中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 1798

2020
Annual Report

Contents

Chairman's Statement

Dear shareholders,

The year 2020 was the closing year for completing the building of a moderately prosperous society in all respects and the "13th Five-Year" Plan. The Company deeply implemented the energy security strategy of "Four Revolutions and One Cooperation" and implemented the new development concepts featuring innovation, coordination, green, opening up and sharing. Adhering to the principle of giving top priority to the interests of our shareholders, the Board carried out its work in a proactive, lawful and compliant manner, and led the management and the staff of the Company to insist on high-quality development, focus on operation and management, and strengthen core capabilities for constantly overcoming new challenges, which enabled the Company to embark on a new journey to build a world-class new energy enterprise.

In 2020, the Company achieved remarkable results in pandemic prevention and control as well as operation and development, with its installed capacity exceeding 10 million kilowatts, the equipment reliability remaining industry-leading and the operating results reaching new heights, which further enhanced the Company's profitability, competitiveness, sustainable development capacity and market image.

The year 2021 marks the opening year for the implementation of the "14th Five-Year" Development Plan, and it is also the first year for Datang Corporation to "start the second entrepreneurship". With the aim to build itself into a globally competitive and world-class clean energy supplier, the Board of the Company will continue to keep abreast of industry policies and market trends, adhere to strategic leadership with the efficiency as priority, accelerate the optimization of asset allocation, speed up the energy technology innovation, deeply explore the development potential, achieve new enhancements in asset structure, technology innovation and operational management, and steadfastly promote the high-quality development of the Company in the direction of scale, technology and intensification to create long-term, stable and growing returns for our shareholders.

Last but not the least, on behalf of the Board, I would like to express our heartfelt gratitude to our shareholders, investors and friends from all sectors of the society for their trust and support over the years!

Chairman of the Board
Kou Wei

寇偉

General Manager's Statement

Dear shareholders,

Entering the new era, we will forge ahead. In 2020, with the strong support of all shareholders and the scientific leadership of the Board, the management of the Company practiced the new development concept, gathered strength to move forward, and coordinated the promotion of pandemic prevention and control with the production and operation closely based on the annual tasks and objectives, and focused on changing methods, promoting development, financing, cost control and risk prevention, aiming to comprehensively promote production and operation, innovative development, legal compliance and other aspects of work. The production and operating performance of the Company was improved significantly, with total assets amounting to RMB89,909 million, representing an increase of 12.35%. The installed capacity exceeded 10,000 MW for the first time, reaching 12,230 MW, representing an increase of 25.28%; and the power generation was 21,176 million kWh, representing an increase of 14.87%. The total profit amounted to RMB1,879 million, representing an increase of 30.53%; and the net profit attributable to owners of the parent amounted to RMB1,187 million, representing an increase of 26.74%. The return on net assets reached 7.35%. The development of clean energy continued to accelerate, and its dynamism and driving force continued to increase, creating a new situation of high-quality development.

The promulgation of the national "carbon peak and carbon neutral" action plan marks the entry of a new development stage of the energy industry in China. Vigorously developing new energy sources, mainly wind power and solar power, is the only way to achieve a green transformation of the economy and society of China. In the next decade, the "fast forward button" will be pressed for the "wind and solar" development of China. By 2030, the total installed capacity of wind power and solar power will reach more than 1.2 billion kW, which will provide a broad space and market for clean and low-carbon development of the energy industry.

As the east wind brings spring, the Company is full of vitality and enters a new stage with a brand-new look. 2021 is the opening year to implement the "14th Five-Year Plan", and it is also the first year for Datang Corporation to start the second entrepreneurship. We will strengthen the awareness of opportunities and risks, based on the new development stage, implement the new development concept, focus on "strengthening six aspects" to realize "six improvements", that is, strengthening project planning for the improvement of incremental development capabilities, strengthening cost control for the improvement of the efficiency of stock assets, strengthening risk prevention and control for the improvement of risk resolution capabilities, strengthening safety production for the improvement of intrinsic safety level, strengthening process management for the improvement of scientific management efficiency, and strengthening the leadership of Party building for the improvement of organizational security capacity, so as to complete the annual business goals with high quality, and ensure that the Company has a good and steady start in the "14th Five-Year Plan" and ushers in the 100th anniversary of the founding of the Party with excellent results.

In the end, we would like to express our heartfelt gratitude to all the shareholders and friends from all sectors in the society. The road ahead is long and we are ready to work harder. In the new year, under the leadership of the Board of the Company, we will courageously forge ahead, pioneer and innovate, seize the development opportunities of national green and low-carbon transformation, and with an indomitable attitude and in high spirit, we will push our operation and management to a new level, continue our efforts to make new achievements and draw a magnificent picture of the Company for building itself into a first-class new energy supplier in the new era!

General Manager
Liu Guangming

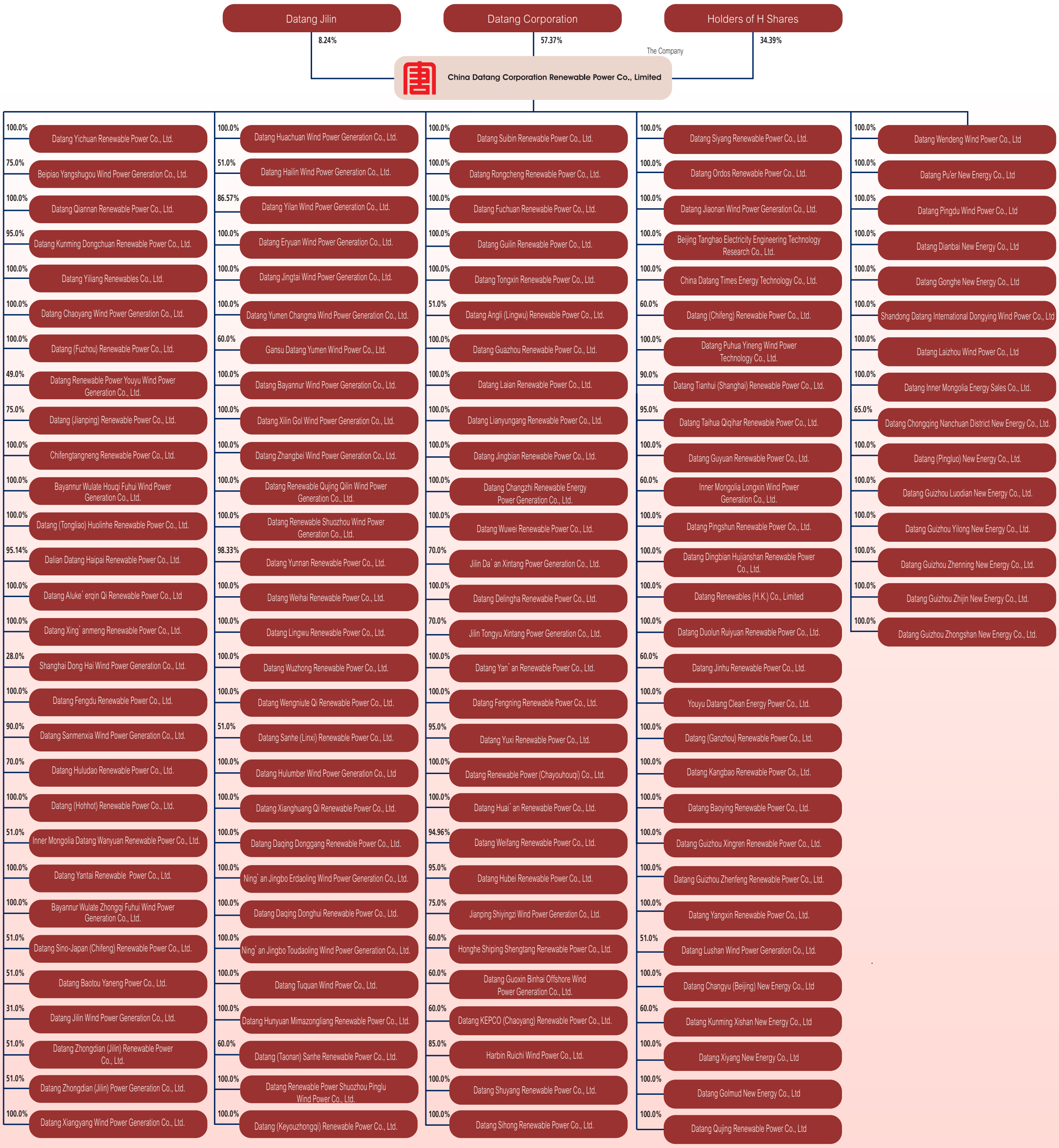
Company Profile

The predecessor of China Datang Corporation Renewable Power Co., Limited (stock code: 1798) was Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰塞罕壩風力發電有限公司) which was established on 23 September 2004. It was one of the earliest power enterprises that engaged in the development of new energy in the PRC. Since the establishment of the Company and after several years of rapid development, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on 17 December 2010. As at 31 December 2020, the Company had a total of 7,273,701,000 issued shares, among which the Company's controlling shareholder China Datang Corporation Ltd. holds an aggregate of 65.61%.

The Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; design, construction and installation, repair and maintenance of domestic and overseas power projects; import and export services of renewable energy equipment and technologies; foreign investment; renewable energy-related consulting services.

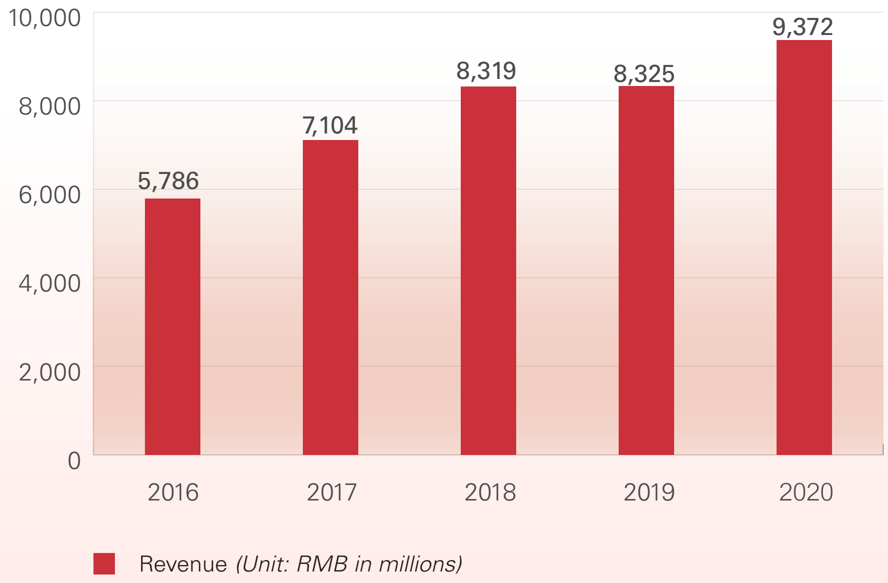
The Group is actively engaged in the renewable sources business including wind power and solar power. As at 31 December 2020, the Group's consolidated installed capacity amounted to 12,229.52 MW, including 11,171.05 MW of wind power installed capacity.

Corporate Structure: As at 31 December 2020, the Company's major corporate structure was as follows:

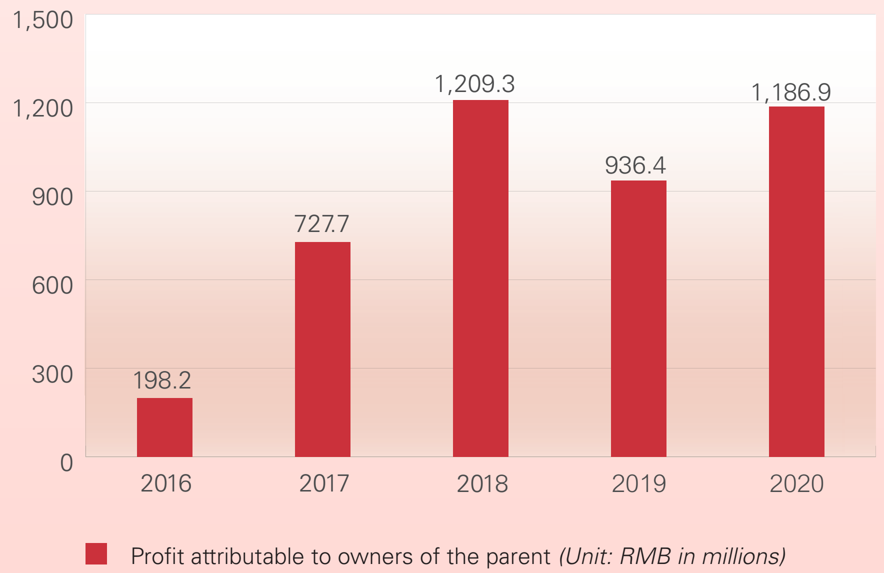


Key Operating and Financial Data

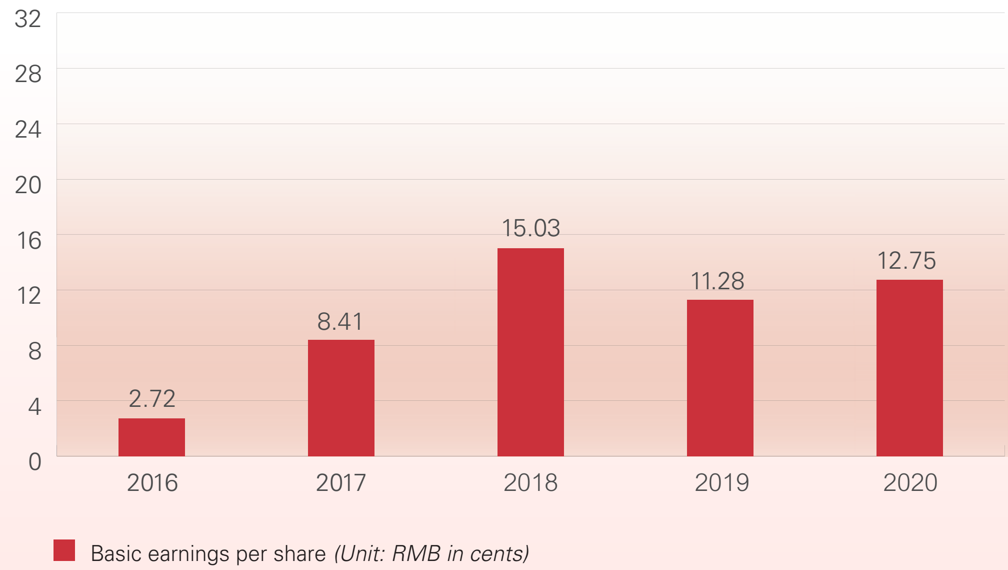
1. REVENUE



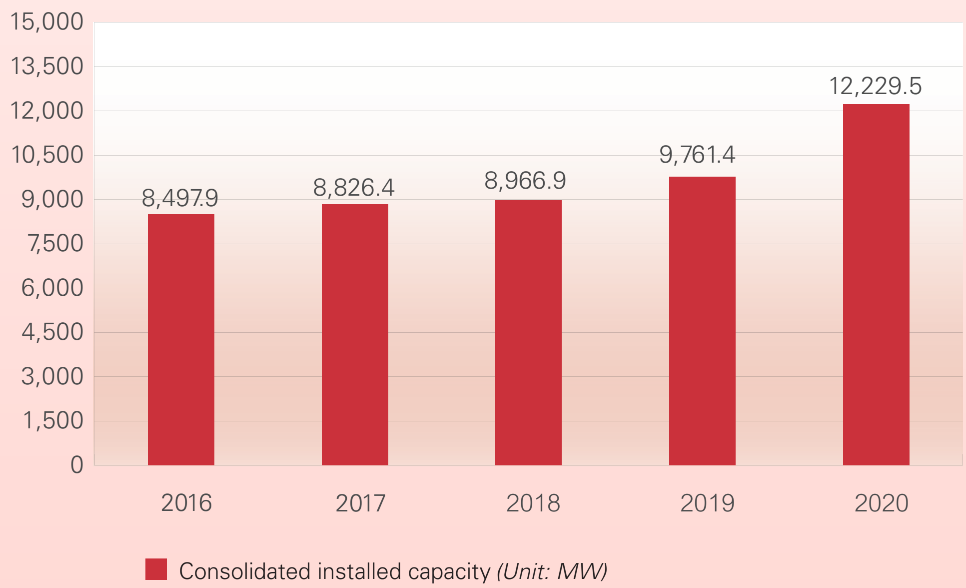
2. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT



3. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT



4. CONSOLIDATED INSTALLED CAPACITY



Financial Highlights

	Year ended 31 December				
	2020	2019	2018	2017	2016
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**9,372,031**	8,324,779	8,319,406	7,104,089	5,786,126
Other income and other gains, net	**300,235**	365,548	269,600	204,383	189,246
Operating expenses	**(5,750,096)**	(5,163,818)	(4,803,848)	(4,440,556)	(3,860,542)
Operating profit	**3,922,170**	3,526,509	3,785,158	2,867,916	2,114,830
Profit before tax	**1,879,485**	1,439,874	1,728,898	1,059,012	401,089
Income tax expenses	**(326,892)**	(295,882)	(302,513)	(156,342)	(108,315)
Profit for the year	**1,552,593**	1,143,992	1,426,385	902,670	292,774
Other comprehensive income for the year, net of tax	**2,731**	101,404	(64,243)	(9,068)	29,941
Total comprehensive income for the year	**1,555,324**	1,245,396	1,362,142	893,602	322,715
Profit attributable to:					
– Owners of the parent	**1,186,861**	936,437	1,209,279	727,678	198,199
– Non-controlling interests	**365,732**	207,555	217,106	174,992	94,575
	1,552,593	1,143,992	1,426,385	902,670	292,774
Total comprehensive income attributable to:					
– Owners of the parent	**1,191,191**	1,038,507	1,144,973	718,568	227,984
– Non-controlling interests	**364,133**	206,889	217,169	175,034	94,731
	1,555,324	1,245,396	1,362,142	893,602	322,715
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	**0.1275**	0.1128	0.1503	0.0841	0.0272

	At 31 December				
	2020	2019	2018	2017	2016
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**72,693,822**	65,222,639	61,615,835	62,826,238	63,161,481
Total current assets	**17,214,926**	14,800,804	12,800,807	7,722,010	5,630,508
Total assets	**89,908,748**	80,023,443	74,416,642	70,548,248	68,791,989
Equity attributable to owners of the parent	**24,032,343**	11,068,797	12,291,764	11,394,149	10,879,315
Non-controlling interests	**3,700,375**	3,432,053	2,989,602	2,974,745	2,826,481
Total equity	**27,732,718**	14,500,850	15,281,366	14,368,894	13,705,796
Total non-current liabilities	**40,438,981**	39,065,476	38,166,047	34,917,499	34,575,589
Total current liabilities	**21,737,049**	26,457,117	20,969,229	21,261,855	20,510,604
Total liabilities	**62,176,030**	65,522,593	59,135,276	56,179,354	55,086,193
Total equity and liabilities	**89,908,748**	80,023,443	74,416,642	70,548,248	68,791,989

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

At the ninth meeting of the Central Commission for Financial and Economic Affairs, it was emphasised that China strived to achieve carbon dioxide emission peak by 2030 and achieve carbon neutrality by 2060, which was a major strategic decision made by the Party Central Committee after careful consideration and was related to the sustainable development of the Chinese nation and the construction of a community with a shared future for mankind. We must unswervingly carry out the new development concept, adhere to the systematic concept, and deal well with the relationships between development and emission reduction, whole and part, short term and medium and long term. By taking the comprehensive green transformation of economic and social development as the guide and the green and low-carbon energy development as the key, we must accelerate the formation of the industrial structure, production mode, lifestyle, and spatial pattern with resource conservation and environmental protection, and unswervingly follow the path of high-quality development that gives priority to eco-development and pursues green, low-carbon development. The meeting pointed out that the "14th Five-Year Plan" period was the key and window period for reaching carbon dioxide emission peak. We must build a clean, low-carbon, safe and efficient energy system, control the total amount of fossil energy, focus on improving the utilisation efficiency, implement replacement with renewable energy, deepen the reform of the power system, and construct a new power system with new energy as the main part.

Renewable energy continued to maintain high-quality development

With strong prevention and control of the COVID-19 pandemic and proper policy deployment, China became the only major economy in the world that has achieved positive economic growth in 2020, and renewable energy continued to maintain high quality development.

In 2020, according to the data published by the National Energy Administration ("NEA"), the electricity consumption reached 7,511 billion kWh, representing a year-on-year increase of 3.1%. The national power supply added 190,870 MW of installed capacity.

Firstly, the installed capacity of renewable energy had been steadily expanding. By the end of 2020, China's installed renewable energy power generation capacity reached 934,000 MW, representing a year-on-year increase of approximately 17.5%; the hydroelectric power installed capacity was 370,000 MW (including pumped storage 31,490 MW), the wind power installed capacity was 281,000 MW, the photovoltaic power generation installed capacity was 253,000 MW, and the biomass power generation installed capacity was 29,520 MW.

Secondly, renewable energy power generation continued to grow. In 2020, the national renewable energy power generation reached 2,214.8 billion kWh, representing a year-on-year increase of approximately 8.4%. Among them, the hydropower was 1,355.2 billion kWh, representing a year-on-year increase of 4.1%; the wind power was 466.5 billion kWh, representing a year-on-year increase of approximately 15%; the photovoltaic power was 260.5 billion kWh, representing a year-on-year increase of 16.1%; the biomass power was 132.6 billion kWh, representing a year-on-year increase of approximately 19.4%.

Thirdly, the renewable energy consumption continued to improve, with the utilization rate remaining at a high level. In 2020, the country's major river basins hydropower curtailment amounted to approximately 30.1 billion kWh, and the water utilization rate was approximately 96.61%, representing a year-on-year increase of 0.73 percentage point; the national wind power curtailment amounted to approximately 16.6 billion kWh, with the average utilization rate of 97%, representing a year-on-year increase of 1 percentage point; the national photovoltaic power curtailment amounted to 5.26 billion kWh with the average utilisation rate of 98%.

Continuous introduction of industry policies to support the development of new energy

In January 2020, China's National Development and Reform Commission ("NDRC") and NEA issued "Several Opinions on Promoting the Healthy Development of Power Generation of Non-Water Renewable Energy"(《關於促進非水可再生能源發電健康發展的若干意見》), a document stating that: starting from 2022, the central government will no longer subsidize new offshore wind power projects, and local governments are encouraged to subsidize themselves to support the construction of offshore wind power projects in their provinces; the amount of the central financial subsidies for renewable energy power generation projects included in the subsidy catalog will be determined according to the number of reasonable utilization hours.

