the Company in accordance with their terms. The Company is entitled to redeem the perpetual bonds at par value plus payable interest (including all deferred interest) on the three and each of the subsequent interest payment dates of the perpetual bonds. If the Company does not exercise the right of redemption, the coupon rate will be reset every three years from the fourth interest-bearing year onwards.

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34 LONG-TERM LOANS

	2020 RMB'000	2019 RMB'000
Long-term bank loans	97,211,127	104,607,192
Other long-term loans	9,229,841	9,214,217
	106,440,968	113,821,409
Less: Amount due for settlement within 12 months (shown under current liabilities)	(14,289,873)	(14,330,523)
	92,151,095	99,490,886

Long-term loans are repayable as follows:

	2020			2019		
	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000
Within one year or on demand	11,016,031	3,273,842	14,289,873	13,053,649	1,276,874	14,330,523
More than one year, but not exceeding two years	10,555,342	1,439,762	11,995,104	13,142,982	3,487,487	16,630,469
More than two years, but not more than five years	27,907,696	2,268,329	30,176,025	32,029,021	2,321,506	34,350,527
More than five years	47,732,058	2,247,908	49,979,966	46,381,540	2,128,350	48,509,890
	97,211,127	9,229,841	106,440,968	104,607,192	9,214,217	113,821,409

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34 LONG-TERM LOANS (Continued)

Long-term loans are classified as follows:

	2020			2019		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
Secured loans	23,786,145	254,545	24,040,690	24,179,622	475,663	24,655,285
Guaranteed loans	3,418,015	546,143	3,964,158	4,139,280	1,155,850	5,295,130
Unsecured loans	70,006,967	8,429,153	78,436,120	76,288,290	7,582,704	83,870,994
	97,211,127	9,229,841	106,440,968	104,607,192	9,214,217	113,821,409

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

	2020	2019
Long-term bank loans	1.20% – 6.16%	1.20% – 6.80%
Other long-term loans	2.16% – 6.80%	3.92% – 6.80%

At 31 December 2020, long-term loans were guaranteed by the following parties:

	2020			2019		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
The Company	1,961,810	546,143	2,507,953	1,167,172	1,155,850	2,323,022
Others	1,456,205	–	1,456,205	2,972,108	–	2,972,108
	3,418,015	546,143	3,964,158	4,139,280	1,155,850	5,295,130

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

35 LONG-TERM BONDS

	2020 RMB'000	2019 RMB'000
Corporate bonds (Note)	9,220,109	8,973,801
Less: Amount due for settlement within 12 months (shown under current liabilities)	(3,237,369)	–
	5,982,740	8,973,801

Note:

At 31 December 2020, such bonds, 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 ranged from 5.00% to 5.25% per annum (2019: 5.00% to 5.25% per annum). As at 31 December 2020, accrued interests of RMB238,266,000 (2019: Nil) was included in corporate bonds.

Long-term bonds are repayable as follows:

	2020 RMB'000	2019 RMB'000
Within one year or on demand	3,237,369	–
More than one year, but not exceeding two years	–	2,996,146
More than two years, but not more than five years	5,982,740	5,977,655
	9,220,109	8,973,801

36 DEFERRED INCOME

Deferred income primarily represented government grants received by the Group from local environmental protection authorities for undertaking approved environmental protection projects.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

37 DEFERRED TAX

(a) Deferred tax assets

	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 2019	3,195,809	328,453	85,002	277,704	89,180	112,637	4,088,785
Credit/(charge) to profit or loss	20,932	(5,168)	(47,623)	(6,334)	9,120	(19)	(29,092)
At 31 December 2019 and 1 January 2020	3,216,741	323,285	37,379	271,370	98,300	112,618	4,059,693
Credit/(charge) to profit or loss	24,989	(18,787)	(5,726)	(74,756)	(56,794)	(13,494)	(144,568)
At 31 December 2020	3,241,730	304,498	31,653	196,614	41,506	99,124	3,915,125

No deferred tax asset has been recognised in respect of certain unused tax losses of RMB21,616,264,000 (2019: RMB22,053,880,000) due to the unpredictability of future profit streams. The unused tax losses can be carried forward for five years from the year of the incurrence and an analysis of their expiry dates are as follows:

	2020 RMB'000	2019 RMB'000
Unused tax losses expiring in:		
2020	–	1,552,266
2021	854,541	995,289
2022	10,923,646	12,518,652
2023	2,936,621	3,556,016
2024	3,151,096	3,431,657
2025	3,750,360	–
	21,616,264	22,053,880

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

37 DEFERRED TAX (Continued)

(b) Deferred tax liabilities

	Assets revaluation RMB'000	Fair value change on equity instruments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2019	480,349	218,596	32,308	731,253
Credit to profit or loss	(6,274)	(760)	(1,351)	(8,385)
Credit to other comprehensive income	–	(6,911)	–	(6,911)
At 31 December 2019 and 1 January 2020	474,075	210,925	30,957	715,957
Credit to profit or loss	(9,690)	(70,767)	(3,930)	(84,387)
Credit to other comprehensive income	–	(13,522)	–	(13,522)
At 31 December 2020	464,385	126,636	27,027	618,048

38 OTHER NON-CURRENT LIABILITIES

	2020 RMB'000	2019 RMB'000
Other pledged financing (Note)	10,579,959	10,921,403
Others	145,860	175,422
	10,725,819	11,096,825
Less: Amount due for settlement within 12 months (shown under current liabilities)	(3,419,089)	(3,260,196)
	7,306,730	7,836,629

Note:

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

38 OTHER NON-CURRENT LIABILITIES (Continued)

Other pledged financing are repayable as follows:

	2020 RMB'000	2019 RMB'000
Within one year or on demand	3,310,513	3,143,879
More than one year, but not exceeding two years	2,385,603	2,629,741
More than two years, but not more than five years	3,991,556	3,784,700
More than five years	892,287	1,363,083
	10,579,959	10,921,403

The interest rates for other pledged financing per annum at 31 December were as follows:

	2020	2019
Fixed rate	2.43% – 6.64%	2.43% – 7.00%

The pledged financing borrowed from independent third parties are secured by certain of the Group's property, plant and equipment. For the details, please refer to note 47.