In March 2020, the NEA issued the Notice on Matters Related to the Construction of Wind Power and Photovoltaic Power Generation Projects in 2020 (《關於2020年風電、光伏發電項目建設有關事項的通知》), a document stating that: the construction of grid parity projects should be actively promoted, the construction of projects requiring state financial subsidies should be orderly promoted, the construction of distributed wind power projects should be actively supported, the construction of offshore wind power projects should be steadily promoted, the power delivery and consumption conditions should be fully implemented, the project development and construction information should be strictly monitored, and the reform demands of "delegate power; streamline administration; optimize services" should be conscientiously implemented.

In March 2020, the NDRC and the NEA issued the Notice on the Issuance of Provincial Renewable Energy Power Consumption Guarantee Implementation Plan Preparation Outline (《關於印發省級可再生能源電力消納保障實施方案編制大綱的通知》), which pointed out that: the competent energy departments of all provinces (autonomous regions and municipalities) should clarify the minimum renewable energy power consumption responsibility weight of each market entity which assumes power consumption responsibility in their respective administrative regions in accordance with the weight of responsibility for consumption clarified by the state. The main way to fulfill such responsibility is the purchased or self-generated renewable energy power, with purchasing the over-fulfilled amount from other market entities or green power certificate as a supplementary way to fulfill.

In April 2020, the NEA issued the Energy Law of the People's Republic of China (Consultation Paper) (《中華人民共和國能源法(徵求意見稿)》), as China's first Energy Law (《能源法》), to include renewable energy as a priority area for energy development, to set national medium and long-term total renewable energy development and utilization targets, as well as the target for the proportion of renewable energy in primary energy consumption. It included the renewable energy in the binding targets of national economic and social development planning and annual plans which should be decomposed to the provinces, autonomous regions and municipalities for implementation.

In May 2020, the NEA issued the Guidance on Establishing a Sound Long-term Mechanism for Clean Energy Consumption (Consultation Paper) (《關於建立健全清潔能源消納長效機制的指導意見(徵求意見稿)》), which pointed out that a clean energy development mechanism with consumption as the core should be built to strengthen the analysis of clean energy consumption capacity, coordinate and promote the coordinated development of generation, grid and load; the formation of a power market mechanism conducive to clean energy consumption should be accelerated: to improve the auxiliary service mechanism, improve the medium and long-term power trading market, etc., to comprehensively improve the regulation capacity of the power system.

In June 2020, the NDRC and the NEA issued the Notice on the Issuance of the 2020 Renewable Energy Power Consumption Responsibility Weights for Each Provincial Administrative Region (《關於印發各省級行政區域2020年可再生能源電力消納責任權重的通知》), which clarified the minimum value and incentive value of the 2020 renewable energy power consumption total responsibility weights, non-hydropower responsibility weights for all provinces (autonomous regions and municipalities). The document stated that in 2020 the renewable energy power consumption ratio would reach 28.2%, non-hydroelectric power consumption ratio would reach 10.8%.

In July 2020, the NDRC and the NEA issued the Notice on the Announcement of the 2020 Wind Power and Photovoltaic Power Grid Parity Projects (《關於公佈2020年風電、光伏發電平價上網項目的通知》), which stated that the installed capacity of the 2020 wind power grid parity projects was 11,396.7 MW. The grid connection of wind power and photovoltaic power generation grid parity projects for the first batch of 2019 and that of 2020 should be completed by the end of 2022. The NEA will sort out and announce on an annual basis the wind power and photovoltaic power generation grid parity projects that will be connected to the grid within the specified time frame.

In August 2020, the NDRC and the NEA issued the Guidance on the Integration of "Wind, Photovoltaic, Water, Thermal and Storage" and Integration of "Generation, Grid, Load and Storage" (《關于開展「風光水火儲一體化」、「源網荷儲一體化」的指導意見》), which pointed out that: by giving priority to the use of clean energy resources and giving full play to the advantages of new energy-rich areas, the large-scale consumption of clean power can be realized; the integration of traditional energy and new energy construction is conducive to breaking the barriers between various fields; new energy should be developed and consumed locally, to optimize the allocation structure of power resources.

In September 2020, the Ministry of Finance of the PRC issued the Supplemental Notice on Relevant Matters of Opinions on Healthy Development of the Power Generation of Renewable Energy (《可再生能源發電健康發展的若干意見有關事項的補充通知》), which pointed out: the settlement rules of the subsidy funds for tariff premium of renewable energy should be clarified and relevant policies should be clarified. The full life cycle reasonable utilization hours of wind power projects in Class I, Class II, Class III, Class IV resource area are 48,000 hours, 44,000 hours, 40,000 hours and 36,000 hours. The full life cycle reasonable utilization hours of offshore wind power projects is 52,000 hours.

In November 2020, the Ministry of Finance issued the Notice on Accelerating the Review on the List of Subsidised Renewable Energy Power Generation Projects (《關於加快推進可再生能源發電補貼項目清單審核有關工作的通知》). The notice clearly states that "all projects that were approved (filed) in compliant with relevant provisions and were connected to the grid in full capacity in and subsequent to 2006 are qualified to apply for admission into the list of subsidized projects".

II. BUSINESS REVIEW

In 2020, the Company adhered to the new development concept, firmly fulfilled the responsibilities and missions of central enterprises, closely focused on the annual tasks and targets, overcame all kinds of difficulties, deeply explored the internal potentials, coordinated the promotion of pandemic prevention and control as well as production and operation, made great efforts in transforming the method, promoting the development, financing, controlling the costs and preventing the risks, and comprehensively promoted production safety, operation and management, development and innovation, and risk prevention. Thus, various operating indicators of the Company improved in an all-round way. The Company recorded a significant year-on-year increase in the total profit, the net profit, the net profit attributable to the owners of the parent and the production capacity and a distinct decrease in the gearing ratio, and achieved a rapid increase in the operating results of the Company, which created a new phase for the high-quality development of new energy companies.

As at 31 December 2020, the Group's total assets amounted to RMB89,909 million, realised a net profit attributable to the owners of the parent of RMB1,187 million, representing an increase of 26.74%; the gearing ratio of the Group was 69.15%, representing a decrease of 12.73 percentage points as compared with the beginning of the year; with the new on-gird capacity of 2,468.10 MW, the cumulative installed capacity of 12,229.52 MW, representing another high record in its history. The comprehensive curtailment ratio was 3.16%, representing a year-on-year decrease of 2.29 percentage points. The average on-grid tariff (excluding tax) amounted to RMB465.24/MWh, representing a year-on-year increase of RMB3.38/MWh.

(I) Strived to carry forward the solid progress of the high-quality development

1. Carried out approval of the projects by all means

The Company deeply implemented the new development concept and new strategic planning for energy safety, proactively served the national and regional development strategy, made further effort in the development of new energy project, and accelerated the green development. The Company vigorously advanced approval of the projects with the successful approved capacity of 2,025.50 MW for the year, hitting a record high.

2. Strived to carry forward the works of stabilizing the tariff and promoting projects to be put into operation

The Company specially set up a leadership group to maintain stable tariff, strengthened progress supervision and assigned the responsibility to the person in charge according to a table for each project. The Company closely focused on the construction process of the projects, coordinated and solved the difficulties for the project companies in a timely manner, so as to ensure the Company's tariff maintaining projects go on-grid and generate electricity on time with high quality and high standard, and guarantee the revenue from tariff subsidies.

As at 31 December 2020, the capacity of the projects under construction of the Company was 1,269.50 MW, and the cumulative consolidated installed capacity was 12,229.52 MW, representing an increase of 2,468.10 MW or 25.28% over the same period of 2019.

As at 31 December 2020, the consolidated installed capacity of the Company by region was as follows:

		Consolidated installed capacity *(MW)*		
Business	Region	As at 31 December 2020	As at 31 December 2019	Rate of year-on-year change
Total		**12,229.52**	9,761.42	25.28%
Wind power		**11,171.05**	9,533.25	17.18%
	Inner Mongolia	**3,229.05**	3,005.55	7.44%
	Heilongjiang	**700.00**	551.00	27.04%
	Jilin	**648.10**	648.10	0.00%
	Liaoning	**614.20**	493.80	24.38%
	Beijing	**49.50**	–	–
	Gansu	**845.80**	845.80	0.00%
	Ningxia	**646.50**	646.50	0.00%
	Shaanxi	**349.00**	149.00	134.23%
	Shanxi	**725.05**	625.50	15.92%
	Hebei	**247.50**	99.00	150.00%
	Henan	**182.75**	142.75	28.02%
	Anhui	**145.50**	125.50	15.94%
	Guangxi	**297.00**	247.00	20.24%
	Guizhou	**48.00**	48.00	0.00%
	Yunnan	**393.75**	320.25	22.95%
	Chongqing	**232.00**	74.00	213.51%
	Guangdong	**49.50**	49.50	0.00%
	Fujian	**95.50**	95.50	0.00%
	Shandong	**1,010.50**	860.50	17.43%

		Consolidated installed capacity *(MW)*		
		As at	As at	
		31 December	31 December	Rate of year-
Business	Region	2020	2019	on-year change
	Shanghai	204.20	204.20	0.00%
	Jiangsu	410.85	301.80	36.13%
	Hubei	46.80	–	–
Photovoltaic		1,053.47	223.17	372.05%
	Jiangsu	18.47	18.47	0.00%
	Ningxia	204.00	49.00	316.33%
	Qinghai	80.00	80.00	0.00%
	Shanxi	20.00	20.00	0.00%
	Liaoning	7.00	7.00	0.00%
	Inner Mongolia	100.00	–	–
	Guizhou	598.00	48.70	1,127.93%
	Gansu	26.00	–	–
Gas		5.00	5.00	0.00%
	Shanxi	5.00	5.00	0.00%

3. Enhanced the management and control of the high-quality development and investment

The Company reasonably arranged the annual investment plan, implemented the capital needs, accelerated the construction progress of the project, so as to allocate the financial resources to the projects in line with the high-quality development of the Company.

(II) Strengthened the foundation and production safety maintained stability

1. Strengthened production management, and improved the efficiency of power generation

During the 2020, the Company formulated the expert group to conduct special inspection on key works such as the regular checkup of the wind turbines, the potential hazards of the equipment and the protective calibration of each unit in the Company's system, issued equipment health inspection report, urged all enterprises to perform the equipment management responsibilities and make rectification on the problems, so as to effectively improve equipment reliability.

As at 31 December 2020, the utilisation rate of wind turbines of the Company was 99.07%. The overall efficiency enhancement was obvious for wind turbines equipment and the reliability of wind power units maintained leading in the industry.

The average utilisation hours of wind power of the Company during the Year stood at 2,162 hours, representing a year-on-year increase of 97 hours, 65 hours higher than the average utilisation hours of the national wind power of 2,097 hours. As at 31 December 2020, the average utilisation hours of the Company by region were as follows:

		Average utilisation hours *(hour)*		
Business	Region	As at 31 December 2020	As at 31 December 2019	Year-on-year change
Total		**2,139**	2,053	86
Wind power		**2,162**	2,064	97
	Inner Mongolia	**2,499**	2,380	119
	Heilongjiang	**2,454**	2,407	46
	Jilin	**2,230**	2,249	-19
	Liaoning	**2,108**	1,875	233
	Gansu	**1,893**	1,687	206
	Ningxia	**1,530**	1,667	-137
	Shaanxi	**1,642**	1,673	-32
	Shanxi	**1,895**	1,882	13
	Hebei	**2,004**	2,130	-126
	Henan	**2,015**	2,113	-97
	Anhui	**1,399**	1,323	77

Business	Region	Average utilisation hours *(hour)* As at 31 December 2020	As at 31 December 2019	Year-on-year change
	Guangxi	1,956	1,627	328
	Guizhou	2,106	1,399	706
	Yunnan	2,344	2,394	-50
	Chongqing	1,991	1,746	244
	Guangdong	1,781	1,515	266
	Fujian	2,400	2,124	277
	Shandong	1,590	1,630	-40
	Shanghai	2,420	2,094	326
	Jiangsu	2,934	1,864	1,070
Photovoltaic		1,310	1,439	-129
	Jiangsu	894	927	-34
	Ningxia	1,373	1,399	-26
	Qinghai	1,584	1,508	76
	Shanxi	1,605	1,653	-47
	Liaoning	1,732	1,663	70
	Guizhou	982	–	–
	Gansu	1,491	–	–
Gas		5,148	3,358	1,790
	Shanxi	5,148	3,358	1,790

2. Production safety maintained stability

In 2020, the Company had continuously taken the pandemic prevention and control as the top priority for the whole year, corporately promoted the prevention and control of the pandemic as well as production safety, and maintained the normal production order. The Company organised the grassroots enterprises to carry out spring and autumn inspection, flood prevention and the three-year special safety rectification projects in an orderly manner in order to ensure the successful implementation of safety measures, guarantee production safety and safe and stable power supply.

The wind power curtailment ratio decreased to 3.14%, representing a year-on-year decrease of 2.26 percentage points.

As at 31 December 2020, the consolidated power generation of the Company by region was as follows:

		Consolidated power generation *(MWh)*		
Business	Region	As at 31 December 2020	As at 31 December 2019	Rate of year-on-year change
Total		21,176,229	18,435,463	14.87%
Wind power		20,789,484	18,167,639	14.43%
	Inner Mongolia	7,527,674	7,151,039	5.27%
	Heilongjiang	1,386,511	1,210,338	14.56%
	Jilin	1,445,443	1,457,544	-0.83%
	Liaoning	1,120,428	702,188	59.56%
	Beijing	40	–	–
	Gansu	1,601,193	1,426,755	12.23%
	Ningxia	971,385	914,671	6.20%
	Shaanxi	245,234	249,312	-1.64%
	Shanxi	1,096,399	988,128	10.96%
	Hebei	238,949	210,886	13.31%
	Henan	287,797	301,560	-4.56%
	Anhui	182,209	131,952	38.09%
	Guangxi	463,615	255,379	81.54%
	Guizhou	101,068	67,171	50.46%
	Yunnan	874,488	709,180	23.31%
	Chongqing	181,312	87,500	107.21%
	Guangdong	88,142	74,976	17.56%
	Fujian	229,240	202,823	13.02%
	Shandong	1,368,163	1,402,204	-2.43%
	Shanghai	494,147	427,518	15.58%
	Jiangsu	886,048	196,515	350.88%

Management Discussion and Analysis (Continued)

Business	Region	Consolidated power generation *(MWh)* As at 31 December 2020	As at 31 December 2019	Rate of year-on-year change
Photovoltaic		361,005	251,036	43.81%
	Jiangsu	16,506	17,127	-3.63%
	Ningxia	74,642	68,549	8.89%
	Qinghai	126,712	120,666	5.01%
	Shanxi	32,106	33,055	-2.87%
	Liaoning	12,127	11,639	4.20%
	Inner Mongolia	101	–	–
	Guizhou	81,459	–	–
	Gansu	17,352	–	–
Gas		25,740	16,788	53.32%
	Shanxi	25,740	16,788	53.32%

(III) The level of assets management has been further enhanced due to cost reduction and efficiency increase

1. Grasped the favorable situation of capital market to effectively reduce financing cost

In 2020, a series of financial policies to cope with the COVID-19 pandemic and support the real economy were introduced one after another, and the Company strengthened its cooperation with the head offices of various commercial banks and financial institutions, conducted finance costs replacement and debt maturing structure adjustment based on situation to further reduce finance expenses, and replaced high-cost financing of nearly RMB46.6 billion, reducing the average financing cost by 30 basis points on a consolidated basis and saving interest expenses by nearly RMB100 million.

2. Expanded financing channels to ensure the supply of project funds

The Company vigorously promoted bond financing and explored more ways to increase the proportion of direct financing. The Company, issued a total of eight tranches of perpetual medium-term notes and perpetual corporate bonds amounting to RMB12 billion, and seven tranches of ultra short-term financing bonds amounting to RMB10.75 billion throughout the Year, effectively overcame the difficulty in liquidity financing for the projects.

(IV) INTENSIFYING EFFORTS WAS MADE TO ADVANCE AND STRENGTHEN PARTY CONSTRUCTION IN AN ALL-ROUND WAY

Adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, we "stayed true to our founding mission" ("不忘初心，牢記使命"); implemented the responsibility of Party committees at all levels to manage the Party, strengthened the learning and education of Party members and cadres, and improved the ability of Party building at the grass-roots level; we implemented the "people-centered" ("以人民為中心") development ideology, cared for the health of workers, paid attention to their thoughts and ideas, promoted the construction of worker service centers, and improved their sense of achievement, happiness and security; carried forward the spirit of model workers, labor spirit and craftsmanship spirit, passed the sixth "National Civilization Unit" ("全國文明單位") review, and kept the highest honor in the field of spiritual civilization construction.

III. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial figures of the Group together with the accompanying notes included in this announcement and other sections therein.

(I) Overview

The Group's net profit for 2020 amounted to RMB1,552.59 million, representing an increase of RMB408.60 million as compared to RMB1,143.99 million in 2019, of which profit attributable to owners of the parent amounted to RMB1,186.86 million.

(II) Revenue

The Group's revenue increased by 12.58% to RMB 9,372.03 million in 2020 as compared to RMB8,324.78 million in 2019, primarily due to the increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 13.13% to RMB9,334.46 million in 2020 as compared to RMB8,251.39 million in 2019, primarily due to the increase in power generation as a result of the increase in installed capacity and the change of wind resource.

(III) Other income and other gains, net

The Group's net other income and other gains decreased by 17.87% to RMB300.24 million in 2020 as compared to RMB365.55 million in 2019, primarily due to the year-on-year decrease in government grants and the decrease in gains on acquisition of a subsidiary for the current year.

The Group's government grants decreased by 6.88% to RMB311.47 million in 2020 as compared to RMB334.47 million in 2019, primarily due to the decrease in the income from the value-added tax refund.

(IV) Operating expenses

The Group's operating expenses increased by 11.35% to RMB5,750.10 million in 2020 as compared to RMB5,163.82 million in 2019, mainly due to the increase in depreciation and amortisation charges provided within the year and employee benefit expenses and other operating expenses as a result of increase in installed capacity.

The Group's depreciation and amortisation charges increased by 7.66% to RMB3,838.59 million in 2020 as compared to RMB3,565.64 million in 2019, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 9.27% to RMB768.29 million in 2020 as compared to RMB703.13 million in 2019, primarily due to the increase in expensed labour cost as a result of increase in installed capacity.

The Group's other operating expenses increased by 32.36% to RMB773.51 million in 2020 as compared to RMB584.38 million in 2019, primarily due to the increase in the provision for assets impairment.

(V) Operating profit

The Group's operating profit increased by 11.22% to RMB3,922.17 million in 2020 as compared to RMB3,526.51 million in 2019, mainly due to the increase in revenue from sales of electricity.

(VI) Finance expenses, net

The Group's net finance expenses decreased by 2.15% to RMB2,099.62 million in 2020 as compared to RMB2,145.68 million in 2019, primarily due to the decrease in balance of interest-bearing liabilities.

(VII) Share of profits of associates and joint ventures

The Group recorded RMB56.93 million in share of profits of associates and joint ventures in 2020 as compared to the profits of RMB59.05 million in 2019.

(VIII) Income tax expenses

The Group's income tax expenses increased by 10.48% to RMB326.89 million in 2020 as compared to RMB295.88 million in 2019, mainly due to the fluctuation in profit before tax, together with the differentiated commencement and expiration of income tax preferences for certain subsidiaries of the Group located in regions with preferential income tax rates.

(IX) Profit for the Year

The Group's profit for the Year increased by RMB408.60 million to RMB1,552.59 million in 2020 as compared to the profit of RMB1,143.99 million in 2019. For the Year, the Group's profit ratio for the year as a percentage of its total revenue increased to 16.57% as compared with that of 13.74% in 2019.

(X) Profit attributable to owners of the parent

The profit attributable to owners of the parent increased by RMB250.42 million or 26.74%, to RMB1,186.86 million in 2020 as compared to RMB936.44 million in 2019.

(XI) Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group increased by 76.20% to RMB365.73 million in 2020 as compared to RMB207.56 million in 2019.

(XII) Liquidity and capital sources

As at 31 December 2020, the Group's cash and cash equivalents decreased by 13.20% to RMB3,052.72 million as compared to RMB3,517.16 million as at 31 December 2019. The main sources of the Group's operating cash are revenue from the sales of electricity.

As at 31 December 2020, the Group's borrowings decreased by 4.32% to RMB54,326.28 million as compared to RMB56,780.55 million as at 31 December 2019. In particular, RMB14,154.71 million (including RMB8,981.80 million of long-term borrowings due within one year) was short-term borrowings, and RMB40,171.57 million was long-term borrowings. The above borrowings are all denominated in RMB.

As at 31 December 2020, the Group has unutilised banking facilities amounted to approximately RMB4,500.0 million. As at 31 December 2020, the Group has the approved but not issued corporate bonds amounting to RMB2,800.0 million, the approved but not issued renewable corporate bonds amounting to RMB2,000.0 million, the registered but not issued medium-term notes amounting to RMB1,000.0 million and the registered but not issued short-term financing bonds amounting to RMB3,250.0 million. Except for the corporate bonds and short-term financing bonds that are valid until September 2021, the approvals and registrations of other bonds and notes mentioned above are effective and valid for the next 12 months from the end of the reporting period.

(XIII) Capital expenditure

The Group's capital expenditure increased by 75.05% to RMB11,894.88 million in 2020 as compared to RMB6,795.25 million in 2019. Capital expenditure mainly comprises construction costs including acquisition or construction of property, plant and equipment, right-of-use assets (including land use rights) and intangible assets. The significant increase in capital expenditure was mainly due to the increase in the scale of investment and construction of tariff maintaining projects.

(XIV) Net gearing ratio

The Group's net gearing ratio (net debt (total borrowings and related parties' loans less cash and cash equivalents) divided by the sum of net debt and total equity) was 65.10% in 2020, representing a decrease of 14.19 percentage points as compared to 79.29% in 2019.

(XV) Significant investment

In 2020, the Group made no significant investment.

(XVI) Material acquisition and disposal

On 16 January 2020, Datang Renewables (H.K.) Co., Limited accepted the voluntary conditional offer made by CLSA Limited on behalf of China Huaneng Group Co., Ltd.* (中國華能集團有限公司) ("China Huaneng") to acquire all of the issued H Shares in Huaneng Renewables Corporation Limited* (華能新能源股份有限公司) ("Huaneng Renewables") and disposed its 124,000,000 H Shares in Huaneng Renewables to China Huaneng in consideration of the cash offer price at HK$3.17 per H share. As at 31 December 2020, a total consideration of HK$393,080,000 has been received by Huaneng Renewables.

Save as disclosed above, the Group has no other material acquisitions and disposals as at 31 December 2020.

(XVII) Pledge of assets

Some of our bank and other borrowings are secured by property, plant and equipment, concession assets and electricity tariff collection rights. As at 31 December 2020, the carrying value of the pledged assets amounted to RMB12,247.23 million.

(XVIII) Contingent liabilities

As at 31 December 2020, the Group had no material contingent liabilities.

IV. RISK FACTORS AND RISK MANAGEMENT

(I) Policy risk

With the continuous promotion of market-oriented reform of electricity, the new energy enterprises face the risks in relation to the decrease in electricity price and profits due to the continuous expansion of transaction scale and scope of new energy power generation market, grid parity of wind power, the competitive allocation, the requirements of energy storage and the further opening up of auxiliary service market. The Company will monitor and identify of the impact of policy and adopt the effective policy to protect the interest of the Company.

(II) Power curtailment risk

In recent years, the curtailment ratio has continued to decline, however, a mismatch between the increase in social power consumption mismatches the rapid increase in generation capacity of new energy, which might result in the risk related to the failure of full consumption of energy output from the Group's power generating projects operating at full load.

(III) Competition risk

Currently, there is an increasing number of investment entities participating in the domestic new energy development projects, all of which are actively capturing the resources, leading to a more fierce competition. As a result, the Group will continue to adjust its portfolio scientifically, consolidate existing resource reserves, explore a new area of resources and further expand resource reserves. Meanwhile, the Company will enhance efforts in technology and management innovation and will continuously improve its core competitiveness by making use of its existing strengths.

(IV) Climate risk

The wind power generation, being the main power generation assets of the Group, relies on the condition of wind resource, which fluctuates each year and in different regions, thus affecting the power generation volume of the wind turbines. In order to mitigate such risk, the Company owns projects for power generation in 21 provinces and regions in China for balancing the risk as a result of climate factors.

(V) Risks related to interest rate

Interest rate risk may result from fluctuations in bank loan interest rate. Such interest rate changes will have impact on the Company's project cost and finance expenses and will eventually affect our operating results. The Group raises funds by various means and adopts appropriate financing term for decreasing the impact of change of interest rates on profits as far as possible.

(VI) Risk related to the increase in gearing ratio

The businesses of the Group fall into the capital intensive industry. The significant increase in the development of new projects will lead to the significant increase in capital expenditure, resulting in the increase in gearing ratio. The Group will balance its own profit and the structure of various financing, so as to accommodate the needs for the development of new projects.

V. OUTLOOK ON THE FUTURE DEVELOPMENT

Focusing on the visionary goals of widely forming a green production and lifestyle, and steadily reducing carbon emissions after reaching the peak, the Fifth Plenary Session of the 19th CPC Central Committee puts forward new requirements for promotion of energy revolution, acceleration of the growth of new energy industries, building of smart energy systems, enhancement of the capacity of new energy consumption and storage, and promotion of clean, low-carbon, safe and efficient use of energy.

China Electricity Council's data shows that in recent years, China's installed capacity of wind power and solar power has maintained a rapid growth. From 2014 to 2020, the aggregate increase in installed capacity of wind power and solar power nationwide amounted to 33,000 MW, 48,000 MW, 54,000 MW, 68,000 MW, 65,000 MW, 56,000 MW and 119,870 MW, respectively. By the end of 2020, the national installed capacity of wind power reached 281,000 MW, and that of solar power reached 253,000 MW, totaling 534,000 MW for the two aforesaid. During the "14th Five-Year Plan" period, the renewable energy industry dominated by wind power and photovoltaic power will continue to maintain a rapid growth momentum, and new energy will have a broad development space.

In 2020, in response to the severe attack of COVID-19, the Chinese government adopted the firm and powerful prevention and control measures to rapidly control the pandemic and introduced a series of policy and actions to help the market entities with the work and production resumption. China took the lead in resuming the positive growth of economy among the global main economic entities. The Company strictly implemented various anti-pandemic measures of Chinese government, so that there was no material adverse impact of the pandemic on the production and operation of the Company and the sound results were harvested in the operation and development. The Company's installed capacity and operating results continued to grow. In 2021, China's economy is expected to maintain an increasing trend and the energy consumption will continue to rise. The vigorous development of wind power, photovoltaic power, hydroelectrical power and other clean energy is the main direction to achieve the green development. The Company will embrace the broad development opportunities. The Company will constantly stay close to the trend of the domestic and overseas development of COVID-19, coordinate the COVID-19 prevention and control and the works of operation and development, strictly implement the normalization of COVID-19 prevention and control measures, so as to ensure various risks are controllable and under control, and the Company will assess its impact on the financial condition and operating results of the Company in due course.

MAJOR WORKS IN 2021

1. To implement production safety responsibilities at all levels to ensure safety, stability and harmony

We will continue to promote the construction of the Company as an inherently safe enterprise. We will carry through the concept of safety development to the whole process in all fields of development, to ensure safety in all aspects such as production, internet information and public opinion. We will organize our affiliated enterprises to do a good job in spring and autumn inspection, safety month, fire prevention and flood control, three-year special rectification, outsourced construction management and other special work to ensure a stable situation of production safety.

2. To strengthen the production and operation and increase the generation of profitable power

Firstly, we will spare no efforts to fight for increase in power generation and maximizing the efficiency of power generation. We will persevere in capturing every single kilowatt, every single kWh, securing a base amount, grasping market transactions, making every effort to fight for amount in an efficient manner, ensuring that our market share is not lower than our proportion in the regional installed capacity, and ensuring that the utilization hours of our equipment are comparable with advanced enterprises. We will grasp the rhythm of the market, and give full play to the combination of various favorable factors, to maximize the profitability.

Secondly, we will conduct the management of key problems on our equipment, and continue to improve the reliability of the equipment. We will increase our monitoring over the wind turbine equipment, check the running of the equipment in multi-angles and identify problems. In addition, we will make investment in technological transformation projects in an earnest manner, to ensure that science and technology funds are effectively used in equipment management, ensuring that results will be achieved in equipment efficiency improvement and transformation.

3. To actively optimize development model and accelerate integration into the new development pattern

Firstly, we will promote scale-oriented development and actively reduce network source costs. We will fully participate in the allocation of competitive resources in various regions, take the initiative to liaise with different regions and cities, and closely follow government development plans. We will speed up the layout for and development and construction of large-scale new energy bases with an integration of wind power, photovoltaic power and energy storage, concentrate on the development of project resources in areas with clean energy advantages, and accelerate the integration into the new development pattern for optimization of the national energy supply and demand structure, promoting high-quality development of the Company.

Secondly, we will adhere to the development of science and technology, and strive to grasp the dominant power of development. We will grasp the trend of continuous technological iteration and upgrading, improve the content of science and technology. We will explore and improve the new energy production, supply, storage and marketing system, enhance the new energy consumption and storage capacity, to seize the first opportunity for energy transformation and change.

4. To Implement multiple measures to reduce the cost and release the benefits of the Company's existing assets

Firstly, we will establish a comprehensive cost management consciousness and strengthen process management and control. We will focus on the annual profit target, adhere to the concept of "large cost" (大成本), pay close attention to the project's early-stage cost, overhaul and technical modification cost, labor cost, financial cost, etc., strengthen the overall process of all-round management and control, move down the cost line and create low-cost advantage. Moreover, we will insist on the real-time budget tracking, early warning and regular analysis mechanism, so as to effectively improve the profitability of each project company.

Secondly, we will deepen the lean management of funds and effectively improve the ability to allocate financial resources. We will make every effort to ensure the supply of funds and reduce financing costs. Further, we will actively expand financing channels, enrich financing varieties, research and carry out long-term equity financing, Assets-Backed Security (ABS), Assets-Backed Notes (ABN), insurance debt financing, domestic guaranteed foreign loans financing and other businesses with financial institutions, so as to achieve both economic and social benefits for enterprises. What's more, we will seize the current opportunity of favorable financing and the urge enterprises with heavy short-term debt repayment pressure and high long-term financing costs to adjust their debt structure.

5. To strengthen corporate governance in accordance with the law, and actively prevent and resolve major risks

Firstly, we will continue to strengthen compliance management. We will firmly establish the awareness of rules and continuously improve the compliance management system; well perform investor relations management, further improve the quality of information disclosure, and facilitate the healthy development of the Company in the capital market.

Secondly, we will continue to strengthen the supervision of internal audit. We will give full play to the internal audit as an "immune system", strengthen the audit of the Company's affiliates, promote compliance operation, and prevent significant risks.

Thirdly, we will continue to strengthen corporate governance according to law, and continuously improve risk prevention and control capacity.

6. To strengthen work style construction and capacity building to forge a team of high-quality talents

We will cultivate a strong work style, develop versatile talents with firm belief, diligence and pragmatism, and excellent business capability, enhance execution capability and team awareness, strengthen professional training, and improve professional capabilities. We will pay attention to humanistic care, unblock growth channels for the talent team, and form a strong joint force for hard work and entrepreneurship.

Major Events in 2020

In February 2020, the Company held the 2020 working conference to present an overall summary of the work done in 2019, analysed the current situation and set work arrangement for 2020.

In May 2020, the Company's extraordinary general meeting was held, at which, Mr. Kou Wei was appointed as a non-executive Director of the Company. On the same day, the Company's Board meeting was held, at which, Mr. Kou Wei was elected as the Chairman of the Board.

In June 2020, the Company's 2019 annual general meeting was held, at which a total of 8 resolutions were considered and approved, including the working report of the Board, the working report of the Supervisory Committee, the financial budget report, the final financial report and the investment plan.

In August 2020, the Company held the 2020 interim working meeting.

In September 2020, the consolidated installed capacity of the Company exceeded 10 million kilowatts, hitting a record high in the installed capacity of the Company.

In December 2020, the Company's extraordinary general meeting was held, at which a total of three resolutions, including the Financial Services Agreement, were considered and approved.

In 2020, the Company takes advantage of its clean energy business characteristics and rich platform resources to focus on social welfare, poverty alleviation and other fields, actively participating in public welfare activities. During the 2020, the Group invested a total of RMB4.88 million in social welfare and invested a total of RMB14.23 million in precise poverty alleviation.

In 2020, in combating coronavirus disease (COVID-19), the Company offered employee protection, provided social assistance and promoted work resumption to ensure supply, so as to create a good social atmosphere of mutual assistance and promote the harmonious development between society and enterprises.

Report of the Board of Directors

I. PRINCIPAL OPERATIONS

The Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; development, sale, testing and maintenance of renewable energy-related equipment; power generation; engineering, construction and installation, repair and maintenance of domestic and overseas power projects; import and export of renewable energy equipment and technologies; foreign investment; as well as renewable energy-related consulting services, etc.

Details of the Company's subsidiaries and associates and joint ventures are set out in Notes 32 and 16 to the financial statements respectively.

II. RESULTS

The audited annual results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 162 to 163 of this Annual Report. The financial position of the Group as at 31 December 2020 is set out in the consolidated statement of financial position on pages 164 to 165 of this Annual Report. The cash flows of the Group for the Year are set out in the consolidated statement of cash flows on pages 168 to 170 of this Annual Report.

The description of relationship between the Group and employees is set out in Human Resources on pages 154 to 155 of this Annual Report. The aforementioned sections form part of the Report of the Board of Directors.

III. BUSINESS REVIEW

In 2020, the Group conscientiously implemented the Electricity Law of the People's Republic of China (《中華人民共和國電力法》), the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》) and strictly complied with the relevant laws and regulations. In 2020, in the face of the sudden impact of the pandemic and the severe and complex situation at home and abroad, the Group resolutely implemented the decision and deployment of the Party Central Committee on coordinating pandemic prevention and control and high-quality economic development, taking into account the overall situation, made great efforts with due diligence and achieved outstanding results. The Group has a strong momentum of development with its total installed capacity of more than 10 million kilowatts, and its scale of assets and total profits have steadily enhanced, and the gearing ratio has continued to decrease. It has successfully completed various tasks and targets for the Year.

A discussion and analysis of the Group's business review, performance, key factors of its results and financial performance, the risk factors and risk management and the prospect for future development during the Year are set out in the Management Discussion and Analysis on pages 12 to 32 of this annual report.

BUSINESS REVIEW

A fair review of the businesses of the Group during the Year, a discussion on the Group's business outlook and a description of the principal risks and uncertainties facing the Group are provided in the Chairman's Statement and the Management Discussion and Analysis sections of this Annual Report. Particulars of important events affecting the Group that have occurred since the end of the Year are included in the abovementioned sections and Note 37 to the financial statements. In addition, the financial risk management objectives and policies of the Group are set out in Note 31 to the financial statements.

An analysis of the Group's performance during the Year using financial key performance indicators is provided in the Financial Highlights and Financial Review sections of this Annual Report. Discussions on the Group's environmental policies, including compliance with the relevant laws and regulations that have a significant impact on the Group, and relationships with its key stakeholders are included in the Environmental, Social and Governance Report contained in this Annual Report.

All references herein to other sections or reports in this Annual Report form part of this report.

IV. SOCIAL RESPONSIBILITY

In 2020, the Group recorded annual electricity generation of 21,176,229 MWh, leading to an annual saving of 6.51 million tons of standard coal and reduction in carbon dioxide emissions of 17.81 million tons, which demonstrated that we have well performed our corporate mission and social responsibilities of energy conservation and emission reduction. During the course of production of green energy, the Group has made an effort to build a Clean Development Mechanism, to promote the ecology environment protection. For more details, please refer to the sections headed Management Discussion and Analysis, Human Resources and Environmental, Social and Governance Report.

V. PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group as at 31 December 2020 are set out in Note 13 to the financial statements.

VI. SHARE CAPITAL

As at 31 December 2020, the total share capital of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each. Details of the changes in share capital of the Company during the Year are set out in Note 26 to the financial statements.

VII. PRE-EMPTIVE RIGHTS

As at 31 December 2020, there are no provisions for pre-emptive rights under the Articles of Association or the PRC laws, which require the Company to offer new shares to existing shareholders in proportion to their shareholdings.

VIII. ISSUE OF DEBENTURES

With a view to raise funds to carry on and further improve the liquidity of the Group, the Group has issued notes and bonds as follows during the Year:

i. On 16 January 2020, the Company completed the public issue of its renewable corporate bonds (first tranche) of 2020 (the "First Tranche of Corporate Bonds"). The final issue size of the First Tranche of Corporate Bonds is RMB2 billion, with a basic term of 3 years. The par value is RMB100 and the issuing interest rate is 3.88%. The interest starts to accrue since 16 January 2020.

   For details, please refer to the Company's announcement dated 17 January 2020.

ii. On 27 February 2020, the Company completed the public issue of its renewable corporate bonds (second tranche) of 2020 (the "Second Tranche of Corporate Bonds"). The final issue size of the Second Tranche of Corporate Bonds is RMB2 billion, with a basic term of 3 years. The par value is RMB100 and the issuing interest rate is 3.58%. The interest starts to accrue since 27 February 2020.

   For details, please refer to the Company's announcement dated 28 February 2020.

iii. The Company issued the First Tranche of 2020 Mid-term Note (the "Mid-term Note") from 23 June 2020 to 24 June 2020. The total issue amount of the Mid-term Note is RMB2 billion, with a basic term of 3 years. The par value is RMB100 and the issuing interest rate is 3.9%. The interest starts to accrue since 29 June 2020. The Mid-term Note have been issued publicly in the national inter-bank bond market through a book-building and centralised placing process.

   For details, please refer to the Company's announcement dated 29 June 2020.

iv. On 20 July 2020, the Company completed the public issue of its renewable corporate bonds (third tranche) of 2020 (the "Third Tranche of Corporate Bonds"). The final issue size of the Third Tranche of Corporate Bonds is RMB2 billion, with a basic term of 3 years. The par value is RMB100 and the issuing interest rate is 4.15%. The interest starts to accrue since 21 July 2020.

   For details, please refer to the Company's announcement dated 22 July 2020.

v. On 20 August 2020, the Company completed the public issue of its renewable corporate bonds (fourth tranche) of 2020 (the "Fourth Tranche of Corporate Bonds"). The final issue size of the Fourth Tranche of Corporate Bonds is RMB1 billion, with a basic term of 3 years. The par value is RMB100 and the issuing interest rate is 4.00%. The interest starts to accrue since 21 August 2020.

   For details, please refer to the Company's announcement dated 24 August 2020.

vi. On 8 September 2020, the Company completed the public issue of its renewable corporate bonds (fifth tranche) of 2020 (the "Fifth Tranche of Corporate Bonds"). The final issue size of the Fifth Tranche of Corporate Bonds is RMB1 billion, with a basic term of 3 years. The par value is RMB100 and the issuing interest rate is 4.45%. The interest starts to accrue since 9 September 2020.

   For details, please refer to the Company's announcement dated 10 September 2020.

vii. On 21 September 2020, the Company completed the public issuance of its renewable corporate bonds (sixth tranche) of 2020 (the "Sixth Tranche of Corporate Bonds"). The final issue size of the Sixth Tranche of Corporate Bonds is RMB1 billion, with a basic term of 1 year. The par value is RMB100 and the issuing interest rate is 3.73%. The interest starts to accrue since 22 September 2020.

   For details, please refer to the Company's announcement dated 23 September 2020.

viii. On 15 October 2020, the Company completed the public issuance of its renewable corporate bonds (seventh tranche) of 2020 (the "Seventh Tranche of Corporate Bonds"). The final issue size of the Seventh Tranche of Corporate Bonds is RMB1 billion, with a basic term of 1 year. The par value is RMB100 and the issuing interest rate is 3.69%. The interest starts to accrue since 16 October 2020.

   For details, please refer to the Company's announcement dated 19 October 2020.

ix. On 15 April 2020, 10 June 2020, 21 July 2020, 8 September 2020, 29 October 2020, 2 November 2020 and 12 November 2020, the Company issued seven tranches of short-term bonds with a par value of RMB100. The first four issued short-term bonds amounted to RMB2,000.0 million each, the fifth and sixth issued short-term bonds amounted to RMB1,000.0 million each, and the seventh issued short-term bonds amounted to RMB750.0 million. The issuance cost was RMB2.52 million in total. The bond had an annual book interest rate and an annual effective interest rate from 1.10% to 2.45%. The first four issued short-term bonds have already matured and settled in October 2020, July 2020, September 2020 and November 2020, respectively, and the fifth, sixth and seventh issued short-term bonds have already matured and settled in January 2021 and February 2021, respectively.

Further details of the above-mentioned issuances are set out in the "Management Discussion and Analysis" section of this Annual Report.

IX. RESERVES

Changes in reserves of the Group and of the Company during the Year are set out in Notes 28 and 38 to the financial statements.

X. DISTRIBUTABLE RESERVES

Pursuant to the Articles of Association, where there are differences between Accounting Standards for Business Enterprises of the PRC ("CAS") and International Financial Reporting Standards ("IFRSs"), the distributable reserves shall be the lesser of the amounts shown in the two different financial statements. As at 31 December 2020, the distributable reserves of the Company were approximately RMB1,339.74 million according to the Company's financial statements prepared in accordance with CAS (31 December 2019: RMB1,023.46 million).

XI. DISTRIBUTION PLAN AND POLICY FOR FINAL DIVIDEND

Final Dividend

The Board has proposed to distribute 2020 final dividend to the domestic and H shareholders (the Shareholders) whose names appear on the register of members of the Company on the record date specified in the notice of 2020 annual general meeting to be published by the Company in due course, with a cash dividend of RMB0.03 (tax inclusive) per share (2019: RMB0.03). The 2020 final dividend to be distributed will be denominated and announced in RMB, of which domestic shareholders will be paid in RMB and H shareholders will be paid in HK dollars. The exchange rate of HK dollars will be calculated in accordance with the average of the median price published by the People's Bank of China ("PBOC") of the five business days before the day the dividend distribution announcement is made. Such a final dividend is expected to be distributed before 27 August 2021. The above profit distribution plan is subject to approval at the 2020 annual general meeting of the Company.

There is no arrangement that a shareholder has waived or agreed to waive any dividend.

Withholding and Payment of Final Dividend Income Tax on behalf of Overseas Shareholders

Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-Resident Enterprise Shareholders

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) and its implementing rules and the requirements under the Notice on the Issues Concerning Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) issued by the State Administration of Taxation (國家税務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)), the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes the final dividend to overseas non-resident enterprise holders of H Shares (including any H Shares of the Company registered in the name of Hong Kong Securities Clearing Company Nominees Limited, but excluding any H Shares of the Company registered in the name of Hong Kong Securities Clearing Company Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee shareholder on behalf of investors who invest in the H Shares of the Company through Shanghai-Hong Kong Stock Connect).

Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholder

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and its implementing rules, the Tax Notice (《税收通知》), the Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[2011]348號)) and other relevant laws, regulations and requirements under normative documents, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H shareholder:

- For individual H shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the final dividend;

- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the final dividend. If relevant individual H shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax preferential treatments under relevant tax treaties according to the Tax Notice. Qualified Shareholders please submit in time a letter of entrustment and all application materials as required under the Tax Notice to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited. The Company will then submit the above documents to the competent tax authorities and, after their examination and if and when approved, the Company will assist in refunding the excess amount of tax withheld and paid;

- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H shareholders in the distribution of the final dividend; and

- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H shareholders in the distribution of the final dividend.

The Company will withhold payment of the enterprise income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and based on the Company's register of members of H Shares on the record date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding of enterprise income tax. The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

Dividend Policy

We may distribute dividends by cash, stocks or a combination of both. Dividends or other payments payable by the Company to holders of its domestic-invested shares shall be denominated and declared in RMB and paid in RMB within three months from the date of declaration of dividends; Dividends or other payments payable by the Company to holders of foreign-invested shares shall be denominated and declared in RMB and paid in RMB within three months from the date of declaration of dividends. The exchange rate adopted for conversion shall be the average closing exchange rate of relevant foreign currency against RMB as quoted by the PBOC for the five business days prior to the declaration date. The foreign currency payable by the Company to holders of foreign-invested shares shall be subject to the relevant regulations on foreign exchange control in the PRC. The Board shall be authorised by way of an ordinary resolution at the general meeting to implement dividend distribution of the Company.