39 LEASE LIABILITIES

Lease liabilities payable:

	2020 RMB'000	2019 RMB'000
Within one year	271,946	171,833
After one year but within two years	209,861	257,016
After two years but within five years	716,662	393,913
After five years	787,879	84,015
	1,986,348	906,777
Less: Amount due for settlement within 12 months (shown under current liabilities)	(271,946)	(171,833)
Amount due for settlement after 12 months	1,714,402	734,944

The weighted average incremental borrowing rate applied to lease liabilities ranging from 4.56% to 5.04% (2019: 4.41% to 4.99%).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

40 TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES

	2020 RMB'000	2019 RMB'000
Trade payables	17,422,783	17,671,666
Notes payables	1,407,831	1,903,844
Accrued expenses	197,556	638,421
Other payables	3,179,862	3,315,151
	22,208,032	23,529,082

	2020 RMB'000	2019 RMB'000
Contract liabilities	1,539,392	1,022,615

The ageing analysis of the trade and notes payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020 RMB'000	2019 RMB'000
Within one year	13,518,850	13,978,676
Between one to two years	1,900,106	2,847,886
Between two to three years	1,327,135	733,446
Over three years	2,084,523	2,015,502
	18,830,614	19,575,510

Contract liabilities represent 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 2020 that was included in the contract liabilities as at 1 January 2020 is RMB1,022,615,000 (2019: RMB1,048,738,000).

The Group has applied the practical expedient in IFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date as the performance obligations had an original expected duration of one year or less.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

41 SHORT-TERM LOANS

	2020 RMB'000	2019 RMB'000
Short-term bank loans	24,707,148	29,942,160
Other short-term loans	4,332,874	4,912,518
	29,040,022	34,854,678

Short-term loans are classified as follows:

	2020			2019		
	Short-term bank loans RMB'000	Other short- term loans RMB'000	Total RMB'000	Short-term bank loans RMB'000	Other short- term loans RMB'000	Total RMB'000
Secured loans	569,837	–	569,837	241,567	50,000	291,567
Unsecured loans	24,137,311	4,332,874	28,470,185	29,700,593	4,862,518	34,563,111
	24,707,148	4,332,874	29,040,022	29,942,160	4,912,518	34,854,678

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

	2020	2019
Short-term bank loans	1.00% – 5.80%	3.05% – 7.00%
Other short-term loans	1.00% – 5.00%	4.35% – 5.00%

Please refer to note 47 for the details of assets pledged for securing the short-term loans.

42 SHORT-TERM BONDS

At 31 December 2020, short-term bonds represented unsecured bonds issued by the Group with maturity date less than one year at par value of RMB100 each with fixed annual coupon and effective interest rate ranging from 1.25% to 2.78% (2019: Nil) per annum.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2020 RMB'000	2019 RMB'000
Profit before tax	7,143,843	4,618,609
Adjustments for:		
Loss on deconsolidation of subsidiaries	–	222,778
Interest income from entrusted loan receivables	(109,133)	(2,310)
Bank interest income	(84,192)	(96,637)
Dividend income	(233,967)	(219,073)
Depreciation of right-of-use assets	196,753	211,554
Depreciation of property, plant and equipment	14,242,753	13,744,761
Depreciation of investment properties	30,509	27,159
Amortisation of intangible assets	54,906	45,467
Share of results of associates	(1,805,028)	(1,621,931)
Share of results of joint ventures	123,825	64,555
Impairment of property, plant and equipment	1,256,655	1,539,077
Allowance for inventories	26,968	9,428
Reversal of allowance for inventories	(72)	(10,391)
Recognition/(reversal) of impairment of trade receivables, net	23,276	(51,217)
Recognition of impairment of other receivables, net	497,401	436,442
(Gain)/loss from written off of property, plant and equipment	(41,970)	1,334,729
Finance costs	6,879,659	7,214,883
Release of government grant for property, plant and equipment	(327,071)	(467,595)
Impairment of goodwill	32,546	104,361
Loss on change of fair value of financial assets at fair value through profit or loss	364,187	54,066
Gain on disposal of non-current assets	(528,611)	(154,586)
Gain on disposal of a subsidiary	(353,392)	–
Gain on disposal of interests in joint ventures	(79,555)	–
Gain on disposal of interests in associates	(71)	–
Operating profit before working capital changes	27,310,219	27,004,129
Increase in trade and notes receivables	(974,232)	(2,071,642)
(Increase)/decrease in prepayments and other receivables	(558,566)	43,450
Increase/(decrease) in trade payables, accrued liabilities and contract liabilities	952,118	(2,317,009)
Decrease in inventories	868,715	577,432
Decrease in other non-current assets	716,057	343,013
Decrease/(increase) in current portion of other non-current assets	11,660	(5,151)
(Decrease)/increase in other non-current liabilities	(29,562)	39,746
Cash generated from operations	28,296,409	23,613,968

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of additional interests in subsidiaries

For the year ended 31 December 2020, the Group acquired additional issued shares of 3 (2019: 6) subsidiaries:

	2020 RMB'000	2019 RMB'000
Carrying amount of non-controlling interests acquired	(673,245)	3,423,469
Consideration paid to non-controlling interests	(3,261)	(5,361,787)
Excess of consideration paid recognised within equity	(676,506)	(1,938,318)

Details of the Group's significant acquisition of additional interests in subsidiaries during both years are as follows:

Yunnan Datang International Lixianjiang Hydropower Development Company Limited ("Lixianjiang Hydropower")

During the year ended 31 December 2020, Yunnan Datang International Electric Power Company Limited ("Yunnan Datang") (a direct subsidiary of the Company) and certain shareholders of Lixianjiang Hydropower (a direct subsidiary of Yunnan Datang) (the "Lixianjiang Shareholders") entered in an supplemental shareholders agreement, pursuant to which the Lixianjiang Shareholders decided to withdraw the remaining committed capital contribution to Lixianjiang Hydropower (the "Withdrawal").

The Withdrawal are deemed as acquisition of additional interest in Lixianjiang Hydropower and the Group's effective equity interests in Lixianjiang Hydropower was increased from 70.00% to 95.28%. The Group recognised an increase in non-controlling interests of RMB539,562,000 and a decrease in equity attributable to owners of the Company of RMB539,562,000.

Yunnan Datang

During the year ended 31 December 2019, the Company acquired additional equity interests in Yunnan Datang for a consideration of RMB2,108,641,000.

After that, the Group's effective equity interests in Yunnan Datang increased from 60.91% to 100.00%. The carrying amount of the non-controlling interests in Yunnan Datang on the date of acquisition was RMB512,686,000. The Group recognised a decrease in non-controlling interests of RMB512,686,000 and a decrease in equity attributable to owners of the Company of RMB1,595,955,000.