Any proposed distribution of dividends shall be formulated by our Board and will be subject to the shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including our results of operations, cash flow, financial condition, payments by our subsidiaries of cash dividends to us, future prospects and other factors that our Directors may consider important.

According to the PRC laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory surplus reserve equivalent to 10% of our after-tax profit, as determined under PRC GAAP; and
- allocations, if any, to a discretionary reserve fund that are approved by the shareholders in a shareholders' meeting.

The minimum allocations to the statutory funds are 10% of our profit after tax, as determined under the Company Law. When the statutory common reserve fund reaches and is maintained at or above 50% of our registered capital, no further allocations to this statutory fund will be required.

There is no assurance that we will be able to declare dividends of such amount or any amount each year or in any year. In addition, the declaration and/or payment of dividends may be limited by legal restrictions and/or by financing agreements that we may enter into in the future.

XII. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

XIII. ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or Supervisors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

XIV. MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the amount of purchase from the five largest suppliers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 27.90% of that of the Company's total purchase for the Year, in which, the purchase from the largest supplier in aggregate accounted for not more than 12.60% of the total purchase for the Year.

During the Year, the amount of sales to the five largest customers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 47.01% of the Company's total sales for the Year, in which, the amount of sales to the largest customer in aggregate accounted for not more than 20.83% of the total revenue of the Company for the Year. All of the five largest customers of the Company are subsidiaries of the State Grid Corporation of China.

To the best of the Directors' knowledge, none of the Directors, their close associates or shareholders of the Company (to the best of the Directors' knowledge, who holds more than 5% of the Company's issued capital) have any interest in the five largest suppliers or customers of the Company during the Year.

The Group maintained stable development relationship with each of the suppliers and customers by keep communication with them via regular or irregular visits, telephone, email or other correspondence methods. The operation of the Group has not relied on any individual suppliers. All customers of the Group were the provincial grid companies where the companies under the Group operated in, and those grid companies were owned or controlled, directly or indirectly, by the government of the PRC, and would not have significant affect on the Group.

XV. BANK LOANS AND OTHER BORROWINGS

The details of bank loans and other borrowings of the Group as at 31 December 2020 are set out in Note 25 to the financial statements.

XVI. DONATION

During the Year, the Company had RMB4.88 million of social welfare funds.

XVII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following table sets forth certain data concerning the Directors, supervisors and senior management of the Company during the Year and up to the date of this report.

Name	Position in the Company	Date of appointment
Directors		
Chen Feihu	Former chairman of the Board and Non-executive Director	18 April 2017 (resigned on 11 May 2020)
Kou Wei	Chairman of the Board and Non-executive Director	11 May 2020
Hu Shengmu	Non-executive Director	1 March 2019
Liu Guangming	Executive Director	1 March 2019
Liu Baojun	Non-executive Director	30 June 2016
Meng Lingbin	Executive Director	26 June 2018
Li Yi	Non-executive Director	12 November 2019
Liu Chaoan	Independent non-executive Director	1 July 2010
Lo Mun Lam, Raymond	Independent non-executive Director	20 August 2013
Yu Shunkun	Independent non-executive Director	27 March 2015
Supervisors		
Liu Quancheng	Chairman of the Supervisory Committee	9 May 2019
Ding Yu	Supervisor	27 June 2017
Bai Xuemei	Employee Representative Supervisor	11 October 2019
Senior Management		
Liu Guangming	General manager	1 March 2019
Mi Keyan	Vice general manager	25 July 2019
Meng Lingbin	Vice general manager	1 July 2010
Zhao Zonglin	Former vice general manager	9 December 2016 (resigned on 29 June 2020)
Sun Yanwen	Former chief accountant	25 July 2019 (resigned on 31 March 2020)
Wang Haiyan	Chief accountant	31 March 2020
Pan Xiaokai	Vice general manager	25 August 2020
Cui Jian	Former joint company secretary	26 March 2018 (resigned on 9 March 2021)
Jia Hong	Joint company secretary	9 March 2021

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that each of the independent non-executive Directors is independent from the Company.

XVIII. CHANGE OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, according to the requirement of Rule 13.51B(1) of the Listing Rules, the changes in information of Directors and Supervisors of the Company are set out as follows:

- Mr. Chen Feihu has resigned as a non-executive Director and the Chairman of the Board of the Company due to work arrangement with effect from 11 May 2020, the date of the approval of the appointment of Mr. Kou Wei as a non-executive Director of the Company by the Shareholders at the first extraordinary general meeting.

- Mr. Kou Wei was appointed as a non-executive Director and Chairman of the Board of the Company on 11 May 2020.

For details, please refer to the Company's announcement dated 11 May 2020.

XIX. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, Supervisors and senior management are set out on pages 145 to 153 of this Annual Report.

XX. SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with each of the Directors for a term of three years commencing from the date of appointment and are subject to termination in accordance with their respective terms.

Each of the Supervisors has entered into a contract with the Company in respect of provisions on compliance with relevant laws and regulations, and observations of the Articles of Association and arbitration.

None of the Directors or Supervisors has entered into a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

XXI. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors, Supervisors and senior management are set out in Notes 12 and 29 to the financial statements.

XXII. INTERESTS OF DIRECTORS AND SUPERVISORS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Save as the connected transactions and continuing connected transactions disclosed in the section headed "REPORT OF THE BOARD OF DIRECTORS XXIX – CONNECTED TRANSACTION" in this report, during the Year, no other Directors, Supervisors or their associated entities were interested, directly or indirectly, in any transaction, arrangement or contract of significance, to which the Company or any of its subsidiaries was a party, with which the Company's business is connected and which still subsisted during the Year or at the end of the Year.

XXIII. PERMITTED INDEMNITY PROVISIONS

The Company has not arranged appropriate insurance cover for Directors' and senior management's liabilities in respect of possible legal actions against its Directors and senior management arising out of corporate activities during the Year and up to the date of the publication of this Annual Report.

XXIV. SIGNIFICANT SUBSEQUENT EVENT

Details of the significant subsequent event of the Group are set out in Note 37 to the financial statements.

XXV. INTEREST OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the Year and up to the date of this Annual Report, save as disclosed below, none of the Directors or Supervisors or their close associates had any competing interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Company.

XXVI. INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2020, none of the Directors and senior management of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were 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 Companies ("Model Code") stated in Appendix 10 of the Listing Rules.

XXVII. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2020, to the best of the Directors' knowledge after having made all reasonable enquiries, the following persons (other than the Directors, senior management or Supervisors of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept pursuant to Section 336 of the SFO and would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of shareholders	Class of shares	Capacity	No. of shares/ underlying shares held	Percentage of the relevant class of share capital	Percentage of the total share capital
Datang Corporation *(Note 1)*	Domestic shares	Beneficial owner and interest of a controlled corporation	4,772,629,900 (Long position)	100%	65.61%
Datang Jilin *(Note 1)*	Domestic shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%
Baoshan Iron & Steel Co., Ltd. *(Note 2)*	H shares	Interest of a controlled corporation	164,648,000 (Long position)	6.58%	2.26%
Bao-Trans Enterprises Limited *(Note 2)*	H shares	Beneficial owner	164,648,000 (Long position)	6.58%	2.26%

Notes:

1. Datang Corporation directly holds 4,173,255,395 domestic shares. As Datang Jilin is a wholly-owned subsidiary of Datang Corporation, Datang Corporation is deemed to hold the 599,374,505 domestic shares held by Datang Jilin, thus, Datang Corporation, directly and indirectly, holds 4,772,629,900 domestic shares in total.

2. Baoshan Iron & Steel Co., Ltd. indirectly holds 164,648,000 H shares through its wholly-owned subsidiary, Bao-Trans Enterprises Limited.

Save as disclosed above, to the best knowledge of the Directors and Supervisors, as of 31 December 2020, no person (other than the Directors, Supervisors and senior management of the Company) had any interest or short position in the shares and underlying shares of the Company which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO.

XXVIII. MANAGEMENT CONTRACTS

During the Year, the Company did not enter into any contract in respect of the management or administration of the entire or any significant part of the business of the Company nor any such contract subsisted.

XXIX. CONNECTED TRANSACTIONS

Details of the connected transactions of the Group during 2020 are as follows:

(I) Non-exempt One-off Connected Transaction

Equity Transfer Agreement

On 18 August 2020, Datang Renewables (H.K.) Co., Limited ("Datang Renewables HK"), a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Datang Corporation, pursuant to which Datang Renewables HK agreed to sell and Datang Corporation agreed to acquire 15% equity interest in China Datang Corporation Hong Kong Co., Limited ("Datang Corporation Hong Kong Company") at a consideration of RMB9.38 million. Immediately after the completion of the Equity Transfer Agreement, Datang Renewables HK will not hold any equity interest in Datang Corporation Hong Kong Company.

As Datang Corporation Hong Kong Company will mainly be responsible for handling relevant affairs of Datang Corporation in Hong Kong in future, comprehensively considering the adjustment to function positioning of Datang Corporation Hong Kong Company as well as the business synergy between the Company and Datang Renewables HK in the long run, Datang Renewables HK proposes to dispose its 15% equity interest in Datang Corporation Hong Kong Company, so as to further improve the resources allocation efficiency. The proceeds from the transfer of such equity interest will be used as additional working capital of Datang Renewables HK. Such equity transfer will not have adverse impact on the business development of the Company and Datang Renewables HK. The terms of the Equity Transfer Agreement are entered into on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Datang Renewables HK is a wholly-owned subsidiary of the Company. As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company.

For details of the Equity Transfer Agreement and the transaction contemplated thereunder, please refer to the Company's announcement dated 18 August 2020.

(II) Non-exempt Continuing Connected Transactions

The Group has entered into certain non-exempt continuing connected transactions during the Year.

In terms of the non-exempt continuing connected transactions of categories 1 and 2 as stated below, the annual cap for 2019 to 2021 was approved at the 2018 first extraordinary general meeting of the Company held on 10 October 2018. In terms of the non-exempt continuing connected transactions of category 3 as stated below, the annual cap for 2019 to 2021 was approved at the 2019 second extraordinary general meeting held on 12 November 2019. In terms of the non-exempt continuing connected transactions of category 4 as stated below, their respective annual caps for 2018 to 2020 were approved at the 2016 annual general meeting held on 27 June 2017 and the 2018 first extraordinary general meeting held on 10 October 2018. In terms of the non-exempt continuing connected transactions of categories 5 and 6 as stated below, their respective annual caps for 2018 to 2020 were approved at the 2017 second extraordinary general meeting held on 22 November 2017.

The table below listed the annual cap and the actual transaction amount of such continuing connected transactions for 2020:

	Connected Transaction	Connected Person	Annual Cap for 2020	Actual Transaction Amount for 2020
1.	Provision of products and services by the Group	Datang Corporation	RMB60 million	RMB3 million
2.	Provision of products and services to the Group	Datang Corporation	RMB3,600 million	RMB2,943 million
3.	Provision of factoring business support to the Group	Datang Factoring Company	RMB2,000 million	RMB526 million
4.	Provision of financial services to the Group – Cash depository service	Datang Finance	Daily maximum deposit balance: RMB6,000 million	Daily maximum deposit balance: RMB4,291 million
5.	Provision of financial services to the Group – Financial leasing service	Datang Financial Leasing	Annual cap of financial leasing equipment: RMB3,000 million	The total amount of financial leasing equipment: RMB2,011 million
			Annual cap of financial leasing rents: RMB150 million	The total amount of financial leasing rents: RMB140 million
6.	Provision of financial services to the Group – Financial leasing service	Shanghai Leasing Company	Annual cap of financial leasing equipment: RMB3,000 million	The total amount of financial leasing equipment: RMB1,422 million
			Annual cap of financial leasing rents: RMB150 million	The total amount of financial leasing rents: RMB108 million

1. Provision of products and services by the Group

As the framework agreement on mutual supply of raw materials, products and services entered into between the Group and Datang Corporation on 12 October 2015 has expired on 31 December 2018, the Company renewed the Datang framework agreement on 23 August 2018 (the "Datang Framework Agreement") in relation to provision of agreed products and services to Datang Corporation by the Group for a term of three years from 1 January 2019. Pursuant to the agreement, the Group provides, among others, spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and Clean Development Mechanism ("CDM") – related services to Datang Corporation.

Principal terms of the agreement are set out as follows:

- the goods to be mutually supplied by each party include: spare parts, accessories, equipment, water, power, gas, heat, raw materials, fuels and minerals, etc.;
- the services to be mutually supplied by each party include: design consulting services, maintenance services, technical consulting services, construction services, operation management services, CDM consulting services, bidding agency services, logistics services, communication services, property services and other related or similar services;
- if the terms and conditions of similar products and services offered by an independent third party are no better than those offered by one party, the other party shall give priority in sourcing the requisite products and services from such party of the agreement;
- relevant subsidiaries or associated companies of both parties will enter into individual contracts which shall set out the specific scope of services and/or products, terms and conditions of providing such services and/or products according to the principles laid down by the Datang Framework Agreement;
- the pricing of the agreed products will be determined based on the following mechanism: (1) government authorities (such as the National Development and Reform Commission) may from time to time publish prescribed prices or guidance prices on the agreed products, where such prescribed price or guidance price is available, such price will be adopted for the agreed products; (2) where a government-prescribed price or guidance

price is not available, a market price as determined through a bidding process will be adopted. The bidding process will adhere to the relevant laws and regulations including the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》); and (3) where a bidding process is impractical, the price will be determined through arm's length negotiation process between the relevant parties, in such case, the Company would make reference to the historical prices and price trends of the relevant products and ensure that such price would be fair and reasonable to the Company based on the principle of cost plus a reasonable profit. A profit is considered to be reasonable if it would fall within the budget of the Company and allow the Company to meet its profit targets;

- the agreement is for a term of three years commencing on 1 January 2019 and ending on 31 December 2021. Either party may terminate the agreement upon giving the other party an at least three-month prior written notice.

The transactions under the Datang Framework Agreement will be conducted in the ordinary and usual course of business of the Company on normal commercial terms. These transactions are agreed on an arm's length basis with terms that are fair and reasonable to the Company. As there is a long-term cooperation relationship between the Group and Datang Corporation, it is beneficial to the Company to continue to enter into the transactions under the Datang Framework Agreement as these transactions have facilitated and will continue to facilitate the operation and development of the Group's business and the provision of the agreed products and services to Datang Corporation will generate additional business and sources of revenue to the Group; on the other hand, Datang Corporation is a leading supplier of various agreed products and services and familiar with the Company's requirement on the agreed products and services, and will continue to be able to respond quickly and in a cost efficient manner to any new requirement that the Company may have. As provided in the Datang Framework Agreement, (1) the pricing of the agreed products and services should follow the governmental pricing or the market rate based on arm's length negotiation; and (2) the Company is free to procure or provide the agreed products and services from a third party if such party offers better terms, therefore the Company can ensure that any procurement or provision will be conducted on normal commercial terms or no less favourable than those available to the Company from independent third parties. Given the reasons above, the transactions under the Datang Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company.

During the reporting period, the annual cap of this continuing connected transaction for 2020 was RMB60 million and the actual transaction amount was RMB3 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 24 August 2018 and 20 September 2018, respectively.

2. Provision of products and services to the Group

As the Framework Agreement on mutual supply of raw materials, products and services entered into between the Group and Datang Corporation on 12 October 2015 has expired on 31 December 2018, the Company renewed the Datang Framework Agreement with Datang Corporation on 23 August 2018 in relation to provision of agreed products and services to the Group by Datang Corporation for a term of three years commencing on 1 January 2019. Pursuant to the agreement, Datang Corporation should provide spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and CDM-related services to the Group.

Please refer to item 1 of relevant disclosure of non-exempt continuing connected transaction above for principal terms and conditions of the agreement and reasons and benefits of entering into the transactions.

During the Year, the annual cap of this continuing connected transaction for 2020 was RMB3,600 million and the actual transaction amount was RMB2,943 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 24 August 2018 and 20 September 2018, respectively.

3. Provision of factoring business support by Datang Factoring Company to the Group

On 20 September 2019, the Company and Datang Factoring Company entered into the Factoring Business Cooperation Agreement for the provision of factoring business support by Datang Factoring Company to the Group, mainly including the factoring business on account receivables with a term commencing from 20 September 2019 to 31 December 2021. Pursuant to the agreement, Datang Factoring Company provides factoring business support, various economic consulting services including the design of account receivables factoring products and the transaction arrangements and relevant services including the design and offer of customised factoring business proposals to the Group.

Principal terms of the agreement are set out as follows:

- Datang Factoring Company shall provide factoring business support (mainly including the factoring business on account receivables) to the Group in respect of the tariff premium for key programs invested and constructed by the Group with no more than RMB2,000 million (including factoring handling fees and factoring facilities interest) for each calender year.

- Leveraging on its professional advantage in the financial business, Datang Factoring Company shall provide the Group with various economic consulting services including the design of account receivables factoring products and the transaction arrangements.

- Datang Factoring Company shall, in accordance with the requirements of the Group and after considering the relevant policies of the state, the supply of and demand for capital in the market as well as the structural features of factoring products, offer comprehensive rates which are the equivalent to or more favourable than those provided by other independent commercial factoring companies in the PRC so as to help the Group to reduce its financial costs and optimise its financial structure.

- Datang Factoring Company shall, upon thorough negotiations with the Group, select appropriate projects and shall design and offer customised factoring business proposals within the scope of the Group's business development and plan.

The relevant arrangements under the Factoring Business Cooperation Agreement are (i) beneficial to the Group to revitalise assets, replenish cash flow in a timely manner and accelerate the capital turnover to continuously support the capital expenditure of the Group; (ii) efficiently and conveniently obtaining financing support and financing services with the comprehensive rates equal to or lower than that in the market by making good use of the resources and business advantages of Datang Factoring Company, so as to lower the Group's overall funding costs and promote the Group's business development; and (iii) conducive to enhancing the Group's bargaining power in carrying out factoring business of the same type with other commercial factoring companies.

The payment of factoring handling fees and factoring facilities interests under the Factoring Business Cooperation Agreement may imply that the Group's profit margin will decrease. However, the factoring handling fees and factoring facilities interests to be paid under the Factoring Business Cooperation Agreement only account for a small part of the Group's profit. On the other hand, as the Group will be able to collect the tariff premium before the original maturity date through factoring business with Datang Factoring Company, which can improve the Group's financial position and create flexibility for management of cash flow, the Company expects that the factoring services under the Factoring Business Cooperation Agreement will have no material effects on the corresponding profit, assets and liabilities.

In addition, the transactions contemplated under the Factoring Business Cooperation Agreement will be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Factoring Company is a subsidiary of Datang Corporation, and is therefore a connected person of the Company.

During the Year, the annual cap of this continuing connected transaction for 2020 was RMB2,000 million and the actual transaction amount was RMB526 million.

Details of the Factoring Business Cooperation Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 20 September 2019 and 27 September 2019, respectively.

4. Provision of financial services by Datang Finance to the Group

The financial services agreement entered into by and between the Company and Datang Finance on 27 March 2015 expired on 31 December 2017. The financial services agreement (the "Financial Services Agreement") was renewed on 12 May 2017, pursuant to which Datang Finance would provide financial services for the Group. The term for the agreement is from 1 January 2018 to 31 December 2020. According to this agreement, Datang Finance provides the Group with loan services, intra-group transfer and settlement services, assistance in the receipt and payment of transaction proceeds, bill acceptance and discount services, deposit services, finance lease, investment and financing consultation services, financial consultation and training services, and provide the Company with underwriting services, guarantee trust services and insurance agent services concerning the issuance of bonds.

Anticipating that the daily maximum deposit balance (including any interest accrued thereon) at Datang Finance for each of the three years ending 31 December 2020 will exceed previous annual caps (the "Previous Annual Caps"), the Company entered into the Supplemental Agreement to Financial Services Agreement with Datang Finance on 23 August 2018 to make revision to the Previous Annual Caps.

Principal terms and conditions of the Financial Services Agreement and its supplemental agreement are set out as follows:

- Datang Finance shall ensure the stable operation of fund management system to safeguard the fund, and to control the credit risk so as to satisfy the payments needs of the Group.

- In respect of the provision of the loan services under the Financial Services Agreement, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for the years ending 31 December 2018, 2019 and 2020, respectively.

- In respect of the provision of the deposit services under the Financial Services Agreement and through entering into the supplemental agreement of the Financial Services Agreement, the amount of the highest daily deposit balance (including any interest accrued thereon) for the Group's deposits with Datang Finance was amended from the Previous Annual Caps of RMB2 billion to RMB6 billion for the years ended 31 December 2018, 2019 and 2020, respectively.

- The term of the Financial Services Agreement shall commence from 1 January 2018 and end on 31 December 2020.

By entering into the Financial Services Agreement and the supplemental agreement of the Financial Services Agreement with Datang Finance, the Company is able to secure loans and other financing services at interest rates lower than those in the market, which assists in improving the overall standard of fund operation of the Company and enhancing the Group's bargaining power of external financing. The entering into the Financial Services Agreement can also enable the Company to secure higher interest rates for deposits than those in the market and enjoy payment and settlement services at zero rate, thereby increasing interest income on deposits and saving e-settlement costs. Due to the long-term relationship between the Group and Datang Finance, the Group expects that it will benefit from Datang Finance, which is familiar with the industry and operation of the Group. Through cooperation between each other for many years, Datang Finance is familiar with the capital structure, business operation, financing needs, mode of cash flow and cash management of the Group, as well as the Group's entire financial management system so it will be an advantage to provide the Group with more appropriate, effective and flexible services when compared with the independent domestic commercial banks.

Furthermore, these transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Finance is a subsidiary of Datang Corporation, and is therefore a connected person of the Company.

During the Year, the annual cap of the daily deposit balance of deposit service of this continuing connected transaction for 2020 was RMB6,000 million and the actual maximum amount of daily deposit balance was RMB4,291 million.

Details of the Financial Services Agreement and the Supplementary Agreement hereto as well as transactions thereunder are set out in the announcements of the Company dated 12 May 2017 and 23 August 2018, and the circulars of the Company dated 2 June 2017 and 21 September 2018.

As the Financial Services Agreement and the Supplementary Agreement to Financial Services Agreement and their annual caps would expire on 31 December 2020, the Company and Datang Finance renewed the Financial Services Agreement on 20 October 2020, and proposed the annual caps for the three years ending 31 December 2021, 2022 and 2023, which were approved at the second extraordinary general meeting in 2020 of the Company held on 7 December 2020.

5. Provision of finance lease services by Datang Financial Leasing to the Group

As the finance lease framework agreement entered into between the Company and Datang Financial Leasing on 27 March 2015 expired on 31 December 2017, the Company renewed the finance lease framework agreement (the "Datang Finance Lease Framework Agreement") with Datang Financial Leasing on 29 September 2017 in relation to the provision of financial leasing services to the Group by Datang Financial Leasing for a term commencing from 1 January 2018 and ending on 31 December 2020. With respect to each finance lease, the relevant lessor and lessee will enter into separate written contract(s) subject to the provisions of the Datang Finance Lease Framework Agreement.

Principal terms and conditions of the agreement are set out as follows:

- the term for Datang Finance Lease Framework Agreement is from 1 January 2018 to 31 December 2020;

- the lease methods include sale and leaseback pursuant to which the lessor shall purchase from the lessee the leasing equipment which will be directly leased back to the lessee by the lessor; and direct finance lease arrangement involving leasing of leasing equipment newly acquired by the lessor as per the requirements of the lessee;

- the lease period for each finance lease will be determined by the following factors, including but not limited to, the useful life of the relevant leasing equipment, the financial needs of the lessee and the funding availability of the lessor, which in general should not exceed the useful life of such leasing equipment;

- the lease payments charged by the lessor will include the purchase price (in respect of direct lease) or the value of (in respect of sale and leaseback) the leasing equipment and interest thereon charged on terms no less favourable to the lessee than those offered by independent third parties and at a rate determined by reference to the benchmark lending rates published by PBOC from time to time or, if no such rate is available, by reference to, among other factors, the rate charged by the other major financial institutions for the same or similar types of services;

- a one-off non-refundable handling fee may be charged on terms no less favourable to the lessee than those offered by independent third parties by the lessor and payable by the lessee when separate written contract(s) under the agreement is entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant written contract(s);

- the legal title and all rights of the leasing equipment shall vest to the lessor throughout the lease period; and

- in respect of sale and leaseback, subject to the lessee having performed all its obligations under, and upon the expiry of the lease period of the separate written contract(s) under the Datang Finance Lease Framework Agreement, the lessee shall have an option to purchase the relevant leasing equipment at a nominal price.

The transactions under Datang Finance Lease Framework Agreement are beneficial to the Company as they will enable the Company to (1) broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and the interest rates of bank financing stay high; and (2) facilitate the smooth development and operation of the Group's business. It is beneficial to the Company to continue to enter into the Datang Finance Lease Framework Agreement and the transactions contemplated thereunder as such transactions have facilitated and will continue to facilitate the operation and growth of the Company's business. Such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Since Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules, and thus a connected person of the Company. Datang Financial Leasing is a subsidiary of Datang Corporation, and thus a connected person of the Company.

During the Year, in regards to the continuing connected transaction, the annual cap of Leasing Equipment under Finance Lease was RMB3,000 million in 2020, and the annual cap of the rent under Finance Lease was RMB150 million in 2020. However, the actual transaction amount regarding the Leasing Equipment under Finance Lease was RMB2,011 million and the actual transaction amount of the annual rent under the Finance Lease was RMB140 million.

Details of the Datang Finance Lease Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 29 September 2017 and 24 October 2017, respectively.

6. Provision of finance leasing services by Shanghai Leasing Company to the Group

The finance lease framework agreement entered into by the Company and Shanghai Leasing Company on 12 October 2015 has expired on 31 December 2017. On 29 September 2017, the Company renewed the finance lease framework agreement ("Finance Lease Framework Agreement") with Shanghai Leasing Company for a term from 1 January 2018 to 31 December 2020. Pursuant to this agreement, Shanghai Leasing Company will provide financial leasing and other relevant services to the Company.

The major terms and conditions of the Finance Lease Framework Agreement are set out below:

- term of the Finance Lease Framework Agreement is from 1 January 2018 to 31 December 2020;

- the lease methods include (1) sale and lease-back pursuant to which the lessor shall purchase from the lessee the leasing equipment which will be directly leased back to the lessee by the lessor; and (2) direct finance lease arrangement involving leasing of leasing equipment newly acquired by the lessor as per the specifications and requirements of the lessee;

- the lease period for each finance lease will be determined by taking into account, inter alia, the useful life of the relevant leasing equipment, the financial needs of the lessee and the funding availability of the lessor, which in general shall not exceed the useful life of such leasing equipment;

- the lease payments charged by the lessor will include the purchase price (in the case of direct leasing) or the value of the leasing equipment (in the case of sale and lease-back) and the interest thereon charged on terms no less favourable to the lessee than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark lending rates published by PBOC from time to time, or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services;

- a one-off non-refundable handling fee may be charged by the lessor on terms no less favourable to the lessee than those offered by independent third parties to the lessee when separate written contract(s) under the Agreement is entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for these kinds of services from time to time, and will be set out in the relevant written contract(s);

- the legal ownership and all rights of the leasing equipment will be held by the lessor throughout the lease period; and

- in respect of the sale and lease back arrangement, subject to the lessee having performed all its obligations under, and upon the expiry of the lease period of the separate written contract(s) under the Finance Lease Framework Agreement, the Lessee shall have an option to purchase the relevant Leasing Equipment at a nominal price.

The transactions under the Finance Lease Framework Agreement are beneficial to the Company as they will enable the Company to (1) broaden its financing channels and optimise its debt structure; (2) reduce its capital costs given the lower-than-market interest rates offered in the transactions under the Finance Lease Framework Agreement; and (3) in the case of direct leasing, reduce the cash outlay to purchase required equipments, thereby increasing financial resources for other business development activities. Meanwhile, Shanghai Leasing Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would be able to provide more convenient, effective and efficient finance leasing services to the Company. It is beneficial to the Company to continue to enter into the Datang Finance Lease Framework Agreement and the transactions contemplated thereunder as such transactions have facilitated and will continue to facilitate the operation and growth of the Company's business. Such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Datang Finance Leasing, Datang Corporation, Datang Overseas HK. and CDC Capital Holding. respectively hold 35%, 30%, 25% and 10% of interests in Shanghai Leasing Company. Since Datang Corporation directly and indirectly holds approximately 65.61% of total issued share capital of the Company and Shanghai Leasing Company is a subsidiary indirectly-owned by Datang Corporation, Shanghai Leasing Company is a connected person of the Company.

During the Year, with regard to such continuing connected transaction, annual cap of Leasing Equipment under Finance Lease for 2020 was RMB3,000 million; annual cap of rent under Finance Lease for 2020 was RMB150 million. In 2020, the actual transaction amount of Leasing Equipment under Finance Lease was RMB1,422 million; the actual transaction amount of annual rent under Finance Lease was RMB108 million.

Details of the Finance Lease Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 29 September 2017 and 24 October 2017.

The independent non-executive Directors of the Company have reviewed each of the above mentioned continuing connected transactions and confirmed that the transactions and the proposed annual caps have been:

(1) generated from the ordinary business operation, and would facilitate the normal development of the business and bring about certain benefit for the Company;

(2) in accordance with normal commercial terms, being fair and reasonable; and

(3) according to the agreement governing them, and on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain procedures in accordance with the 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 reported their conclusion to the Board, stating that:

(1) Nothing has come to the auditor's attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board.

(2) For transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

(3) Nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

(4) With respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have exceeded the maximum annual caps of each of the above disclosed continuing connected transactions set by the Company.

Please refer to Note 29 to the financial statements prepared in accordance with the International Financial Reporting Standards for details of the significant related party transactions entered into by the Group during the reporting period. The connected transactions and continuing connected transactions pursuant to the requirements of Listing Rules are set out in this section. Save as the above mentioned connected transactions disclosed in the report, none of the related party transactions as disclosed in Note 29 to the financial statements constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules which were required to comply with the disclosure requirements under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

XXX. COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company entered into the Non-Competition Agreement with Datang Corporation on 30 July 2010. Under the agreement, Datang Corporation has undertaken to the Company that except in certain limited circumstances, for so long as the agreement remains effective, it shall not, and shall procure its associates (excluding the Company) not to, directly or indirectly and in whatever manner, engage, participate or be interested in, or provide support to, any business or activity which competes or is likely to compete with wind, solar and biomass power business of the Company. Datang Corporation has also granted the Company an option and pre-emptive right to acquire certain interests retained by Datang Corporation following the reorganization and certain future businesses.

Pursuant to the agreement, the independent non-executive Directors of the Company are responsible for reviewing and considering whether or not to exercise such options and preemptive rights and are entitled, on behalf of the Company, to review the implementation of the undertakings under the agreement on an annual basis. During the Year, the independent non-executive Directors of the Company have reviewed the implementation of the Non-Competition Agreement and confirmed that Datang Corporation has been in full compliance with the agreement and there was no breach by Datang Corporation.

XXXI. RETIREMENT AND EMPLOYEES BENEFIT SCHEME

Details of the Company's retirement and employees benefit scheme are set out in Note 6 to the financial statements.

For the supplementary defined contribution retirement scheme, provided that employees are dismissed or cancelled the employment contract due to the violation of laws or disciplines, unvested contributions by the Company will be transferred back to the Company's account for the supplementary retirement scheme. The amount of forfeited contributions is not material.

XXXII. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Main Board of the Hong Kong Stock Exchange, the Company strives to maintain a high standard of corporate governance practices. The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. Please refer to the Corporate Governance Report as set out on pages 65 to 87 of this Annual Report for details.

XXXIII. PUBLIC FLOAT

Based on information publicly available to the Company and so far as the Directors are aware, not less than 25% of the issued share capital of the Company was held by the public as at the Latest Practicable Date prior to the publication of this Annual Report, which was in compliance with the requirements under the Listing Rules.

XXXIV. MATERIAL LITIGATION

During the Year, the Group was not involved in any material litigation or arbitration. So far as the Directors are aware, no such litigation or claims are pending or threatened against the Group.

XXXV. AUDIT COMMITTEE

The Company's 2020 annual results and the financial statements for the year ended 31 December 2020 prepared in accordance with the International Financial Reporting Standards have been reviewed by the Audit Committee of the Board of the Company.

XXXVI. AUDITOR

On 29 June 2020, Ernst & Young Hua Ming LLP and Ernst & Young were appointed as the domestic and overseas auditors respectively for 2020 of the Company at the annual general meeting of 2019 of the Company, with a term until the next annual general meeting of the Company. The Company had not changed the auditor in the past three years.

XXXVII. FIVE–YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 10 to 11 of this Annual Report.

XXXVIII. CHANGES IN ACCOUNTING POLICIES

Details of the changes in accounting policies are set out in Note 2 to the financial statements.

XXXIX. MATERIAL CONTRACTS

Save as disclosed in the section headed "Connected Transactions" of this Annual Report, none of the Company or any of its subsidiaries entered into material contracts with the controlling shareholder or any of its subsidiaries other than the Group, nor was there any material contract between the Group and the controlling shareholder or any of its subsidiaries other than the Group in relation to provision of services.

By order of the Board
Kou Wei
Chairman

Beijing, the PRC, 30 March 2021

I. CORPORATE GOVERNANCE PRACTICES

The Company has always been committed to improving corporate governance since its establishment. According to provisions of the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules, it has established a modern corporate governance structure comprised of a number of independently operated bodies including the general meeting, the Board, the Supervisory Committee and the senior management in order to provide an effective check and balance. The Company has adopted the Code as its own corporate governance practices.

For the Year, the Company has been in strict compliance with the principles and Code Provisions of the Code, except for the deviation from Code Provision A.1.8 of the Code which will be explained in the section headed "Directors' liability insurance" below.

Corporate governance practices adopted by the Company are outlined as follows:

1. Board

The Board carries out its duties and exercises its powers in accordance with the Articles of Association and in the best interests of the Company and its shareholders. It reports the work and is held accountable to the general meeting, and implements the resolutions thereof.

(1) Composition of the Board

As at the date of this report, the Board consisted of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors.

The biographical details of the Directors are set out on pages 145 to 153 of this Annual Report. There are no relationships (including financial, business, family or other material or relevant relationships) between members of the Board. The structure of the Board is well balanced, with each Director equipped with profound knowledge, experience and expertise relevant to the Company's business operation and development. All Directors are well aware of their joint and individual responsibilities toward the shareholders.

The Chairman had met with the independent non-executive Director without the presence of executive Directors during the Year.

Current members of the Board are listed in the following table:

Name	Date of birth	Position	Date of appointment
Kou Wei	1961.10	Chairman of the Board and non-executive Director	11 May 2020
Hu Shengmu	1960.06	Vice Chairman of the Board and non-executive Director	10 October 2018 (re-designated as non-executive Director on 1 March 2019)
Liu Guangming	1971.12	Executive Director	1 March 2019
Meng Lingbin	1962.04	Executive Director	26 June 2018
Li Yi	1967.02	Non-executive Director	12 November 2019
Liu Baojun	1961.04	Non-executive Director	30 June 2016
Liu Chaoan	1956.03	Independent Non-executive Director	1 July 2010
Lo Mun Lam, Raymond	1953.09	Independent Non-executive Director	20 August 2013
Yu Shunkun	1963.05	Independent Non-executive Director	27 March 2015

(2) Board meetings

According to the Articles of Association, the Board is required to hold Board meetings at least four times each year to be convened by the Chairman of the Board.

Notices of regular Board meetings shall be dispatched at least fourteen days in advance, stating the time, venue and the means to be adopted by the meeting.

Except where a Board meeting is convened to consider connected transactions as provided in the Articles of Association, a quorum for the Board meeting shall be formed by more than half of the Directors. Directors may attend the Board meeting in person or appoint another Director as his proxy in writing. The secretary of the Board is responsible for preparing and keeping minutes of Board meetings, and making sure that such minutes are available for reference by any Director.

In 2020, the Board held nine meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Number of attendance/ required number of attendance	Attendance rate
Chen Feihu(note 1)	Former Chairman of the Board and non-executive Director	3/3	100%
Kou Wei(note 2)	Chairman of the Board and non-executive Director	6/6	100%
Hu Shengmu	Vice Chairman of the Board and non-executive Director	8/9	89%
Li Yi	Non-executive Director	9/9	100%
Liu Baojun	Non-executive Director	9/9	100%
Liu Guangming	Executive Director	9/9	100%
Meng Lingbin	Executive Director	9/9	100%
Liu Chaoan	Independent non-executive Director	9/9	100%
Lo Mun Lam, Raymond	Independent non-executive Director	9/9	100%
Yu Shunkun	Independent non-executive Director	9/9	100%

Notes:

1. Mr. Chen Feihu resigned as the Chairman of the Board and non-executive Director of the Company with effective from 11 May 2020.

2. Mr. Kou Wei has been appointed as the Chairman of the Board and non-executive Director of the Company with effective from 11 May 2020.

(3) Powers and responsibilities of the Board and the management

The powers and responsibilities of the Board and the management are specified in the Articles of Association, providing a sufficient restrained and balanced mechanism for corporate governance and internal controls. The Company has formulated its corporate governance policy pursuant to the requirements of Appendix 14 to the Listing Rules. During the Year, the Board has performed its duties according to the corporate governance policy of the Company.

The Board is responsible for deciding on the Company's business and investment plans, deciding on establishment of the Company's internal management structure, deciding on other material business and administrative matters of the Company and monitoring the performance of the management.

The Board is responsible for the Company's corporate governance function as set out in the Code Provision D.3.1 of the Code. During the Year, the Board has reviewed and supervised the Company's corporate governance policy and practices and make recommendations (if applicable); reviewed and supervised the training and continuous professional development of Directors and senior management; reviewed and supervised the Company's policy and practices in respect of compliance with laws and regulations, the code of conduct and compliance manual for employees and Directors; and reviewed the Company's compliance with the Code and the disclosures made in the Corporate Governance Report.

The management of the Company, led by the general manager (who is also an executive Director), is responsible for implementing all the resolutions issued by the Board and organising management of the Company's day-to-day operation.

(4) Chairman and General Manager

The positions of the Chairman and the general manager (i.e. chief executive officer under the terms of the Listing Rules) of the Group are held by different persons in order to ensure independence and accountability of their respective functions and balanced distribution of power and authority between them. During the Year, Mr. Chen Feihu (for the period from 1 January 2020 to 11 May 2020) and Mr. Kou Wei (since 11 May 2020) served as the Chairman of the Board and Mr. Liu Guangming served as the general manager, whose powers and responsibilities were clearly divided.

The Chairman leads the Board and ensures the effective operation of the Board. He performs his bounden duties and brings all important matters to discussion in a timely manner. He ensures that the Company has in place good corporate governance practices and procedures and the Board acts in the best interests of the Company and its shareholders. In 2020, the general manager was mainly in charge of the Company's day-to-day operation management, including organising the implementation of the Board resolutions and routine decision-making.

(5) Appointment and Re-election of Directors

As provided in the Articles of Association, Directors are elected by general meetings for a term of no more than three years and are eligible for re-appointment. The Company has implemented a set of effective procedures regarding the appointment of new Directors. The nomination of new Directors is firstly discussed by the Nomination Committee which then submits its recommendation to the Board, and is subject to approval via the election in general meeting.

The Company has entered into service contracts with all its Directors (including non-executive Directors) for a term commencing from the date of appointment to the date of expiry of the term of this session of the Board and subject to termination in accordance with the terms under respective service contracts.

(6) Remuneration of Directors

Remuneration of Directors is proposed by the Remuneration and Assessment Committee based on criteria such as education background and working experience and is determined by the Board based on criteria such as working experience, working performance, positions and market conditions upon approval at the general meeting.

(7) Training for Directors and Joint Company Secretaries

(A) Training for Directors

All Directors always attend to the Directors' duties and achieve personal integrity for business activities and developments of the Company. The Company provides Directors with the latest developments in the Listing Rules and other applicable regulatory regulation from time to time to refresh their knowledge and skills.

All newly-appointed Director(s) will be provided with necessary introduction package designed for him, including meeting with senior management, so that he will have a deep understanding of the Group's businesses, strategies, major risks and problems and future development plans.

During the Year, the Company has provided induction materials for Mr. Kou Wei, who has been appointed as chairman of the Board and non-executive Director of the Company with effect from 11 May 2020. In addition, the Company carried out various trainings for the Directors and management of the Company on the following topics:

1. Internal business consultation; and

2. the Code and latest amendments to the Listing Rules.

All Directors have participated in continuous professional development program in 2020 to develop and refresh their knowledge and skills with a view to ensure that they continue contributing to the Board with complete information and as needed. All Directors provided the Company with a record of the training they received during the Year.

Trainings received by all Directors during the Year are as follows:

Name	Position	Training topics
Chen Feihu (Note 1)	Former Chairman of the Board and non-executive Director	Business management and corporate governance
Kou Wei (Note 2)	Chairman of the Board and non-executive Director	Business management and corporate governance
Hu Shengmu	Vice Chairman of the Board and non-executive Director	Business management and corporate governance
Li Yi	Non-executive Director	Business management and corporate governance
Liu Baojun	Non-executive Director	Business management and corporate governance
Liu Guangming	Executive Director and General Manager	Business management and corporate governance
Meng Lingbin	Executive Director	Business management and corporate governance
Liu Chaoan	Independent non-executive Director	Business management and corporate governance
Lo Mun Lam, Raymond	Independent non-executive Director	Business management and corporate governance
Yu Shunkun	Independent non-executive Director	Business management and corporate governance

Note 1: Mr. Chen Feihu resigned as the Chairman of the Board and non-executive Director of the Company with effect from 11 May 2020.

Note 2: Mr. Kou Wei has been appointed as the Chairman of the Board and non-executive Director of the Company with effect from 11 May 2020.

(B) Training for joint company secretaries

Mr. Cui Jian was one of the joint company secretaries of the Company for the financial year from 1 January 2020 and he resigned on 9 March 2021. Mr. Jia Hong has been appointed as a joint company secretary of the Company in place of Mr. Cui Jian since 9 March 2021.

Ms. Kwong Yin Ping Yvonne, the vice president of SWCS Corporate Services Group (Hong Kong) Limited, is another joint company secretary of the Company for the period from 1 January 2020 and up to the date of this Annual Report.

During the Year, each of Mr. Cui Jian and Ms. Kwong Yin Ping Yvonne have taken not less than 15 hours of relevant professional training in compliance with the requirements under Rule 3.29 of the Listing Rules.

During the Year, the primary contact of Ms. Kwong Yin Ping Yvonne in respect of company secretarial matters was Mr. Cui Jian.

(8) Directors' liability insurance

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. Pursuant to Code Provision A.1.8 of the Code, an issuer should arrange appropriate insurance cover in respect of legal action against its Directors. During the Year, the Company had not involved in any material litigation liable by any Director. Each Director of the Company has the necessary qualification and experience required for performing his duty in the Company. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Directors shall take responsibility. Therefore, the Company had not arranged for appropriate insurance cover for the Directors. Accordingly, the Company had deviated from Code Provision A.1.8 of the Code during the Year.

2. Four Professional Committees under the Board

There are four professional committees under the Board, including the Audit Committee, Nomination Committee, Remuneration and Assessment Committee and Strategic Committee.

(1) Audit Committee

The Company has established an Audit Committee of the Company which currently consists of three Directors, namely, Mr. Lo Mun Lam, Raymond (independent non-executive Director) who is the chairman of the Audit Committee, Mr. Liu Baojun (non-executive Director) and Mr. Yu Shunkun (independent non-executive Director).

The primary responsibilities of the Audit Committee are to review and monitor our financial reporting system and internal control systems, which include, among other things:

- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget and expenditure of the Company's accounting, internal audit and financial reporting functions;

- assessing whether there exists significant control mistakes or weakness in the Company's internal control; reviewing and monitoring the scope, effectiveness and results of internal audit and risk management functions to ensure that the internal audit function is independent, that the internal and external auditors are well coordinated, and that the internal audit function has sufficient resources and is well-positioned within the Group;

- assessing the changes, since the last annual review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;

- discussing with the management about the risk management and internal control systems to ensure the management's fulfillment of duties in establishing such systems. The content to be discussed shall include: the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

- considering major investigation findings on risk management and internal control matters and management's response to these findings as delegated by the Board or on its own initiative; and

- establishing procedures for the treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, potential violations of law and suspicious accounting or auditing improprieties, and ensuring that proper arrangements are in place for the fair and independent investigation of these matters and appropriate follow-up action by the Company.