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For the Year Ended 31 December 2020

44 DISPOSAL OF A SUBSIDIARY

On 29 June 2020, the Company entered into an equity transfer agreement with Yunnan Provincial Power Investment Company Limited, pursuant to which the Company disposed 70% equity interest of a subsidiary of the Company, Yunnan Datang International Honghe Power Company Limited for consideration of RMB322,379,000.

The transaction has been completed during the year.

The net liabilities of the disposed subsidiary at the date of disposal was as follows:

	2020 RMB'000
Property, plant and equipment (Note 18)	722,324
Right-of-use assets (Note 19)	25,553
Intangible assets (Note 21)	758
Inventories	21,360
Trade and notes receivables	114,472
Prepayments and other receivables	4,240
Cash and cash equivalents	61,652
Trade payables and accrued liabilities	(92,160)
Tax payables	(2,309)
Short-term loans	(66,000)
Long-term loans	(337,100)
Deferred income	(4,303)
Other non-current liabilities	(495,554)
Net liabilities disposed of	(47,067)

Consideration received:

	2020 RMB'000
Cash received	322,379

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

44 DISPOSAL OF A SUBSIDIARY (Continued)

Gain on disposal of a subsidiary:

	2020 RMB'000
Consideration received	322,379
Net liabilities disposed of	47,067
Non-controlling interests	(13,957)
Direct costs attributable to disposal	(2,097)
Gain on disposal, net (Note 10)	353,392

Net cash inflow arising on disposal:

	2020 RMB'000
Cash consideration	322,379
Direct costs attributable to disposal	(2,097)
Cash and cash equivalents disposed of	(61,652)
	258,630

45 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:

	2020 RMB'000	2019 RMB'000
Associates	753,619	800,300
Joint ventures	22,050	41,650
Associates of China Datang	372,000	5,654,464
	1,147,669	6,496,414

No claims have been made against the Group since the date of granting of the above financial guarantees.

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46 CAPITAL COMMITMENTS

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

	2020 RMB'000	2019 RMB'000
Property, plant and equipment	8,525,638	5,886,998

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:

	2020 RMB'000	2019 RMB'000
Tariff collection rights	4,801,783	4,734,471
Pledged bank deposit	417,648	171,806
Property, plant and equipment	14,788,784	11,710,498
Right-of-use assets	1,176,186	1,023,346
Others	894,859	987,379
	22,079,260	18,627,500

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

48 RELATED PARTY TRANSACTIONS

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

Name of related company	Nature of transaction	2020 RMB'000	2019 RMB'000
Chain Datang Group:			
China National Water Resources & Electric Power Materials & Equipment Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	1,605,907	960,236
	Expenses of infrastructure EPC contracting	906,810	124,372
	Purchase of fuel, materials and properties	212,613	-
	Receiving services of technical supervision and technical services	85	-
	Receiving services of technological transformation, operations management and repair and maintenance	68	27,772
	Receiving services of property management and other logistical	-	1,870
	Receiving services of information system development	-	265
	Purchase of electricity (including sales of water, gas and other resources) and electricity entrustment agency	617	991
	Sales of materials	20	479
	Rental income	1,168	355

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

48 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)

Name of related company	Nature of transaction	2020 RMB'000	2019 RMB'000
Chain Datang Group: (Continued)			
Datang Environment Industry Group Company Limited	Receiving services of franchising of flue gas environmental protection facilities	2,122,288	2,091,153
	Procurement of production and infrastructure materials and relevant auxiliary services	217,785	41,823
	Receiving services of technological transformation, operations management and repair and maintenance	36,130	–
	Receiving services of operations management and repair and maintenance	18,131	–
	Expenses of infrastructure EPC contracting	9,972	416,848
	Labour supply expense	3,616	–
	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	582,308	567,755
	Providing services of operations management and repair and maintenance	21,912	14,479
	Income from equipment lease	149	–
	Rental income	7,281	–
Datang Power Fuel Company Limited	Purchase of coal	6,913,859	9,496,837
	Procurement of production and infrastructure materials and relevant auxiliary services	2,214	25
	Receiving services of technical supervision and technical services	34	–
	Sales of coal and transportation services	1,181,223	2,974,782
	Income from equipment lease	1,206	233
	Rental income	758	413

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

48 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)

Name of related company	Nature of transaction	2020 RMB'000	2019 RMB'000
Chain Datang Group: (Continued)			
China Datang Corporation Science and Technology Research Institute	Procurement of production and infrastructure materials and relevant auxiliary services	75,662	1,040
	Receiving services of technological transformation, operations management and repair and maintenance	6,224	–
	Receiving services of technical supervision and technical services	206,672	281,875
	Receiving services of research and development in technological projects	4,481	1,864
	Training service fee income	140	–
	Providing services of operations management and repair and maintenance	2	–
	Zhejiang Datang Tiandi Environmental Protection Technology Company Limited	Receiving services of franchising of flue gas environmental protection facilities	84,267
Receiving services of technological transformation, operations management and repair and maintenance		–	92,175
Providing services of franchising of flue gas environmental protection facilities, water and electricity supply		11,176	–
Providing services of operations management and repair and maintenance		–	11,325
Datang Shanxi Power Fuel Company Limited	Purchase of coal	44,608	226,083
Beijing Zhongyou Guodian Petroleum Products Sales Company Limited	Purchase of coal	58,449	61,971

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

48 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)

Name of related company	Nature of transaction	2020 RMB'000	2019 RMB'000
Chain Datang Group: (Continued)			
Hunan Datang Xianyi Technology Company Limited	Receiving services of information system development	96,962	69,153
	Procurement of production and infrastructure materials and relevant auxiliary services	29,277	21,978
	Receiving services of technological transformation, operations management and repair and maintenance	10,900	–
China Datang Group Technology Engineering Company Limited	Expenses of infrastructure EPC contracting	–	197,664
	Procurement of production and infrastructure materials and relevant auxiliary services	1,160,463	260,279
	Receiving services of franchising of flue gas environmental protection facilities	15,455	122,405
	Sale of electricity	–	62,967
	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	52,029	–
	Providing services of operations management and repair and maintenance	6,536	–
Datang Sichuan Electric Power Overhaul & Operation Company Limited	Rental income	294	4,033
	Receiving services of technological transformation, operations management and repair and maintenance	43,934	36,100
	Procurement of production and infrastructure materials and relevant auxiliary services	761	–

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48 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)

Name of related company	Nature of transaction	2020 RMB'000	2019 RMB'000
Chain Datang Group: (Continued)			
Jiangsu Xutang Power Generation Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	132	–
	Sale of electricity	160,465	82,121
Datang International Energy Service Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	1,218,516	–
Datang International Fuel Trading Company Limited	Purchase of coal	4,056,320	–
	Sales of coal and transportation services	150,524	–
Shanghai Datang Financial Lease Company Limited	Interest expenses	3,596	7,155
	Lease received	2,188,727	1,018,457
Datang Commercial Factoring Company Limited	Receiving factoring business services	580,503	369,108
Group's associates:			
Datang Finance	Interest income	84,302	101,454
	Interest expenses	398,896	348,951
Datang Leasing	Lease received	1,075,403	733,594

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48 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

	2020 RMB'000	2019 RMB'000
Financial guarantees and financing facilities with associates guaranteed by the Group		
Shanxi Datang International Yuncheng Power Generation Company Limited	660,000	666,000
Xiduo Railway	16,819	31,900
Liaoning Diaobingshan Coal Gangue Power Generation Company Limited	76,800	102,400
Financial guarantees and financing facilities with joint ventures guaranteed by the Group		
Kailuan (Group) Limited Liability Corporation	22,050	41,650
Financial guarantees and financing facilities with associates of China Datang guaranteed by the Group		
Datang Inner Mongolia Dolun Coal Chemical Company Limited	–	4,520,464
Datang Hulunbuir Chemical Fertiliser Company Limited	322,000	964,000
Inner Mongolia Datang International Xilin Hot Mining Company Limited	50,000	170,000
Guaranteed by China Datang Group		
The Company	9,000,000	9,000,000

Notes to the Consolidated Financial Statements

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48 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 to the Group's associates, the Group has the following significant balances with related parties:

	2020 RMB'000	2019 RMB'000
Bank deposits:		
Associate:		
Datang Finance	7,392,767	7,101,347
Trade receivables:		
China Datang Group:		
Datang Environment Industry Group Company Limited	308,893	183,807
Datang Power Fuel Company Limited	6,046	446,405
Jiangsu Xutang Power Generation Company Limited	67,533	37,507
Prepayments		
China Datang Group:		
China National Water Resources & Electric Power Materials & Equipment Company Limited	155,199	159,942
Datang Group International Trade Company Limited	6,660	–
Datang Power Fuel Company Limited	166,733	144,399
Beijing Zhongyou Guodian Petroleum Products Sales Company Limited	22,874	32,648
China Datang Group Technology Engineering Company Limited	–	207,622
Shanghai Datang Financial Leasing Company Limited	110,113	–
Other receivables		
China Datang Group:		
Datang Environment Industry Group Company Limited	91	8,575
Datang Shandong Power Generation Company Limited	52,800	52,800

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

48 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)

In addition to the loans payables to the Group's associates, the Group has the following significant balances with related parties: (Continued)

	2020 RMB'000	2019 RMB'000
Trade payables		
China Datang Group:		
Datang Environment Industry Group Company Limited	1,723,512	1,570,081
China Datang Group Technology Engineering Company Limited	615,800	443,859
China National Water Resources & Electric Power Materials & Equipment Company Limited	428,145	432,951
China Datang Corporation Science and Technology Research Company Limited	157,867	132,798
Zhejiang Datang Tiandi Environmental Protection Technology Company Limited	18,327	20,456
Datang Power Fuel Company Limited	317,272	336,889
Hunan Datang Xianyi Technology Company Limited	84,636	39,042
China Datang Group International Trade Company Limited	145,734	208,723
Beijing Zhongtangdian Engineering Consulting Company Limited	18,020	19,439
Datang Northeast Electric Power Test Research Institute Company Limited	23,902	20,401
Other payables		
China Datang Group:		
China Datang	173,370	172,591
Datang Huayin Electric Power Company Limited	317,611	317,611
Datang Environment Industry Group Company Limited	144,652	242,717
Borrowing		
China Datang Group:		
China Datang	1,994,600	3,455,880
Associate:		
Datang Finance	10,421,600	7,780,210
Other non-current liabilities		
China Datang Group:		
Shanghai Datang Financial Lease Company Limited	3,010,767	2,527,000
Associate:		
Datang Leasing	3,544,924	3,755,000

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For the Year Ended 31 December 2020

48 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)

As at 31 December 2020, the bank deposits with an associate are unsecured, interest-bearing ranged from 0.35% to 1.15% per annum and repayable on demand (2019: same).

As at 31 December 2020, the trade receivables from China Datang Group and trade payables to China Datang Group are unsecured, interest free and repayable within one year (2019: same).

As at 31 December 2020, the borrowings from China Datang Group are unsecured and interest-bearing ranged from 3.75% to 5.23% per annum (2019: 3.92% to 5.88%).

As at 31 December 2020, the other non-current liabilities from China Datang Group and an associate are unsecured and interest-bearing ranged from 3.92% to 5.98% per annum (2019: 4.41% to 7.00%).

Except for mentioned above, all remaining balances are unsecured, interest free and repayable on demand (2019: same).

(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 2020 and 2019, 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 2020 and 2019, other collectively significant transactions with Government-Related Entities also included purchases of fuel, and property, plant and equipment.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

48 RELATED PARTY TRANSACTIONS (Continued)

(a) Significant balances and transactions with related parties (Continued)

(v) Compensation to key management personnel of the Group

	2020 RMB'000	2019 RMB'000
Short-term benefits	8,319	8,171
Retirement benefits	440	449
	8,759	8,620

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2020	2019	2020	2019	
Liaoning Datang International Renewable Power Company Limited	PRC	Company with limited liability	1,856,011	100.00%	100.00%	-	-	Wind power generation
Liaoning Datang International Changtu Wind Power Company Limited	PRC	Company with limited liability	920,350	-	-	100.00%	100.00%	Wind power generation
Datang Zhangzhou Wind Power Company Limited	PRC	Company with limited liability	217,590	-	-	100.00%	100.00%	Wind power generation
Datang Hebei Power Generation Company Limited	PRC	Company with limited liability	3,001,986	100.00%	100.00%	-	-	Power generation
Datang Heilongjiang Power Generation Company Limited	PRC	Company with limited liability	2,923,180	100.00%	100.00%	-	-	Power generation
Datang Anhui Power Generation Company Limited	PRC	Company with limited liability	3,626,158	100.00%	100.00%	-	-	Power generation
Tianjin Datang International Panshan Power Generation Company Limited	PRC	Company with limited liability	831,253	75.00%	75.00%	-	-	Power generation
Inner Mongolia Datang International Tuoketuo Power Generation Company Limited ("Tuoketuo Power")	PRC	Company with limited liability	1,714,020	60.00%	60.00%	-	-	Power generation
Shanxi Datang International Shentou Power Generation Company Limited	PRC	Company with limited liability	749,000	60.00%	60.00%	-	-	Power generation
Shanxi Datang International Yungang Thermal Power Company Limited	PRC	Company with limited liability	690,000	100.00%	100.00%	-	-	Power generation and heat supply
Hebei Datang International Tangshan Thermal Power Company Limited	PRC	Company with limited liability	380,264	80.00%	80.00%	-	-	Power generation and heat supply