During the Year, the Audit Committee held four meetings, details of which are set out as follows:

- The eighth meeting of the third session of the Audit Committee of the Board was held on 29 March 2020, for the main purpose of considering and approving the 2019 annual results announcement and Annual Report of the Company, the 2019 final financial report of the Company, the profit distribution plan of the Company for 2019, and the 2019 report on internal control of the Company.

- The ninth meeting of the third session of the Audit Committee of the Board was held on 4 June 2020, for the main purpose of the re-appointment of the 2020 domestic and overseas accounting firms and their remuneration.

- The tenth meeting of the third session of the Audit Committee of the Board was held on 24 August 2020, for the main purpose of considering and approving the 2020 interim results announcement and interim report of the Company.

- The eleventh meeting of the third session of the Audit Committee of the Board was held on 30 October 2020, for the main purpose of considering and approving the third quarterly results of the Company for 2020.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Lo Mun Lam, Raymond *(Chairman of the committee)*	4/4
Liu Baojun	4/4
Yu Shunkun	4/4

The Audit Committee had met with the external auditor without the presence of management and discussed about the interim financial report, its annual audit of the consolidated financial statements and key audit issues.

(2) Nomination Committee

The Nomination Committee of the Company currently consists of three Directors, namely, Mr. Liu Chaoan (independent non-executive Director) who is the chairman of the Nomination Committee, Mr. Li Yi (non-executive Director) and Mr. Lo Mun Lam, Raymond (independent non-executive Director).

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, formulating the criteria and procedures for selection of candidates for Directors and senior management, making recommendations to the Board on the appointment of and succession planning for Directors and to conduct preliminary review of the qualifications of the candidates for Directors and senior management.

In respect of nomination of candidates for Directors, the Nomination Committee is obliged to widely seek shareholders' opinions and proposal on nomination and examine whether the candidates are equipped with professional knowledge, working experience for performance of duties and his/her qualifications are in compliance with the Company Law and relevant laws, administrative regulations and departmental rules. Upon passing the review, the results shall be proposed to the Board for consideration before the submission thereby to the general meeting for approval in the form of proposal.

The Company believes that increasing diversity at the board level is one of the essential elements in supporting the attainment of its strategic objectives and its sustainable development. Therefore, the Company has formulated the Board Diversity Policy in August 2014, pursuant to which, when determining the composition of the Board, the Company shall consider the diversity of the Board from various perspectives, including but not limited to gender, age, cultural and educational background, professional experiences, skills, knowledge and service terms, and finally make decisions based on the value of candidates and contributions they can bring to the Board. All proposals brought by the Board shall comply with the principle of appointment based on merits and fully take into account objective conditions and benefits of diversity of the Board while considering candidates.

The Nomination Committee of the Company reports to the Board at a diversity level in the Annual Report in each year. It supervises the implementation of the Board Diversity Policy and review the policy when appropriate to ensure its effectiveness. The Nomination Committee will discuss any amendments to the Board Diversity Policy when necessary and propose such amendments to the Board for approval.

During the Year, the actual implementation of the Board Diversity Policy is as follows:

1. The Board consisted of nine Directors, three of whom were independent non-executive Directors and hence the Company has complied with Rules 3.10(1) and 3.10A of the Listing Rules which required that "At least one third of members of the board of directors shall be independent non-executive directors".

2. At least one of the independent non-executive Directors have obtained financial qualifications in compliance with Rule 3.10(2) of the Listing Rules, and other Directors have knowledge and experience in law, finance and business management.

3. Members of the Board had different education backgrounds, including master's degree in engineer and doctor's degree in law and management, with age band from 49 to 68.

During the Year, the Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness, and was of the opinion that the Board has met the requirements of the diversity.

The Nomination Committee considered that the qualifications of the Company's three independent non-executive Directors are in full compliance with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received annual confirmations from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules as to their respective independence.

During the Year, the Nomination Committee held four meetings, details of which are set out as follows:

- The ninth meeting of the third session of the Nomination Committee of the Board was held on 24 March 2020, for the main purpose of reviewing the proposal in relation to the nomination of candidates for the Directors, general manager and the vice general manager.

- The tenth meeting of the third session of the Nomination Committee of the Board was held on 29 March 2020, for the main purpose of reviewing the proposal in relation to the composition of the Board and the independence of independent non-executive Directors.

- The eleventh meeting of the third session of the Nomination Committee of the Board was held on 29 April 2020, for the main purpose of reviewing the proposal in relation to the nomination of chief accountant.

- The twelfth meeting of the third session of the Nomination Committee of the Board was held on 24 August 2020, for the main purpose of reviewing the proposal in relation to the nomination of vice general manager of the Company.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Liu Chaoan *(Chairman of the committee)*	4/4
Li Yi	4/4
Lo Mun Lam, Raymond	4/4

(3) Remuneration and Assessment Committee

The Remuneration and Assessment Committee of the Company currently consists of three Directors, namely, Mr. Yu Shunkun (independent non-executive Director) who is the chairman of this committee, Mr. Hu Shengmu (non-executive Director) and Mr. Liu Chaoan (independent non-executive Director).

The Remuneration and Assessment Committee is responsible for formulating the standards for the evaluation of the Directors and senior management and conduct such evaluation, promulgating the remuneration schemes for the Directors and senior management and making recommendations to the Board in respect thereof, including, among other things:

- drawing up and making recommendation on the overall remuneration package for the Directors and senior management, evaluating the performance of the senior management and approving the remuneration to be paid to the senior management;
- reviewing the Directors' remuneration and making recommendations to the Board in respect thereof; and
- reviewing the remuneration schemes of Directors and senior management and making recommendations to the Board in respect thereof.

During the Year, the Remuneration and Assessment Committee held one meeting, details of which are set out as follows:

The fifth meeting of the third session of the Remuneration and Assessment Committee of the Board was held on 4 June 2020, at which the proposal of remuneration for the work of operation management team in 2019 was considered.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Yu Shunkun *(Chairman of the committee)*	1/1
Hu Shengmu	1/1
Liu Chaoan	1/1

(4) Strategic Committee

The Strategic Committee of the Company currently consists of Mr. Hu Shengmu (non-executive Director) who is the chairman of this committee, Mr. Liu Guangming (executive Director) and Mr. Meng Lingbin (executive Director).

The Strategic Committee is responsible for formulating our overall development plans and investment decision-making procedures, including, among other things:

- reviewing the Company's long-term development strategies;
- reviewing the Company's strategic planning and implementation reports; and
- reviewing significant capital expenditure.

During the Year, the Strategic Committee held one meeting, details of which are set out as follows:

- The sixth meeting of the third session of the Strategic Committee of the Board was held on 29 March 2020, for the main purpose of considering the proposal in relation to the Operation and Investment Plans of the Company for 2020.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Hu Shengmu *(Chairman of the committee)*	1/1
Liu Guangming	1/1
Meng Lingbin	1/1

3. Directors' Responsibility for the Financial Statements

The Board has acknowledged its responsibility for preparing the financial statements of the Group for the Year. The Board is responsible for presenting a balanced, clear and understandable assessment of the annual and interim reports, inside information, sensitive information of equity price and other discloseable information as required under the Listing Rules and other applicable statutory and regulatory requirements. The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the financial state of the Group, and of results and cash flow for the period. In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made prudent and reasonable judgments and estimates by adapting appropriate International Financial Reporting Standards and have prepared the financial statements on a going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner. The management has provided such explanation and information to the Board as necessary to enable the Board to make an assessment of the financial information and status of the Group as well as giving consideration and approval. The Board have obtained the monthly updated information relating to the performance, state of affairs and prospects of the Company. The Group is not exposed to any material uncertainty that may exert significant impact on the Group's ability to continue as a going concern.

4. Compliance with the Model Code for Dealing in the Securities of the Company by Its Directors, Supervisors and Relevant Employees

The Group has adopted the Model Code as the code of conduct for dealing in the securities of the Company by its Directors, Supervisors and relevant employees (as defined in the Code). According to the specific enquiries of all Directors and Supervisors, each Director and Supervisor confirmed that she/he had strictly complied with the standards set out in the Model Code during the Year.

The Board will examine the corporate governance practices and operation of the Group from time to time to ensure that the Group is in compliance with relevant requirements under the Listing Rules and that the shareholders' interests are safeguarded.

5. Risk Management and Internal Control

The Board is responsible for the risk management, internal control and compliance management of the Company and ensures the review of effectiveness of these systems has been conducted at least annually.

The purpose of the internal control and risk management systems is to manage rather than eliminate the risks of failure to fulfill work objectives. The said systems can only provide reasonable but not absolute assurance against any material misstatement or loss.

The Company has exerted greater efforts to the establishment of the internal control and risk systems and a sound corporate structure, and has formed the scientific system for decision-making and effective control. The Company standardizes corporate actions to guarantee the operation and management of the Company are in compliance with the laws and regulations. The Company improves corporate operation efficiency aiming to push forward the achievement of the corporate development strategies. In addition, the Company has established a favourable information exchange mechanism to guarantee the truthfulness, accuracy and completeness of relevant information disclosure.

When establishing and implementing the internal control and risk management systems, the Company has taken into comprehensive account the five fundamental elements, i.e., the internal environment, risk assessment, control endeavors, information and communication as well as internal monitoring. Attaching importance to the internal environmental governance, the Company unremittingly optimises the corporate organizational structure and improves management efficiency.

In light of the business characteristics, the Company has established in the headquarters Office (Human Resources Department), Planning and Development Department, Investment Cooperation Department, Financial Management Department, Securities Compliance Department (Legal Department, Audit Department), Safety and Environmental Protection and Production and Operation Department, and Functional Departments of Party Affairs (Discipline Inspection Commission Office). The functional departments condition and superintend within their respective specific terms of reference. Besides, the Company has set up an auditor authority to specifically carry out routine monitoring and inspection over the truthfulness of the assets, liabilities as well as gains and losses of the Company, the compliance of financial revenues and expenditures, profitability of material investments, material connected transactions of the Company, and the corporate internal control so as to ensure the implementation of the internal control systems and the normal production and operation of the Company.

In consistent response to the development needs, the Company further establishes and consummates the comprehensive responsibility management systems in addition to the work target-related accountability system. The Company has formulated the performance standards stressing on both motivations and regulations, with subdivided work assignments and specified performance target for each post, so as to evaluate the performance of the staff impersonally and accurately, and inspire the potentials and passions for work of the staff.

In 2020, the Company further deepened the risk control, and guaranteed effective risk control over management of organizational decisions, strategic investments, production and operation, finance and accounting, human resources, securities matters and legal affairs.

The Audit Committee under the Board is responsible for reviewing the internal control of the Company, supervising the effective execution of internal control and the self-assessment of internal control, and coordinating the audit of internal control and other relevant matters. The Company has formulated the Measures on Internal Control (《內部控制管理辦法》) to pinpoint the terms of reference of Functional Departments in internal supervision, and to standardize the procedures, methods and requirements of internal supervision. In 2020, the Company timely precluded risks by way of close supervision and inspection, and gave play to internal audit in the supervision and inspection of internal control. Thanks to effective internal supervision, the Company made progress in compliance operation and standard management, and achieved ongoing increase in vigilance against risks and market competitiveness, thus ensuring the safe operation and sound development of the operation and management of the Company.

In terms of organizational structure, the Company has been equipped with adequate staff to take charge of specific jobs including finance operation and monitoring, risk management, internal audit, anti-fraud, etc. In addition, the Company has allocated reasonable budget for provision of training courses to personnel performing functions such as corporate finance, risk management and internal audit in the Company and its subsidiaries on a regular basis, to ensure sufficient qualifications and experience for them to fulfil relevant functions.

All departments are under direct leadership of the general manager of the Company, who is thereby able to report instantly to the Board on the operations of each department and problems received. Any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner and the decisions of the management of the Company could be implemented accurately and timely under supervision.

In terms of inside information disclosure, the Company has established standard control procedures for the collection, classification, reviewing and disclosure of information. The Company guarantees the absolute confidentiality of relevant information prior to full disclosure to the public. The Company will make corresponding information disclosure timely with regard to information that is unlikely to maintain confidentiality, so as to ensure effective protection of the rights and interests of investors and stakeholders.

In view of the foregoing, in regard of internal control and risk management, the Company has developed a well-balanced internal corporate business environment and normative production and operation order, improved the Company's capability in fending against various risks, and guaranteed the normal operation and management of the Company. Besides, the internal control and risk management of the Company has also exerted effective effects on the supervision, control and instruction of the production and operation of the Company and laid a solid foundation for the healthy development of the Company in the long run. The Company has conducted the self-assessment on the effectiveness and implementation of the internal control systems of the Company for the Year, according to which, the Company opined that the internal control of the Company has covered each aspect and each component of the operation and management of the Company.

During the Year, the Board assessed the internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes thereon. The Company recorded full coverage and effective implementation of internal control and risk management and was not aware of any material defects regarding the design or implementation of internal control of the Company. Accordingly the internal control and risk management systems were deemed as adequate and effective. The Board believes that the current monitoring system of the Company is effective, and that the accounting and financial reporting functions, the qualifications and experience of the staff and the training programmes for employees as well as the experiences and resources for setting the budget of the Company are adequate.

6. Auditor's Remuneration

Ernst & Young and Ernst & Young Hua Ming LLP (collectively, "External Auditors") were appointed as international and domestic auditors to audit the financial statements for the Year prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises, respectively. Aggregate remuneration in respect of audit and audit-related services provided by the External Auditors payable by the Company during the Year was RMB8 million.

During the year, fees charged by the External Auditors for their non-audit services provided to the Company in respect of continuing connected transactions and corporate bonds issuance amounted to RMB0.65 million.

7. Remuneration of Directors and Senior Management

A formal and transparent procedure for fixing the remuneration packages of individual Directors and senior management is in place. Details of the remuneration for Directors and top five persons in respect of remuneration are set out in Note 12 to the financial statements of the annual report. During the Year, the scope of remuneration for the senior management of the Company is set out below:

Scope of remuneration *(RMB'000)*	Number of members of senior management
0–500	5
500–1,000	2

Note: Numbers disclosed above include the senior management of the Company, those who are executive Directors and those who have resigned but received remuneration from the Company during the Year according to the relevant remuneration policy of the Company.

8. Change of Constitutional Documents

During the Year, there has been no significant change in the Company's constitutional documents.

9. Shareholders' General Meeting

During the Year, the Company held three shareholders' general meetings in total with attendance of Directors as follows:

Name	Position	Number of attendance/ required number of attendance	Attendance rate
Chen Feihu *(Note 1)*	Former Chairman of the Board and non-executive Director	1/1	100%
Kou Wei *(Note 2)*	Chairman of the Board and non-executive Director	2/2	100%
Hu Shengmu	Vice chairman of the Board and non-executive Director	3/3	100%
Liu Guangming	Executive Director	3/3	100%
Meng Lingbin	Executive Director	3/3	100%
Li Yi	Non-executive Director	3/3	100%
Liu Baojun	Non-executive Director	3/3	100%
Liu Chaoan	Independent non-executive Director	3/3	100%
Lo Mun Lam, Raymond	Independent non-executive Director	3/3	100%
Yu Shunkun	Independent non-executive Director	3/3	100%

Note 1: Mr. Chen Feihu resigned as a non-executive Director and Chairman of the Board of the Company on 11 May 2020. Before his resignation, a general meeting was held in total for the year ended 31 December 2020.

Note 2: Mr. Kou Wei has been appointed as a non-executive Director and Chairman of the Company on 11 May 2020. Before his appointment, two general meetings were held in total for the year ended 31 December 2020.

10. Communication with Shareholders

The Company highly appreciates shareholders' opinions and advice, actively organises various investor relations activities to maintain connections with shareholders and makes timely responses to the reasonable requests of shareholders.

(1) Shareholders' rights

The Board is committed to communicating with shareholders, and makes disclosure in due course about the Company's major developments to shareholders and investors. The general meeting of the Company provides shareholders and the Board with good communication opportunities. Notices on convening shareholders' general meetings are dispatched to all shareholders at least 45 clear days prior to the meeting.

The Company's shareholders' general meetings include annual general meetings and extraordinary general meetings, which are held once each year within 6 months of the end of the previous accounting year, and extraordinary general meetings, which are convened in compliance with the Articles of Association and whenever the Board considers appropriate. Shareholders individually or jointly holding a total of more than 10% (inclusive) of the Company's outstanding shares carrying voting rights on the date of submitting a request are entitled to, by sending the Board or the company secretary a written requisition, ask the Board at any time to convene an extraordinary general meeting to deal with matters specified in the requisition. And such meeting shall be held within two months after the requisition is presented.

Shareholders who wish to put forward suggestions during the shareholders' general meeting may raise their hands and speak in order of registration at any time after the resolutions to be considered at the meeting are announced. The Directors, Supervisors and senior management shall respond to the questions and suggestions from shareholders.

The Chairman of the Board and the Chairmen of all committees under the Board (or, in whose absence, other members of the committees) will answer any question(s) at the annual general meetings. Pursuant to the Listing Rules, any vote of shareholders at a shareholders' general meeting must be taken by poll. Poll results are deemed resolutions of the meeting.

The Board encourages shareholders to attend annual general meetings to communicate directly about any concern(s) they may have with the Board or the management. Shareholders holding 3% or more of the Company's shares with voting right have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such shareholders' general meeting if they are matters falling within the functions and powers of general meeting. The ad hoc proposals raised by shareholders shall satisfy the following requirements: (i) free of conflicts with the provisions of laws and regulations, and fall into the business scope of the Company and the terms of reference of the general meeting; (ii) with definite topics to discuss and specific matters to resolve; and (iii) submitted or served to the Board in writing ten days prior to the date of the shareholders' general meeting.

In 2020, the Company held the 2020 first extraordinary general meeting, the 2020 second extraordinary general meeting and 2019 annual general meeting .

Detailed voting procedures and resolutions being voted on by way of poll are contained in the circulars dispatched to shareholders.

(2) Shareholders' inquiries

If you have any query in connection with your shareholdings, including shares transfer, change of address or wish to report loss of shares or dividend warrant, please write to or contact the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at:

Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2862-8628
Fax: (852) 2865-0990, (852) 2529-6087
Website: www.computershare.com.hk

(3) Investor relations and communications

The Company has set up a website at www.cdt-re.com, as a channel to promote effective communications, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner.

Report of the Supervisory Committee

In 2020, all members of the Supervisory Committee of the Company have earnestly performed their supervisory functions to safeguard the rights and interests of the Group and the shareholders in accordance with the Company Law of the PRC, the Articles of Association, the Rules of Procedures of the Supervisory Committee and the relevant provisions in the Listing Rules.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

1. On 30 March 2020, the Company held the eleventh meeting of the third session of the Supervisory Committee in Beijing, at which the following proposals were reviewed: the Report of the Supervisory Committee of the Company for 2019, Annual Results Announcement and Annual Report of the Company for 2019, the Final Financial Report of the Company for 2019, the Financial Budget Plan of the Company for 2020 and the Profit Distribution Plan of the Company for 2019.

2. On 25 August 2020, the Company held the twelfth meeting of the third session of the Supervisory Committee in Beijing, at which the Proposal regarding the 2020 Interim Results Announcement and Interim Report of the Company was reviewed.

3. On 30 October 2020, the Company held the thirteenth meeting of the third session of the Supervisory Committee in Beijing, at which the Proposal regarding the Third Quarterly Report of 2020 was reviewed.

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2020

1. Members of the Supervisory Committee carried out supervision and inspection of the financial position of the Company and its internal control systems such as the financial management system, including regular inspections of the financial reports and budgets and irregular reviews of accounting documents and books of the Company.

2. Members of the Supervisory Committee attended the 2019 annual general meeting and the 2020 first and second extraordinary general meetings, and the twenty-fifth meeting of the third session of the Board and the twenty-ninth meeting of the third session of the Board as non-voting attendees, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

3. The Supervisory Committee made no objection to the reports and motions tabled at the shareholders' general meetings and were convinced that the Board had faithfully implemented the resolutions approved by the general meeting.

III. INDEPENDENT OPINIONS ISSUED BY THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS

1. Operation and Management of the Company

During the Reporting Period, the management of Company further implemented the new energy security strategy featuring "Four Revolutions and One Collaboration" grasped the new situation, strived to promote the high-quality development of new energy companies, and maintained steady development in all aspects of operations and management, safe production and legal compliance. The management of the Company faithfully fulfilled its duties and responsibilities as stipulated in the Articles of Association and earnestly implemented the resolutions approved by the Board.

2. Financial Matters of the Company

Members of the Supervisory Committee monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Committee concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Committee reviewed the standard unqualified audit opinion issued by Ernst & Young and Ernst & Young Hua Ming LLP in respect of the consolidated financial statements of the Group for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises respectively, and raised no objection to such reports.

3. Connected Transactions

The Supervisory Committee reviewed the connected transactions between the Group and its respective connected persons during the Year, and was of the opinion that all the connected transactions complied with the relevant requirements of the Hong Kong Stock Exchange, and that the pricing of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or shareholders.

4. Implementation of the Resolutions of Shareholders' General Meetings

The Supervisory Committee considered that the Board earnestly implemented the resolutions approved by the general meeting.

In 2021, the Supervisory Committee will continue carrying out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Company Law of the PRC, the Articles of Association, the Rules of Procedure of the Supervisory Committee and the Listing Rules; pay close attention to the production, operation and management status of the Company as well as any significant move of the Company; and continue strengthening the supervision on procedures of the Company's investment projects, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all shareholders and the Company.

By order of the Supervisory Committee
Liu Quancheng
Chairman of the Supervisory Committee

Beijing, the PRC, 30 March 2021

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

China Datang Corporation Renewable Power Co., Limited (hereinafter referred to as "(the) Company", "Datang Renewable", or together with its subsidiaries, "the Group", "we") has prepared the Environmental, Social and Governance Report (hereinafter referred to as the "the Report") since 2017, which aims to disclose to stakeholders the latest status of the Group's effort in the ESG as well as the latest progress and management concepts in sustainable development. Information on corporate governance is recommended to be read in conjunction with the Corporate Governance Report section of this year's Annual Report.