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2020	2019	2020	2019	
Jiangsu Datang International Lvsigang Power Generation Company Limited ("Lvsigang Power")	PRC	Company with limited liability	1,103,006 (2019: 1,050,186)	55.00%	55.00%	-	-	Power generation
Guangdong Datang International Chaozhou Power Generation Company Limited ("Chaozhou")	PRC	Company with limited liability	1,557,661	52.50%	52.50%	-	-	Power generation
Fujian Datang International Ningde Power Generation Company Limited	PRC	Company with limited liability	825,090	51.00%	51.00%	-	-	Power generation
Chongqing Datang International Pengshui Hydropower Development Company Limited ("Pengshui Hydropower")	PRC	Company with limited liability	1,791,459 (2019: 1,518,296)	40.00%	40.00%	24.00%	24.00%	Hydropower generation
Chongqing Datang International Wulong Hydropower Development Company Limited	PRC	Company with limited liability	1,500,930	51.00%	51.00%	24.50%	24.50%	Hydropower generation
Datang International (Hong Kong) Limited	Hong Kong	Company with limited liability	653,511	100.00%	100.00%	-	-	Import of power related fuel
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited ("Zhiganglaka")	PRC	Company with limited liability	380,000	-	-	90.00%	90.00%	Hydropower generation
Hebei Datang International Wangtan Power Generation Company Limited	PRC	Company with limited liability	450,000	70.00%	70.00%	-	-	Power generation
Chongqing Datang International Shizhu Power Generation Company Limited	PRC	Company with limited liability	585,910	70.00%	70.00%	-	-	Power generation

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct		Indirect		
				2020	2019	2020	2019	
Sichuan Datang International Ganzhi Hydropower Development Company Limited ("Ganzhi Hydropower")	PRC	Company with limited liability	6,159,420 (2019: 5,693,024)	52.73%	52.73%	-	-	Hydropower generation
Beijing Datang Fuel Company Limited	PRC	Company with limited liability	1,009,650	51.00%	51.00%	-	-	Coal trading
Zhejiang Datang Wushashan Power Generation Company Limited ("Wushashan Power")	PRC	Company with limited liability	1,700,000	51.00%	51.00%	-	-	Power generation
Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited ("Tuoketuo II Power") (Note (i))	PRC	Company with limited liability	1,174,390	40.00%	40.00%	-	-	Power generation
Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited	PRC	Company with limited liability	458,000	100.00%	100.00%	-	-	Power generation and heat supply
Jiangxi Datang International Fuzhou Power Generation Company Limited ("Fuzhou Power")	PRC	Company with limited liability	1,811,616	51.00%	51.00%	-	-	Power generation
Liaoning Datang International Jinzhou Thermal Power Generation Limited	PRC	Company with limited liability	368,000	100.00%	100.00%	-	-	Power generation and heat supply
Chongqing Datang International Wulongxingshun Wind Power Company Limited	PRC	Company with limited liability	103,880	89.52%	89.52%	10.48%	10.48%	Wind power generation
Hebei Datang International Fengrun Thermal Power Hohhot Company Limited	PRC	Company with limited liability	393,070	84.00%	84.00%	-	-	Power generation

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For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2020	2019	2020	2019	
Datang Inner Mongolia Erdos Silicon and Aluminium Technology Company Limited	PRC	Company with limited liability	188,000	100.00%	100.00%	-	-	Silicon and aluminium smelting
Hohhot Aluminium (Formerly known as Inner Mongolia Datang International Renewable Energy Resource Development Company Limited)	PRC	Company with limited liability	3,231,721	100.00%	100.00%	-	-	Production and sale of alumina
Jiangsu Datang Shipping Company Limited	PRC	Company with limited liability	264,900	98.11%	98.11%	-	-	Cargo shipping
Inner Mongolia Datang International Renewable Power Company Limited	PRC	Company with limited liability	1,190,020	100.00%	100.00%	-	-	Wind power generation
Fujian Datang International Renewable Power Company Limited	PRC	Company with limited liability	840,530	100.00%	100.00%	-	-	Wind power generation
Shanxi Datang International Linfen Thermal Power Company Limited	PRC	Company with limited liability	342,520	80.00%	80.00%	-	-	Power generation and heat supply
Liaoning Datang International Fuxin Wind Power Company Limited	PRC	Company with limited liability	526,860	-	-	100.00%	100.00%	Wind power generation
Tibet Datang International Nujiang Upstream Hydropower Development Company Limited	PRC	Company with limited liability	310,000	100.00%	100.00%	-	-	Hydropower generation

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For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct		Indirect		
				2020	2019	2020	2019	
Datang International Nuclear Power Company Limited	PRC	Company with limited liability	315,326 (2019: 310,826)	100.00%	100.00%	-	-	Nuclear power generation
Datang Tongzhou Technology Company Limited	PRC	Company with limited liability	100,000	100.00%	100.00%	-	-	Sales of coal ash and integrated application of solid wastes
Yunnan Datang International Electric Power Company Limited	PRC	Company with limited liability	2,899,888	100.00%	100.00%	-	-	Hydropower generation
Hebei Datang International Renewable Power Company Limited	PRC	Company with limited liability	1,394,166	100.00%	100.00%	-	-	Wind power generation
Inner Mongolia Datang International Haibowan Water Conservancy Hub Development Company Limited	PRC	Company with limited liability	133,910	100.00%	100.00%	-	-	Hydropower generation
Jiangxi Datang International Xinyu Power Generation Company Limited	PRC	Company with limited liability	633,912	100.00%	100.00%	-	-	Power generation
Inner Mongolia Datang International Zhunge'er Mining Company Limited ("Zhunge'er Mining")	PRC	Company with limited liability	60,000	52.00%	52.00%	-	-	Coal mining
Hebei Datang International Qian'an Thermal Power Company Limited	PRC	Company with limited liability	214,914	93.33%	93.33%	-	-	Power generation
Yuneng (Group) Company Limited	PRC	Company with limited liability	2,114,963	100.00%	100.00%	-	-	Hydropower generation