The Report is the fourth ESG report issued by the Group. The Group's Board of Directors ("the Board") continued to be fully responsible for the Report and the sustainable development issues of the Group. The Group continued to strengthen communication with various stakeholders and disclosed the communication in 2020 in the Report. The Report enables stakeholders to better understand the Group's progress and its direction of development regarding sustainable development issues through disclosing the Group's environmental, social and governance policies, measures and performance. The Report is written in traditional Chinese and English. If there is any discrepancy between the Chinese and the English versions, the traditional Chinese version shall prevail.

1.1 Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting guide (hereinafter referred to "the Reporting Guide") as contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (hereinafter referred to the "Stock Exchange"), and meets the four reporting principles of materiality, quantitative, balance and consistency required by the Reporting Guide. Meanwhile, the Report refers to the "Guidelines to Chinese State-owned Enterprises on Fulfilling Corporate Social Responsibilities" issued by the State-owned Assets Supervision and Administration Commission of the State Council (hereinafter referred to the "SASAC"). The Report has been reviewed and approved by the Board.

1.2 Reporting Scope

The Report covers the period from 1 January 2020 to 31 December 2020 (hereinafter referred to as the "Reporting Period"). Except for those specifically stated, the scope of the Report covers the Company and its subsidiaries. During the Reporting Period, the coverage of environmental key performance indicators in the Report contains 20 subsidiaries (including their own subsidiaries), which are consistent with the previous Reporting Period.

1.3 Data Explanation

The information in the Report comes from the Group's official documents, statistical reports, and environmental, social and governance information that has been collected, summarised and reviewed by the Group. The data referenced in the Report is considered finalised, and in case of any discrepancies between the financial data in the Report and the that in Group's Annual Report, the Annual Report shall prevail. The financial data in the Report is in Renminbi ("RMB") unless otherwise stated.

1.4 Report Feedback

The Group looks forward to any suggestions or opinions from stakeholders. If there are any comments on the Report, please feel free to contact the Group through the following channels:
Phone: (86) 10-83750601
Fax: (86) 10-83750600
Email: dtrir@china-cdt.com

2. ESG MANAGEMENT

Since its establishment, the Group has always adhered to the core concept of green development as its corporate management, vigorously developed clean and low-carbon renewable energy related businesses. While being committed to providing sufficient clean energy to all sectors of society, the Group continues to explore business development opportunities in the clean energy sector and expand our positive impact on the environment and society. On the basis of balancing nature and corporate efficiency, the Group places emphasis on protecting the rights and interests of its employees, providing a standardised talent development system, ensuring safe and efficient clean energy supply, promoting sustainable supply chain development and actively giving back to society. In the future, the Group will continue to promote the sustainable development process, actively listen and respond to the expectations of stakeholders, and continuously improve the Group's ESG management.

2.1 ESG Governance

The environmental, social and governance involve all aspects of a company, and play key roles in promoting the improvement of the overall governance level of the company and the construction of the system. The Group is fully aware of the importance and necessity of ESG governance to promote the sustainable development of the Company and is continuously committed to improving the overall management capabilities of the environment, climate change, employees, supply chain, product quality, social investment and other multi-dimensional management capabilities, improving the overall ESG management level and performance, firmly marching forward on the road of sustainable development, and establishing a responsible corporate image.

Governance Framework and Risk Management

To effectively implement ESG concepts and related work into daily business operations and management, the Group has established an "Environmental, Social and Governance Working Group" (hereinafter referred to as "ESG Working Group"), and formulated the Environmental, Social and Governance Working Group Management Measures to supervise and implement ESG-related matters. To ensure the efficiency of ESG decision-making and work development, the Board of the Group is wholly responsible for ESG governance strategies and reporting tasks, as well as reviewing and proving ESG-related risks and opportunities.

The ESG governance framework is as follows:

Composition of ESG Working Group:

- ESG Working Group Leader: Secretary of the Board
- ESG Working Group Members: Chief head of each department at the headquarter

Primary responsibilities of the ESG Working Group:

Regularly reports to the Board on ESG policies and performance, and effectively assess the Group's ESG risks and opportunities	Proposes strategies and principles for preparing the ESG report	Formulates ESG management policies, publicize their association with the business, and promote the ESG risk management and internal control systems	Plans the Group's social responsibility management work, formulate medium-long-term and annual planning for social responsibilities	Establishes and maintains good communication with stakeholders and ensure quality work in materiality assessment	Advocates the latest policy requirem ents by regulatory agencies within the Group	Supervises and guides the Group to formulate work responsibilities, work mechanisms, approval processes, etc. Review the Group's annual plan for ESG work, and evaluate key projects	Be responsible for other relevant work in the social responsibility field for the Group

Daily working mechanism of the ESG Working Group:

- Two members from the ESG Working Group are responsible for the day-to-day management of ESG tasks, to gradually build a network of ESG contacts;

- Each department of the subsidiaries and the headquarter set a designated contact person;

- The contact person actively performs the following duties: implement specific work in the ESG field in accordance with the requirements of the ESG Working Group and regulatory agencies, formulate and report the ESG report work plan, establish and maintain a communication mechanism with stakeholders, organize ESG work related communication and training, etc.

Regarding risk management, the Group has formulated and strictly followed the Comprehensive Risk Management Measures to regularly identify and evaluate major risks that have potential impacts on the Group, including ESG risks. For the identified potential risks, the Board and functional departments of the Group coordinate to assess their severity and formulate reasonable prevention and response plans accordingly.

2.2 Stakeholder Communication

Datang Renewable greatly values the communication with internal and external stakeholders to understand their demands and expectations, enhancing their understanding and support to the Group. Adhering to the principle of sincere and open communication, the Group has established a normalised communication mechanism, and actively communicates with the government and regulatory agencies, shareholders, customers and partners, employees, the community and the public, as well as the media and other stakeholders through various channels, actively listens to their opinions and integrates their expectations into the corporate decision-making process, planning and implementation of sustainable development. During the Reporting Period, the Group held 69 investment meetings with 205 investors attended. The Group successfully held performance announcements and roadshows in March and August 2020. An accumulative total of 79 analysts from investment banking institutions participated in the press conference. In addition, the Group held roadshow promotion meetings with 21 investment institutions.

During the Reporting Period, the Group identified its main stakeholders based on business and operational characteristics, including the government and regulators, shareholders, customers and partners, employees, communities and the public, along with the media. In the future, the Group will continue to expand the depth and breadth of communication with various stakeholders. During the Reporting Period, the Group's communication channels with various stakeholders were as follows:

List of Stakeholder Expectations and Communication Channels

Stakeholders	Expectations and Requirements	Communication Channels
Government and Regulators	Implementation of national policies, laws and regulations Power supply safeguard Promotion of local economic development Job creation and social contribution Industry development boost	Work reports Periodic reports Participation in policy research Communication for cooperation
Shareholders	Benefits and returns Compliance operations Production safety Information disclosure and transparency	Corporate announcements On-site visits Shareholder's general meeting

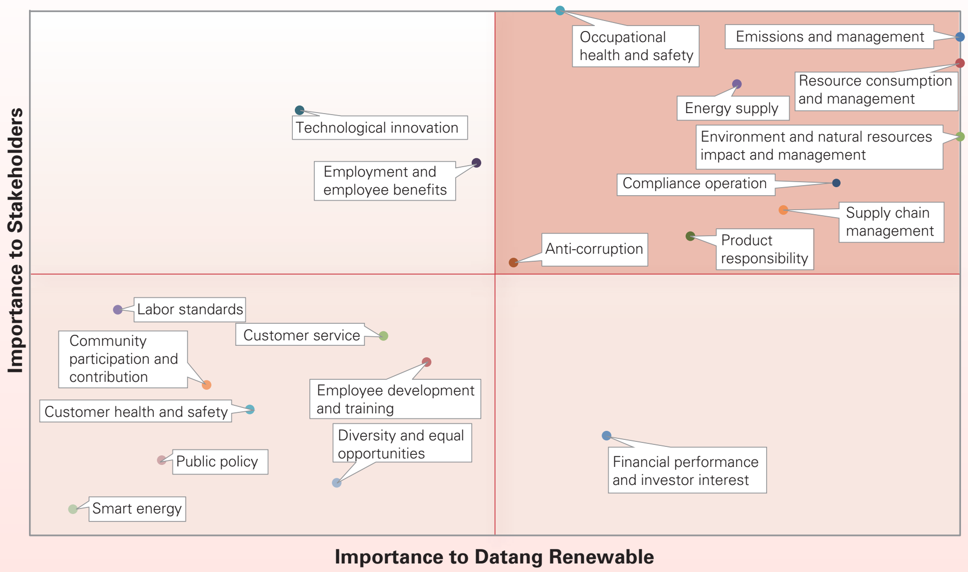
Stakeholders	Expectations and Requirements	Communication Channels
Customers and Partners	Contract fulfillment in accordance with laws Integrity management High-quality products and services Fair and just cooperation	Business communication Customer feedback Discussion forum
Employees	Maintenance of legal rights and interest Compensation and benefits assurance Improvement on communication mechanisms Establishment of well-developed career development channels Diversified educational training	Employee representative congress Labor contract Employee democratic appraisal Corporate culture building Employee training
Communities and the Public	Improvement of the community environment Participation in public services Delivery of open and transparent information	Corporate websites Corporate announcements Interviews Public welfare activities
Media	Timely information disclosure Maintenance of good relationship with media Delivery of correct and transparent information	News and announcements release Report publication Active communication with the media

2.3 Materiality Analysis

During the Reporting Period, the Group refined the material issue pool for 2020 and formed 20 ESG issues accordingly, based on the 2019 identification and analysis results of material issues, the up-to-date development progress of the Group over the Reporting Period, stakeholders' demands, global sustainability trends and directions, and ESG issues identified by outstanding peer companies, along with the Reporting Guide revised by the Stock Exchange in December 2019. Considering the topic of "Compliance Operations" covers the topic of "Environmental Compliance" to a certain extent, the management team and the ESG Working Group decided to merge the latter into "Compliance Operations" as part of the 2020 ESG material issues on the 2019 basis, to avoid duplication of issues.

Based on the above-mentioned references and standards, combined with the understanding of the actual operation condition, the Group's management team and the ESG Working Group ranked importance of the topics in the dimension of "Importance to Datang Renewable", and meanwhile managed to understand the opinions of stakeholders. Through combining the results of the above two dimensions, a matrix of 2020 materiality assessment is formed (as shown in the figure below).

Datang Renewable 2020 ESG Material Topocs Matrix



Note: High-importance material topics

The material issues identified in the Report and the corresponding chapters are as follows:

Material Issues	Corresponding Chapters in the Report
• Compliance operation • Anti-corruption • Product responsibility • Energy supply • Supply chain management	3. Responsible Operation
• Emissions management • Resource consumption and management • Environment and natural resources impact and management	4. Green Operation
• Occupational health and safety	3. Responsible Operation 5. Care for Employees

3. RESPONSIBLE OPERATION

During the Reporting Period, the Group adhered to the new development concept as well as reform and innovation, continued to optimize its business layout, improved its business performance and built up its core competitiveness with the overall goal and requirements of "building a world-class energy company" as the driving force for development. The Group insists on the core values of honesty, trustworthiness and compliance, ensures the provision of stable, safe and efficient energy, makes every effort to bring quality services to customers, and continues to provide comprehensive support for the healthy and rapid development of the Group's renewable energy industry. During the Reporting Period, the Group generated a total of 21,176,229 MWh of power, representing an increase of 14.87% compared with 2019. Among the power generated, 20,789,484 MWh of wind power generation was completed, representing an increase of 14.43% compared with 2019.

The Group will continue to deepen its governance[1] and operation systems, effectively maintain and strengthen communication with investors and other stakeholders, and offer returns to the Group's shareholders, society, employees and other stakeholders through sustained and healthy growth.

3.1 Compliance and Integrity Operation

The Group continuously strengthens the establishment of the corporate system to supervise its management and operation, so that the Group can fully meet the requirements and guide its daily work. The Group strictly abides by *the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Stock Exchange of Hong Kong Limited Securities Listing Rules* and other relevant laws and Listing Rules, and has established a mechanism for reporting, analyzing and informing the operation of the three meetings of our subsidiaries, closely linking them with the corporate investment and financial management processes, and strictly controlling matters that do not follow the three meetings[2] governance regulations or exceed the authority, so as to strongly protect the rights and interests of the shareholders. During the Reporting Period, the Group did not discover any violation of relevant laws and regulations.

---

1 For more information on corporate governance, please read the "Corporate Governance Report" in this annual report.

2 The three meeting is the Company's Board of Directors, Board of Supervisors and shareholders' meeting.

Detailed Information Disclosure

The Group pays great attention to the development operation and management of information disclosure to safeguard the legal interests of investors. In accordance with *the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Measures for the Administration of Debt Financing Instruments for Non-financial Enterprises in the Interbank Bond Market, the Rules for Disclosure of Information on Debt Financing Instruments for Non-financial Enterprises in the Interbank Bond Market* and other relevant laws and regulations, the Group has formulated the Information Disclosure Matters Management System, which specifies the personnel in charge of information disclosure and the relevant procedures for report preparation, review and disclosure to further ensure the compliance of information disclosure.

During the Reporting Period, Datang Renewable successfully completed the preparation and publication of periodic reports and environmental governance reports, issuing a total of 184 announcements in English and Chinese to the public, with no disclosure violations occurred. The Company actively maintained communication with investors and conducted 69 investor meetings with 205 investor receptions during the Reporting Period. In the future, Datang Renewable will further improve the level of information disclosure, strictly implement the disclosure requirements for listed companies to further strengthen investor management, organize online presentations as well as online investor communication meetings, so as to achieve outstanding communication through multiple channels.

In-depth Anti-Corruption and Integrity Promotion

The Group actively promotes the construction of a clean government and anti-corruption, strictly complies with the *Supervision Law of the People's Republic of China,* the *Criminal Law of the People's Republic of China*, the *Regulations on Disciplinary Punishment of the Communist Party of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Corruption and Bribe-taking Law of the People's Republic of China* and other relevant laws and regulations, as well as the Rules for Case Management of Discipline Inspection and Supervision Department of China Datang Group Corporation (hereinafter referred to as "Datang Group") and the Regulations on Further Regulating the Management of Business Expenses for the Duty Performance of Datang Group, to establish an efficient supervision and management mechanism and enhance the awareness of employees' integrity.

At the same time, to strengthen Party style as well as clean government construction and ensure the implementation of the relevant responsibilities, the Group has formulated the *Implementation Measures of the Responsibility System of the Party Style and Clean Government Construction* (hereinafter referred to as "Implementation Measures"), the *Implementation Opinions on Strengthening the Responsibility of Supervision*, and the *Implementation Opinions on Implementing the Responsibility of Supervision* in accordance with the *Regulations of the Communist Party of China on Internal Supervision and the Rules of the Discipline Inspection Organs of the Communist Party of China*. The Implementation Measures regulates the supervision and assessment mechanism of the integrity construction, the leadership team of the Company is responsible for leading the relevant inspection and assessment work, and the office of the Discipline Inspection Commission is responsible for the organization and implementation of the inspection and assessment, and will hold accountable of the cadres failing to properly perform the duties of the integrity construction in accordance with their management authority.

Each subsidiary of the Group refined its system in accordance with the Group's system, established systems for filling out, organizing and filing the integrity files of cadres, and set up compliant mailboxes at clearly visible locations in the office, a telephone number for whistle-blowing and the telephone number of the chief personnel in charge of "Four Malfeasances[3]", which can be reached all time. In case of relevant legal dispute cases during operation and management, the Group provides unified guidance and coordination in accordance with the Measures for the Management of Legal Dispute Cases, dealing with the responsible parties accordingly.

During the Reporting Period, the Group did not violate any laws and regulations related to bribery, extortion, fraud and money laundering that have a significant impact on the Group, and there were no corruption litigation cases.

In addition, in order to strengthen anti-corruption education for the management team and other employees, the Group carried out abundant publicity and education activities on the construction of the Party style and anti-corruption in the Company as well as subsidiaries during the Reporting Period, including tutorial lectures on the fourth plenary session of the 19th Central Commission for Discipline Inspection and special training on political inspection in the Company, as well as organizing subsidiaries to study the relevant contents of the negative list of the spirit of the eight-point guidelines.

---

3 In June, 2013, during a work conference on the campaign to educate Party members about the mass line, President Xi Jinping pointed out the instances of the Party losing its connection with the people, which were manifested in the "Four Malfeasances: "going through the motions", "excess bureaucracy", "self-indulgence" and "extravagance".

Case 1:

To thoroughly implement the work of building a clean government, Datang Jilin Renewable Power Company Limited organised members of the leadership team, middle-level cadres and members on key positions to watch the anti-corruption warning education film, which profoundly revealed the hazards of corruption, further enhanced the awareness of integrity and self-discipline for all Party members and members on key positions, improving the ability to resist corruption and prevent changes.

Datang Jilin Renewable Power Company Limited
carried out clean government education and watched anti-corruption warming film

Case 2:

During the Reporting Period, Datang Shanxi Renewable Power Company Limited organised various anti-corruption related activities, including lectures taught by the Secretary of the Party Committee, visits to warning education bases, daily integrity talks and meetings on the Party style and integrity construction and anti-corruption work. For the reporting of anti-corruption related matters, Datang Shanxi Renewable Power Company Limited has set up a public reporting platform including telephone, email and WeChat to strictly manage any reported incidents.

Datang Shanxi Renewable Power Company Limited
carried out a special topic study group for the Fifth Plenum

3.2 Responsible Product and Service

The provision of safe and efficient clean energy services is the foundation of the Group's sustainable development. The Group's main business is electricity supply, with its major customers being State Grid Corporation ("State Grid") and Southern Power Grid Company Limited ("Southern Power Grid"). We are fully aware of the importance of high-quality electricity to ensuring safe and stable operation of society. We strictly comply with the technical standard requirements of our customers regarding the quality of electricity from the power grid and continuously improve our production safety related systems to ensure that the quality of our products and services meet customer requirements.

Adhering to the business philosophy of "quality first", the Group strictly complies with the *Product Quality Law of the People's Republic of China*, *Product Quality and Safety Law of the People's Republic of China*, *Renewable Energy Law of the People's Republic of China* and other clean energy-related laws and regulations.

The Group adheres to the principle of complying with the technical standards related to power quality of the State Grid and the Southern Power Grid, insisting on adhering quality-related minimum requirements, actively promoting the construction of quality system. We supervise various key indicators of power quality to prevent the incidents of power quality not meeting national standards. During the Reporting Period, the Group did not violate any laws and regulations relating to the health and safety of the products and services provided.

At the same time, the Group strictly complied with the *Advertising Law of the People's Republic of China*, *the Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and conveyed information related to the characteristics and quality of products and services to customers in an open and transparent manner to avoid false advertisement. The Group publicizes product prices to protect customers' rights to know, so as to create a business environment with a transparent fee structure. In accordance with the Datang Group's Regulations on Legal Protection of Trademarks, the Group sets detailed requirements on the use, protection and accountability of trademarks to further protect associated rights and interests.

In terms of information security and privacy protection, the Group complies with the *Law of the People's Republic of China on Guarding State Secrets*, *the Interim Provisions on the Protection of Trade Secrets of Central Enterprises* and other laws and regulations, and strictly protects customer privacy and the Group's commercial secrets. In accordance with Datang Group's requirements, each subsidiary strengthens the promotion of confidentiality publicity, education and training, and signs confidentiality agreements with its partners for projects involving confidential information. To regulate the safe operation of information systems, the Group set up designated telephone numbers for user services at all corporate levels in accordance with Datang Group's Information System Operation Management Measures, with the aim to accept users' service requests while they use information systems. During the Reporting Period, the Group did not violate any laws and regulations related to advertising, trademarks and user privacy that have significant impact on the Group.

3.3 Safe and Efficient Energy Supply

The Group takes the provision of safe and efficient clean energy services to the community as its business foundation and greatly values safety management throughout every operational stage. The Group is committed to ensuring the safety of energy supply in all aspects, including operation management and hazard management, minimizing the risks related to production safety and ensuring the safety of energy supply and employees.

Production Safety Management

The Group strictly abides by the laws and regulations of the *Production Safety Law of the People's Republic of China*, *the Fire Control Law of the People's Republic of China*, *the Emergency Response Law of the People's Republic of China* and other laws and regulations in its operation and management, in accordance with the relevant laws and regulations, combined with Datang Group's Production Safety Responsibility System Management Measures, Production Safety Regulations, 'Party and Government Together, Double Responsibilities' Production Safety Interim Provisions, Production Safety Accident and Environmental Incident Reporting and Investigation Regulations, Production Safety Reward and Punishment Measures and other safety-related regulations, the Production Safety Reward and Punishment Management Measures and other systems have been formulated. Each subsidiary of the Group has also formulated relevant systems to strengthen production safety assessment and accident management under the direction of learning "safety first, prevention first and comprehensive management".

Management and Supervision System

According to the Management Measures of Production Safety Responsibility System of the Group, we strictly implemented the requirements of the Group on the supervision responsibility of production safety, established the management system of production safety responsibility, formed hierarchical management, and implemented the system where lower-level companies were responsible for production safety of higher-level companies in a level-by-level manner. Meanwhile, the Group regularly carries out safety risk assessment, management of major hazard sources, emergency management of production safety, disaster prevention and mitigation, etc., summarizes and analyzes in a timely manner, and formulates targeted rectification measures for relevant risks. In case of safety-related accidents, the Group organizes accident investigation in accordance with the requirements of the Group's accident investigation, oversees the implementation of the "four non-exemptions" principle and is responsible for accident statistics, analysis and reporting. During the Reporting Period, in accordance with the relevant provisions of the Production Safety Training Management Measures, the Group conducted various safety training on the following topics: basic knowledge of production safety, basic rights and obligations, general safety knowledge, safety signs, major hazards and countermeasures and on-site first aid knowledge.

The Group works to achieve its annual safety targets. During the Reporting Period, there was no violation of laws and regulations relating to occupational health and safety that had a significant impact on the Group, and the number of working days lost due to work-related injuries was 0. In addition, the Group did not have any safety and health accidents, or production-related personnel casualties.

Year Indicator	2020	2019	2018
Number of work-related fatalities *(persons)*	0	0	0
Work-related fatality rate *(%)*	0	0	0

Case 3:

In order to improve the staff's awareness of fire safety and the ability to deal with forest fire emergencies, Datang Heilongjiang Renewable Power Company Limited organised a forest fire emergency drill at Chenguang Wind Farm. According to different drill contents and fire scenarios, the drill process was carried out in an orderly manner, including material preparation, drill plan study, question and answer for drill personnel, equipment use training and formal drill.