Notes to the Consolidated Financial Statements

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49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct		Indirect		
				2020	2019	2020	2019	
Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	PRC	Company with limited liability	161,970	100.00%	100.00%	-	-	Solar power generation
Inner Mongolia Baoli Coal Company Limited	PRC	Company with limited liability	50,000	70.00%	70.00%	-	-	Coal mining
Sichuan Jinkang Electricity Development Company Limited	PRC	Company with limited liability	528,150	54.44%	54.44%	-	-	Hydropower generation
Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	PRC	Company with limited liability	263,060	100.00%	100.00%	-	-	Power generation and heat supply
Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	PRC	Company with limited liability	600,000	90.00%	90.00%	-	-	Power generation and heat supply
Erdos Ruidefeng Mining Company Limited	PRC	Company with limited liability	237,220	100.00%	100.00%	-	-	Wholesale of coal
Jiangxi Datang International Renewable Power Company Limited	PRC	Company with limited liability	1,373,517 (2019: 1,001,332)	100.00%	100.00%	-	-	Wind power generation
Shenzhen Datang Baochang Gas Power Generation Company Limited ("Baochang Gas")	PRC	Company with limited liability	705,700 (2019: 197,601)	90.88%	61.16%	-	-	Power generation
Guangdong Datang International Zhaoqing Thermal Power Company Limited	PRC	Company with limited liability	932,981	100.00%	100.00%	-	-	Power generation

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2020	2019	2020	2019	
Sichuan Datang International Renewable Power Company Limited	PRC	Company with limited liability	72,213	100.00%	100.00%	-	-	Wind power generation
Liaoning Datang International Shendong Thermal Power Company Limited	PRC	Company with limited liability	616,144 (2019: 613,824)	100.00%	100.00%	-	-	Power generation
Guangdong Datang International Leizhou Power Generation Company Limited ("Leizhou Power") (Note (ii))	PRC	Company with limited liability	1,677,058 (2019: 1,594,218)	34.00%	34.00%	-	-	Power generation
Hebei Datang International Tangshan Beijiao Thermal Power Generation Company Limited	PRC	Company with limited liability	533,120 (2019: 489,550)	100.00%	100.00%	-	-	Power generation and heat supply
Jiangsu Datang International Jintan Thermal Power Company Limited	PRC	Company with limited liability	1,015,408	100.00%	100.00%	-	-	Power generation and heat supply
Jiangsu Datang International Rugao Thermal Power Company Limited	PRC	Company with limited liability	84,528	60.00%	60.00%	-	-	Power generation and heat supply
Liaoning Datang International Huludao Thermal Power Company Limited	PRC	Company with limited liability	1,141,240	100.00%	100.00%	-	-	Power generation and heat supply
Zhejiang Datang International Renewable Power Company Limited	PRC	Company with limited liability	150,699 (2019: 82,949)	100.00%	100.00%	-	-	Wind power generation

Notes to the Consolidated Financial Statements

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49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2020	2019	2020	2019	
Guangdong Datang International Marketing Company Limited	PRC	Company with limited liability	200,000	100.00%	100.00%	-	-	Power and heat trading
Liaoning Datang International Shenfu Thermal Power Company Limited	PRC	Company with limited liability	99,710	100.00%	100.00%	-	-	Power generation and heat supply
Zhejiang Datang Power Marketing Company Limited	PRC	Company with limited liability	201,000	100.00%	100.00%	-	-	Power trading
Fujian Datang Power Marketing Company Limited	PRC	Company with limited liability	201,000	100.00%	100.00%	-	-	Power trading
Datang Jingjinji Power Marketing Company Limited	PRC	Company with limited liability	201,000	100.00%	100.00%	-	-	Power trading
Liaoning Datang International Huludao Heat Power Company Limited	PRC	Company with limited liability	123,625 (2019: 71,352)	100.00%	100.00%	-	-	Heat supply
Hebei Datang International Fengrun Heat Supply and Gas Supply Company Limited	PRC	Company with limited liability	30,591	90.00%	90.00%	-	-	Heat supply
Ningxia Datang International Hongsibao Renewable Power Company Limited	PRC	Company with limited liability	805,527 (2019: 410,333)	100.00%	100.00%	-	-	Solar power generation
Ningxia Datang International Bronze Gorge Wind Power Company Limited	PRC	Company with limited liability	209,448	100.00%	100.00%	-	-	Wind power generation
Shanxi Datang International Zuoyun Wind Power Company Limited	PRC	Company with limited liability	306,080 (2019: 244,090)	100.00%	100.00%	-	-	Wind power generation
Shanxi Datang International Yingxian Wind Power Company Limited	PRC	Company with limited liability	64,420	100.00%	100.00%	-	-	Wind power generation
Datang International Mangya Renewable Power Company Limited	PRC	Company with limited liability	71,147	100.00%	100.00%	-	-	Wind and solar power generation

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For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2020	2019	2020	2019	
Datang International Dachaidan Renewable Power Company Limited	PRC	Company with limited liability	95,840 (2019: 68,120)	100.00%	100.00%	-	-	Wind and solar power generation
Datang International Dulan Renewable Power Company Limited	PRC	Company with limited liability	92,802 (2019: 65,942)	100.00%	100.00%	-	-	Wind and solar power generation
Datang International Foshan Thermal Power Company Limited	PRC	Company with limited liability	191,760 (2019: 162,930)	100.00%	100.00%	-	-	Power generation and heat supply
Datang Shantou Renewable Power Company Limited	PRC	Company with limited liability	280,810 (2019: Nil)	100.00%	100.00%	-	-	Wind power generation
Jiangxi Datang Power Marketing Company Limited	PRC	Company with limited liability	50,000 (2019: 20,000)	100.00%	100.00%	-	-	Power and heat trading
Datang North China Electric Power Operation Company Limited	PRC	Company with limited liability	40,000 (2019: 20,000)	100.00%	100.00%	-	-	Power supply machine operation
Wencheng Datang Renewable Power Company Limited	PRC	Company with limited liability	39,454 (2019: 28,484)	100.00%	100.00%	-	-	Solar power generation
Zongyang Datang Wind Power Company Limited	PRC	Company with limited liability	5,000	-	-	80.00%	80.00%	Wind power generation
Hebei Datang Electric Power Technical Service Company Limited	PRC	Company with limited liability	1,000	-	-	100.00%	100.00%	Research and development of power generation
Baoding Shenghe Water Recycling Development Company Limited	PRC	Company with limited liability	14,460	-	-	51.00%	51.00%	Technology services
Liaoning Zhuanghe Nuclear Power Company Limited (Note (iii))	PRC	Company with limited liability	380,000	46.00%	-	-	-	Nuclear power generation

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49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2020	2019	2020	2019	
Datang Chongqing Energy Marketing Company Limited (Note (iii))	PRC	Company with limited liability	20,000	100.00%	-	-	-	Power generation and heat Supply
Datang (Shui On) Renewable Power Company Limited (Note (iii))	PRC	Company with limited liability	23,200	100.00%	-	-	-	Wind and solar power generation
Datang West Ujimqin Banner Power Company Limited (Note (iii))	PRC	Company with limited liability	20,000	100.00%	-	-	-	Coal mining
Datang Tuquan New Energy Company Limited (Note (iii))	PRC	Company with limited liability	84,620	-	-	100.00%	-	Wind and solar power generation
Datang Fuzhou Linchuan Renewable Power Company Limited (Note (iii))	PRC	Company with limited liability	228,290	-	-	100.00%	-	Wind and solar power generation
Datang (Gaoan) Renewable Power Company Limited (Note (iii))	PRC	Company with limited liability	97,730	-	-	100.00%	-	Wind and solar power generation
Datang Cangzhou Renewable Power Company Limited (Note (iii))	PRC	Company with limited liability	58,760	-	-	100.00%	-	Wind and solar power generation
Datang (Wannian County) Renewable Power Company Limited (Note (iii))	PRC	Company with limited liability	105,590	-	-	100.00%	-	Wind and solar power generation

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49 PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

All the above subsidiaries are limited liability companies except that Zhiganglaka is also a foreign investment enterprise while Baochang Gas and Fuzhou Power 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) During the year ended 31 December 2006, the Company entered into an agreement with China Datang, one of the shareholders of Tuoketuo II Power, which holds 20% equity interest in Tuoketuo II Power. Pursuant to this agreement, the shareholder representatives 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. Therefore, the Company obtained control over Tuoketuo II Power and accounted for it as a subsidiary onwards.
- (ii) During the year ended 31 December 2015, the Company entered into an agreement with China Datang, one of the shareholders of Leizhou Power, which holds 30% equity interest in Leizhou Power. Pursuant to this agreement, the shareholder representatives 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. Therefore, the Company obtained control over Leizhou Power and accounted for it as a subsidiary onwards.
- (iii) During the year ended 31 December 2020, the subsidiaries were newly incorporated.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Name	Tuoketuo Power		Lvsiqiang Power	
	2020	2019	2020	2019
Principal place of business/country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/voting rights held by non-controlling interests	40.00%/40.00%	40.00%/40.00%	45.00%/45.00%	45.00%/45.00%
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	5,080,485	6,568,818	5,172,759	5,295,937
Current assets	2,673,851	1,648,293	967,987	1,081,726
Non-current liabilities	(426,088)	(670,042)	(1,101,883)	(1,521,137)
Current liabilities	(4,175,501)	(4,217,973)	(3,510,403)	(3,473,364)
Net assets	3,152,747	3,329,096	1,528,460	1,383,162
Non-controlling interests	1,261,097	1,320,996	707,675	632,789
Revenue	4,394,430	4,958,288	3,914,689	3,954,558
Profit for the year	574,999	747,107	92,478	95,722
Total comprehensive income	574,999	747,107	92,478	95,722
Profit allocated to non-controlling interests	230,000	295,752	41,615	43,075
Dividends paid to non-controlling interests	(300,575)	(310,214)	–	–
Net cash generated from operating activities	920,096	1,082,198	1,073,130	1,435,376
Net cash used in investing activities	(251,349)	(297,534)	(347,712)	(58,745)
Net cash used in financing activities	(732,535)	(3,856,037)	(873,700)	(1,507,394)
Net decrease in cash and cash equivalents	(63,788)	(3,071,373)	(148,282)	(130,763)

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For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Continued)

Name	Pengshui Hydropower		Ganzi Hydropower	
	2020	2019	2020	2019
Principal place of business/country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/voting rights held by non-controlling interests	36.00%/36.00%	36.00%/36.00%	47.27%/47.27%	47.27%/47.27%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	9,158,488	9,228,582	30,154,789	30,479,580
Current assets	493,105	892,869	514,086	470,451
Non-current liabilities	(5,863,060)	(6,179,200)	(20,996,091)	(21,666,423)
Current liabilities	(848,168)	(1,406,855)	(2,840,242)	(2,601,187)
Net assets	2,940,365	2,535,396	6,832,542	6,682,421
Non-controlling interests	1,058,532	912,743	3,214,645	3,143,673
Revenue	1,765,579	1,637,170	2,626,503	2,445,543
Profit for the year	678,132	607,028	526,457	418,501
Other comprehensive income	–	–	272	–
Total comprehensive income	678,132	607,028	526,729	418,501
Profit allocated to non-controlling interests	244,127	218,530	248,885	197,825
Other comprehensive income allocated to non-controlling interests	–	–	129	–
Dividends paid to non-controlling interests	(98,339)	(77,324)	(398,487)	(122,565)
Net cash generated from operating activities	1,397,631	1,363,591	2,446,803	2,382,560
Net cash used in investing activities	(58,753)	(314,577)	(518,666)	(891,453)
Net cash used in financing activities	(1,374,851)	(1,074,075)	(1,742,324)	(1,625,614)
Net (decrease)/increase in cash and cash equivalents	(35,973)	(25,061)	185,813	(134,507)

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Continued)

Name	Tuoketuo II Power		Fuzhou Power	
	2020	2019	2020	2019
Principal place of business/country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/voting rights held by non-controlling interests	60.00%/60.00%	60.00%/60.00%	49.00%/49.00%	49.00%/49.00%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	4,489,159	4,801,925	4,242,263	4,523,801
Current assets	405,744	536,603	887,884	819,885
Non-current liabilities	(894,300)	(1,693,850)	(1,523,974)	(1,881,601)
Current liabilities	(1,748,352)	(1,296,848)	(1,237,299)	(1,221,239)
Net assets	2,252,251	2,347,830	2,368,874	2,240,846
Non-controlling interests	1,351,346	1,408,694	1,160,748	1,098,015
Revenue	2,978,412	3,564,353	3,874,818	4,050,590
Profit for the year	544,065	710,716	479,779	361,042
Other comprehensive expense	–	–	(26,814)	(20,704)
Total comprehensive income	544,065	710,716	452,965	340,338
Profit allocated to non-controlling interests	326,439	426,429	235,092	176,910
Other comprehensive expense allocated to non-controlling interests	–	–	(13,139)	(10,145)
Dividends paid to non-controlling interests	(383,786)	(469,570)	(159,219)	(119,996)
Net cash generated from operating activities	1,134,099	1,346,143	787,159	702,210
Net cash used in investing activities	(82,106)	(140,800)	(30,772)	(67,459)
Net cash used in financing activities	(1,077,605)	(1,367,940)	(710,901)	(632,463)
Net (decrease)/increase in cash and cash equivalents	(25,612)	(162,597)	45,486	2,288

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

49 PRINCIPAL SUBSIDIARIES (Continued)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Continued)

Name	Chaozhou Power		Wushashan Power	
	2020	2019	2020	2019
Principal place of business/country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/voting rights held by non-controlling interests	47.50%/47.50%	47.50%/47.50%	49.00%/49.00%	49.00%/49.00%
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	5,227,488	5,721,664	3,871,445	4,032,127
Current assets	826,799	1,137,333	722,497	820,085
Non-current liabilities	(84,546)	(976,699)	(11,721)	(13,229)
Current liabilities	(3,241,751)	(3,205,852)	(1,997,240)	(2,299,316)
Net assets	2,727,990	2,676,446	2,584,981	2,539,667
Non-controlling interests	1,245,432	1,220,948	1,266,640	1,244,437
Revenue	5,014,712	5,341,101	3,878,010	4,065,215
Profit for the year	648,974	663,812	400,035	394,134
Total comprehensive income	648,974	663,812	400,035	394,134
Profit allocated to non-controlling interest	308,263	315,310	196,017	193,126
Dividends paid to non-controlling interest	(283,779)	245,780	(173,813)	117,534
Net cash generated from operating activities	1,452,803	1,699,653	1,151,050	1,101,384
Net cash used in investing activities	(121,718)	(170,102)	(255,274)	(251,370)
Net cash used in financing activities	(1,369,121)	(1,494,335)	(880,924)	(868,723)
Net (decrease)/increase in cash and cash equivalents	(38,036)	35,216	14,852	(18,709)

(c) Others

During the year ended 31 December 2019, certain subsidiaries had been deconsolidated as these subsidiaries were in the process of liquidation and a loss of RMB222,778,000 has been recognised and included in the "Other income and other gains and losses, net" of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2020

50 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 2020 RMB'000	Disposal of a subsidiary (Note 44) RMB'000	Cash inflows from financing activities RMB'000	Cash outflows from financing activities RMB'000	Non-cash changes RMB'000	At 31 December 2020 RMB'000
Long-term loans	113,821,409	(337,100)	18,696,869	(25,740,210)	–	106,440,968
Long-term bonds	8,973,801	–	–	–	246,308	9,220,109
Other pledged financing	10,921,403	(495,554)	2,138,900	(1,984,790)	–	10,579,959
Lease liabilities	906,777	–	–	(159,065)	1,238,636	1,986,348
Short-term loans	34,854,678	(66,000)	50,649,167	(56,397,823)	–	29,040,022
Short-term bonds	–	–	12,100,000	(9,477,345)	–	2,622,655
Consideration payable	169,216	–	–	–	–	169,216
	169,647,284	(898,654)	83,584,936	(93,759,233)	1,484,944	160,059,277

	At 1 January 2019 RMB'000	Effect of IFRS 16 RMB'000	Cash inflows from financing activities RMB'000	Cash outflows from financing activities RMB'000	Non-cash changes RMB'000	At 31 December 2019 RMB'000
Long-term loans	121,808,931	–	30,004,415	(37,991,937)	–	113,821,409
Long-term bonds	16,162,586	–	–	(7,188,785)	–	8,973,801
Other pledged financing	–	9,661,569	3,853,775	(2,593,941)	–	10,921,403
Lease liabilities	–	726,684	–	(357,796)	537,889	906,777
Short-term loans	24,771,641	–	46,462,927	(36,379,890)	–	34,854,678
Short-term bonds	11,000,000	–	14,000,000	(25,000,000)	–	–
Consideration payable	191,216	–	–	(22,000)	–	169,216
	173,934,374	10,388,253	94,321,117	(109,534,349)	537,889	169,647,284

Differences Between Financial Statements

For the Year Ended 31 December 2020

The consolidated financial statements which are prepared by the Group in conformity with IFRSs, differ in certain respects from PRC GAAP. Major differences between IFRSs and PRC GAAP ("GAAP Differences"), which affect the net assets and net profit of the Group, are summarised as follows:

	Note	Net assets	
		2020 RMB'000	2019 RMB'000
Net assets attributable to holders of equity instruments of the Company under IFRSs		73,187,675	65,126,425
Impact of IFRSs 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)	(217,803)	(374,695)
Applicable deferred tax impact of the above GAAP Differences		(5,438)	(7,944)
Non-controlling interests' impact of the above GAAP Differences after tax		(46,870)	(35,122)
Net assets attributable to equity holders of the Company under PRC GAAP		73,024,030	64,815,130

	Note	Net profit	
		2020 RMB'000	2019 RMB'000
Profit for the year attributable to holders of equity instruments of the Company under IFRSs		2,988,684	985,663
Impact of IFRSs adjustments:			
Difference in accounting treatment on mining funds	(b)	60,800	69,385
Applicable deferred tax impact of the above GAAP Differences		2,506	10,758
Non-controlling interests' impact of the above GAAP Differences after tax		(11,747)	–
Net profit for the year attributable to equity holders of the Company under PRC GAAP		3,040,243	1,065,806

Differences Between Financial Statements

For the Year Ended 31 December 2020

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 IFRSs, 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 capital 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 those related capital 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

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No. 248 Queen's Road East, Wanchai
Hong Kong

Legal representative

Chen Feihu

Authorised representatives

Liang Yongpan
Jiang Jinming

Secretary to the board

Jiang Jinming

Principal bankers

In the PRC:

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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

Baker Tilly China Certified Public
Accountants (Special General Partnership)
Building 12, Foreign Culture and Creative Garden
No. 19, Chegongzhuang West Road
Haidian District, Beijing
The People's Republic of China

International auditor

Baker Tilly Hong Kong Limited
2nd Floor
625 King's Road, North Point
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:

Clifford Chance
27/F, Jardine House
One Connaught Place Central
Hong Kong

Listing information

H Shares

The Stock Exchange of Hong Kong Limited
Stock Code: 00991

A Shares

Shanghai Stock Exchange
Stock Code: 601991

H Shares

The London Stock Exchange Limited
Stock 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:

Securities and Compliance Department
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.

Stock Code: 00991