Datang Heilongjiang Renewable Power Company Limited
conducted the forest fire emergency drill

In accordance with the safety-related system established by the Group and each of its subsidiaries, various safety training programs are carried out in an orderly manner to ensure that employees are more professional in dealing with various emergencies and potential hazards during actual project operations. The following are the safety measures and safety-related training conducted by each subsidiary:

Occupational disease hazards bulletin board by Datang Inner Mongolia Renewable Power Company Limited

Cabinet door safety signs by Datang Fujian Renewable Power Company Limited

Fire drill by Datang Ningxia Renewable Power Company Limited

Wind turbine and reel failure emergency drill by Datang Fujian Renewable Power Company Limited

3.4 Steady Development of Technological Innovation

The Group attaches importance to technological innovation and is committed to bringing its continuous enhancement. We strictly abide by *the Regulations on National Science and Technology Rewards* and other relevant laws and regulations, and have formulated the Management Measures for Scientific and Technological Innovation Rewards (Trial) in conjunction with the Management Measures for Scientific and Technological Innovation Rewards (Trial) of Datang Group, in order to standardize the work of rewarding the Group's scientific and technological innovation achievements, mobilise the enthusiasm and creativity of technology employees within the Group, and improve the Group's independent innovation and research and development ("R&D") capability. To safeguard corporate legal rights and interests related to intellectual property, the management measures clarify the punishment and treatment regulations for stealing, unauthorised transfer and infringement of technological achievements, patents, standards and other information.

The Group deeply implements the management policy of technological innovation of “respecting labor, respecting knowledge, respecting talents and respecting creation”, focuses on the corporate development strategy, adheres to the path of corporate development through technologies and talents, giving full play to the enthusiasm and creativity of technology employees from the perspective of solving practical problems in various tasks, so as to promote technological innovation, production as well as construction, and to accelerate the Group’s technological improvement on independent innovation and the implementation of its sustainable development strategies.

The Group’s technological R&D projects have won the National Electric Power Staff Technical Achievement Award, China Electric Power Science and Technology Progress Award and China Electric Power Innovation Award. The Group’s first blade power-boosting combination technology and blade tip extension wing technology are considered advanced globally. As of the end of the Reporting Period, the Group has obtained 280 patent authorizations, including 24 invention patents, and has been responsible for carrying out over ten national science and technology projects.

Case 4:

Datang Heilongjiang Renewable Power Company Limited is committed to the gradual deepening of scientific and technological innovation. With the third best place, Datang Heilongjiang Branch explored the functional roles of its Centralised Control Center, vigorously promoting the Center’s comprehensive functional upgrade, and successfully completing the data collection and connection to Datang Group’s Centralised Control Center. Datang Heilongjiang Branch actively carried out research on a number of technological projects such as big data analysis on wind turbine management to improve efficiency. While improving the technical support of equipment operation and maintenance, Datang Heilongjiang Branch had made a number of achievements, including the third prize of the National Energy, Chemical and Geological System Outstanding Employee Technological Innovation Achievement, and was awarded the title of China Equipment Management Conference Annual Equipment Wisdom and Technological Innovation Benchmark Enterprise.

Utility model patent certificate of Datang Gansu Renewable Power Company Limited

Utility model patent certificate of Datang Ningxia Renewable Power Company Limited

3.5 Sustainable Supply Chain Management

Selecting suppliers and contractors that meet the standards is an important part of ensuring the quality of products and services. The Group attaches great significance to the quality of procurement and is committed to maintaining good cooperative relationships with suppliers and contractors to achieve "mutually beneficial and sustainable" supply chain management. The Group strictly complies with relevant laws and regulations such as the *Bidding and Tendering Law of the People's Republic of China*, and a series of relevant policies of Datang Group, such as Procurement Management Regulations, Procurement Plan Management Measures (Trial), Supplier Management Measures and Procurement Inspector Management Measures, and has formulated the Procurement Management Regulations accordingly to further standardize the procurement process of the Company and its subsidiaries, improve the efficiency and quality of procurement, and prevent procurement risks.

The Group performs unified management of procurement work through unified planning, processes, standards, platforms and organizations. Meanwhile, the inspection has been assigned with different levels of authorization. The main responsibilities of the Company in procurement management are:

- Perform procurement management within the managed scope
- Develop plans for secondary-level procurement (aka. procurement within Datang Group's inspection scope)

- Inspect the results of secondary-level procurement in accordance with the authorization

- Conduct quality management of purchased materials

- Direct, supervise, inspect and evaluate the procurement management of companies within the managed scope

For non-tender procurement, the Group complies with the requirements of the relevant systems by Datang Group, and the procurement team selects from suppliers who can meet the procurement requirements in terms of both quality and service.

To identify and manage the potential social and environmental risks of various suppliers, the Group strictly implements the Group's Supplier Management Measures, while taking the OFJ principles of "openness, fairness and justice" and the work principles of "honesty and trustworthiness, unified categorization, level-by-level implementation, and support of the best and elimination of the worst" as the core of supplier management.

The Group makes specific requirements for the qualification of bidders in the bidding documents, including the provision of quality assurance system and associated certificates for quality approval, occupational health and safety management system certification, environmental management system certification, etc. At the same time, the Group regularly organizes the subsidiaries with procurement demand to conduct dynamic and comprehensive evaluation of supplier performance, following the principle of "who uses, who evaluates", and relevant subsidiaries regularly conducts comprehensive evaluation of suppliers in conjunction with procurement engagement and contract performance, and the ratings are weighted and summarised after review to arrive at the final comprehensive evaluation level (with four levels: A. excellent, B. good, C. qualified, D. unqualified) of the supplier. The evaluation results can provide necessary reference for subsequent procurement and contract terms. The Group strictly examines whether there are any violations of contract by suppliers in terms of integrity, quality and service, and takes appropriate handling measures based on the evaluation results. During the Reporting Period, the Group implemented the relevant procurement management system to all engaged suppliers.

As at the end of the Reporting Period, the Group had 1,001 suppliers and all of them were qualified suppliers.

4. GREEN OPERATION

Since the Paris Agreement came into effect, China has formulated climate change-related plans and requirements in accordance with its own development and energy potential, and put forward new requirements in promoting the energy revolution, accelerating the growth of the new energy industry, promoting the clean, low-carbon, safe and efficient use of energy, and enhancing the capacity of new energy consumption and storage. In September 2020, President Xi made a commitment at the United Nations General Assembly to strive for "carbon peak" by 2030 and "carbon neutrality" by 2060, bringing challenges and opportunities for green development.

As a leading integrated clean energy service provider in China, the Group is committed to vigorously developing solar power generation, actively exploring the development of energy storage, striving to enhance asset efficiency, as well as promoting scaled, technological, intensified, and globalised development. The Group continues to vigorously develop onshore wind power, actively promote photovoltaic power generation, coal-bed methane power generation, distributed power generation and other clean energy power generation projects, rely on the development of clean energy projects, strengthen the capacity building of the technical service segment, and build and strengthen the core competitiveness of the Company.

During the "14th Five-Year Plan" period, the Group will focus on the key development direction of "wind, solar, gas and services" within the framework of the Group's development strategy, focus on wind and scenery complementary power generation projects and the upgrading of existing wind turbines, and do a good job of decomposing and refining the tasks of new energy development, and contributing to the early realization of the national development goals of "carbon peak" and "carbon neutrality".

4.1 Low-carbon Development

With the rapid development of the national economy, energy demand continues to grow. As a renewable energy power generation company, Datang Renewable holds the important responsibilities of ensuring power supply, energy security, ecological environment protection and thus promote sustainable economic development. Datang Renewable is clearly aware of the cleanliness and abundancy of renewable energy sources including wind and solar power, the development and utilization of which is important to adjusting the energy structure and alleviating environmental pollution.

Based on the Development Strategy Study Report of Datang Group and General Plan for the Preparation of the 14th Five-Year Plan of Datang Group, the 14th Five-Year Plan was prepared, taking into account the achievements and lessons learned during the 13th Five-Year Plan, and the general ideas and goals of the future plan were formulated. During the 14th Five-Year Plan period, the Group will vigorously develop solar power generation, actively promote onshore wind power, steadily develop offshore wind power, selectively carry out offshore wind and light projects, and actively explore the upgrading of the existing wind power inventories.

By the end of the Reporting Period, the installed capacity of Group was 12,229.52 MW, representing a year-on-year increase of 2,468.10 MW. The Group's renewable energy power generation (includes coal-bed methane) accounted for 100% of the Group's total power generation capacity during the Reporting Period, amounting to 21,176,229 MWh, a year-on-year increase of 2,740,766 MWh, equivalent to a saving of 6.51 million tons of standard coal, an emission reduction of 17.81 million tons of carbon dioxide, 0.42 million tons of sulfur dioxide and 0.40 million tons of nitrogen oxides[4].

4.2 Emission Management

For the major emissions generated during production and operation, the Group implement measures to reduce emissions at source, optimize the use efficiency and comply with emissions treatment requirements, so as to effectively reduce various types of emissions and minimize their negative impacts on the environment.

Air and Greenhouse Gas Emissions (GHG):

The Group's main business focused on clean energy generation, producing 100% renewable energy. The Group is primarily engaged in wind power projects and plans to continue to increase its acquisition of wind power resources during the "14th Five-Year Plan" period, while vigorously developing solar power generation and developing offshore wind and solar projects on a selective basis. These projects and technologies are environmentally friendly, as they do not consume fossil fuels in the power generation process and produce minimal direct air and GHG emissions.

During the Reporting Period, the Group's major GHG and air emissions were from exhaust emissions during the operation of vehicles, resulting in the generation of air pollutants such as nitrogen oxides and sulfur dioxide. To effectively reduce air and GHG emissions, the Group adopted the following emission reduction measures:

1. The Group formulated the Management Measures for the Allocation and Use of Public Vehicles (Trial) in a holistic manner, requiring public vehicles to adhere to the principles of being economic, energy-saving and environmentally friendly, while ensuring performance.

2. The Group encourages employees to use public transportation or corporate shuttle buses to commute; unifies the schedule so that employees sharing the same route or living in the same neighborhood could carpool.

---

4 Emission reductions compared to thermal power; emission data source: Annual Development Report of China's Electric Power Industry 2019, published by China Electricity Council

Regarding the collection and management of air emission data released during the operation of vehicles, the Group is in the process of improving the relevant system and plans to collect, summarize and disclose air emission data in future reports.

Waste Disposal:

The Group continued to strengthen the management of various waste to prevent environmental pollution caused by waste disposal. The Group strictly complies with *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Pollution Control Standards for Hazardous Waste Storage*, the *Water Pollution Prevention and Control Law of the of the People's Republic of China* and other relevant laws and regulations, and has issued the Notice on Strengthening the Management of Environmental Protection Unorganised Disposal and the Notice on Further Strengthening the Management of Environmental Protection Emergencies to reduce the waste generated from daily production and operation, striving to achieve minimal impacts on the environment. In accordance with the requirements of the above-mentioned regulations, the Group conducted testing and evaluation of all wind power projects, requiring wind power plants to satisfy normal operation conditions for environmental protection facilities, and emissions to meet national standards. At the same time, in conjunction with Datang Group's Measures for the Management of Unorganised Emissions, Solid Waste and Hazardous Waste, each subsidiary has formulated management measures related to hazardous waste and solid waste, and refined responsibilities and regulations for waste disposal.

To minimize the use of ongoing consumables during office operation, the Group has formulated measures for the management of office consumable items, including the Measures for the Management of Office Supplies and Low-Value Consumable Items formulated by the Company, which clarifies that the management of items shall adhere to the principles of "standardised procurement, separate accounting and conserved consumption". During the Reporting Period, the Group did not violate any laws and regulations relating to emissions that had caused significant impacts on the Group.

The non-hazardous waste generated by the Group in daily life and over the construction as well as operation of engineering projects mainly consists of domestic waste, while the hazardous waste generated includes waste oil, waste filter cartridges, waste oil buckets, waste lead batteries and hazardous construction waste. The Group's disposal measures for each type of waste are as follows:

Hazardous Waste:

- The wind power plants generating waste are required to sign a hazardous waste treatment agreement with a qualified third party and fill out a hazardous waste transfer form. The waste defined as hazardous waste according to the national hazardous waste list is entrusted to a qualified third party for harmless treatment, including safe packaging and transfer

- Wind power plants that generate waste are required to set up temporary storage points by classification of solid waste, and set up classification signage, conduct centralised treatment or contact the corresponding pollution recycling manufacturers for recycling in accordance with environmental regulations

- Wind power plants are required to set up sufficient waste containers, garbage cans and flush toilets, while having a designated cleaning personnel to maintain the hygiene of the construction environment

Datang Gansu Renewable Power Company Limited's temporary storage for waste oil

Non-hazardous Waste:

- Classifies domestic waste in compliance with the regulations of local environmental authorities, dumps and piles waste at designated locations and entrusts qualified third parties to carry out harmless waste treatment

- Stores and disposes general industrial solid waste in accordance with the general industrial solid waste storage, disposal site pollution control standards (GB18599-2001) requirements

- Recycles and reuses all metal waste generated from on-site maintenance operations and other processes, transports maintenance waste generated to approved designated sites for landfill or disposal

Sewage:

- With the process of septic tank sedimentation, organizes qualified commissioners to visit the site to collect and extract the sewage on a regular basis
- Constructs domestic sewage treatment facilities according to the project completion of environmental acceptance approval forms, filing forms and other requirements

The domestic sewage treatment plant for
Datang Gansu Renewable Power Company Limited

The Group's emissions for 2019–2020[5]

	Unit	2020	2019
GHG Emission			
Total GHG emission for scope 1	Tonnes	**4,510.01**	4,002.30
Scope 1 GHG emission density	Tonnes/million yuan income	**0.48**	0.48
Total GHG emission for scope 2	Tonnes	**57,692.21**	40,414.90
Scope 2 GHG emission density	Tonnes/million yuan income	**6.16**	4.85
Total emission density for scope 1+2	Tonnes/million yuan income	**6.64**	5.34
Sewage Discharge			
Total industrial sewage discharge in line with standards	Tonnes	**4,507.40**	4,000.00
Amount of Non-hazardous waste generated			
Total general industrial solid waste	Tonnes	**32.79**	29.10
Domestic waste	Tonnes	**251.06**	222.80
Other non-hazardous waste	Tonnes	**20.70**	18.40
Total amount of non-hazardous waste generated	Tonnes	**304.55**	270.30
Non-hazardous waste density	kg/million yuan income	**32.50**	32.47
Amount of Hazardous waste generated			
Total amount of hazardous waste generated	Tonnes	**108.29**	96.10
Hazardous waste density	kg/million yuan income	**11.55**	11.54

4.3 Resource Consumption

The Group strictly complies with the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, and robustly develops the clean energy power generation industry with excellent resources, advanced technology, and significant social and economic benefits. During the Reporting Period, the Group mainly obtained water for its operation from the municipal water resources network and did not encounter any difficulties in the process of obtaining water. Meanwhile, none of the products and services provided by the Group involve the use of packaging materials.

The Group pays attention to the daily management of plant equipment, actively promotes the upgrading of energy-saving technology, and continuously improves energy utilization efficiency. At the same time, each of the Group's subsidiaries actively promotes the concept of green workspace, integrates energy-saving awareness into daily works, and guides employees to participate in energy-saving actions. In 2020, the Group's wind power plants continued to implement energy conservation measures in accordance with the Energy Conservation Supervision Implementation Rules, Energy Conservation Week Work Standards and other related internal systems. The following are the specific energy-saving measures adopted by the Group:

- Promotes the use of more energy-efficient LED lighting, implements power-saving management of equipment and lights-out system

- Performs technological transformation, equipment upgrade and continuous improvement of energy management system

- Raises the awareness of all staff to conserve electricity, reasonably control the use of air conditioners and water heaters, back office staff to check the use of room air conditioners and lighting from time to time, so that employees would ensure lights are turned off, air conditioning are shut down upon leave, reducing the overall electricity use of production and living

- Optimizes the operation plan of fan cooling control system, reasonably sets the operation time and temperature range for the fans in accordance with the actual fan condition, comprehensively reducing its operational consumption

- Promotes intelligent plant construction, connects solar power plants to remote centralised control, so as to realize unmanned or less manned operation and management on-site; such technology is planned to be applied to wind power plants for remote centralised control management

Case 1:

To improve the energy use efficiency and power generation efficiency at wind power plants, while reducing the associated amount of energy used and the impact on the environment, Datang Gansu Renewable Power Company Limited has formulated the Implementation Rules for Supervision and Management of Energy Saving Technology, which elaborates on the supervision responsibilities, operation and maintenance, technical management and other aspects. It contains requirements such as daily water system inspection of wind power plants, monitoring the leakage of field equipment, and timely elimination of equipment leakage and air leakage of heat dissipation ducts. At the same time, the wind power plants under Datang Gansu Branch have formulated energy conservation plans for household lighting, water and electricity consumption, reducing the use of disposable household items, controlling the temperature of air conditioning, turning off all kinds of power in time, thus reducing unnecessary household water and electricity consumption.

The Group's resources and energy in 2019–2020[5, 6]

Indicator	Units	2020	2019
Gasoline	Liters	**1,833,029**	1,626,676
Diesel oil	Liters	**164,095**	145,622
Liquified gas	m^3	**23,862**	21,176
Total direct energy consumption	MWh	**18,737**	16,628
Total direct energy consumption density	MWh/million yuan income	**2.00**	2.00
Purchased electricity	MWh	**73,321.91**	66,243.14
Electricity used in operation sites	MWh	**45,182.28**	40,394.25
Total indirect energy consumption	MWh	**118,504.19**	106,637.39
Total indirect energy consumption density	MWh/million yuan income	**12.64**	12.81
Total water consumption (municipal water)	Tonnes	**120,155**	106,628
Total water consumption density	Tonnes/million yuan income	**12.82**	12.81

5 The collection scope of resources and energy use data for the Reporting Period covers the Company and its subsidiaries, which is consistent with that of the last Reporting Period. The parameters used to calculate the consumption of each direct energy related indicator refer to the Guidelines for the Preparation of Provincial Greenhouse Gas Inventories by the Department of Climate Change of the National Development and Reform Commission and the Study on China's Greenhouse Gas Inventory by the Office of the National Coordination Group for Climate Change Countermeasures and the Energy Research Institute of the National Development and Reform Commission.

6 The business characteristics of the Group do not apply to the disclosure of packaging materials in A2.5 of the Reporting Guide, and thus no relevant disclosure has been made.

4.4 Environmental Protection

The Group is committed to providing green and clean energy to the community under the premise of protecting the environment. In order to prevent and control environmental pollution and ecological damage caused by production and household living, the Group strictly complies with *the Environmental Protection Law of the People's Republic of China, the Water and Soil Conservation Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Environmental Noise Pollution Prevention Law of the People's Republic of China* and other relevant policies to reduce the impact on the environment and natural resources. The Group has been strengthening the supervision and management of environmental protection, along with the construction and operation maintenance of environmental protection facilities, mainly covering the control and management of the impact of wind and solar power projects as well as facilities on the surrounding ecological environment. The Group requires environmental protection assessment for activities such as engineering and construction projects and implements a veto system for environmental protection. To further ensure the effective implementation of environmental protection, the Group has implemented the environmental protection responsibility system and incorporated it into the performance management and assessment system.

Each subsidiary of the Group implements project environmental protection hazard ranking, covering environmental risk factors such as water pollution, solid and hazardous waste, air emissions, ecological protection and noise. Project leaders are required to rectify the issues identified based on ranking results.

Case 2:

To strengthen the management of environmental protection, promote corporate sustainable development, realize the harmonization of its development and environmental protection, and serve the construction of ecological civilization, Datang Gansu Renewable Power Company Limited has formulated the Environmental Protection Management System according to relevant laws and regulations. The management system covers the following environmental protection contents related to wind and solar power projects.

- Protects environment and ensure solid and water conservation for project under construction
- Controls and manages environmental impacts such as noise, sewage, waste oil and other solid waste generated during facility operation
- Controls and manages ecological impact during facility operation

The general manager of Datang Gansu Renewable Power Company Limited is responsible for implementing relevant work, enhancing supervision and management of environmental protection, strengthening the construction and operational maintenance of environmental protection facilities, and comprehensively completing environmental protection related tasks of Datang Gansu Branch in accordance with the law and regulations.

Wind power plant vegetable garden for
Datang Gansu Renewable Power Company Limited

Case 3:

To implement environmental protection regulations, improve the environmental protection awareness of all employees and gradually standardize environmental protection management, Datang Jilin Renewable Power Company Limited organised environmental protection training. The department of production technology, department of safety supervision, centralised control center, department of early stage engineering projects and managers of all departments at the Datang Jilin Renewable Power Company Limited participated in the training. The training focused on *the Environmental Protection Law of the People's Republic of China*, covering the background of the amendment of the law, the environmental protection regulations related to companies, combined with real company cases of environmental pollution and environmental accidents, to improve the awareness of understanding and abiding by the law.

5. CARE FOR EMPLOYEES

The Group consistently believes that talent is the cornerstone and prerequisite for sustainable corporate development. The Group strictly abides by employment-related laws and regulations, insists on being people-oriented, strives to create an equal, diversified, fair and non-discriminatory work environment for employees, and fully respects and protects the legal rights and interests of each employee. The Group pays attention to talent cultivation and potential development and strives to build a mature education and training system to lay the foundation for subsequent position matching and talent cultivation.

5.1 Standardized Employment

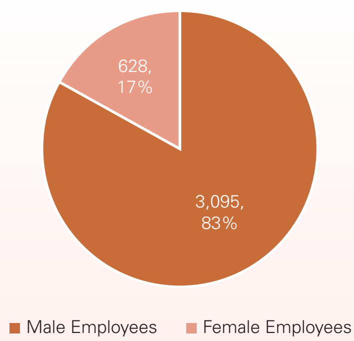
In order to further standardize the Group's employee recruitment procedures and optimize the allocation of human resources, the Group strictly abides by the laws and regulations such as *the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China*, and has formulated the Labor Contract Management Method, the Staff Management Method and other related systems in conjunction with the Group's Employee Recruitment Management Method, to make clear provisions on recruitment principles, basic conditions for open recruitment, contract signing and termination to ensure the efficiency, fairness and impartiality of the Group's recruitment work. Meanwhile, the Group has issued a series of employment management measures, such as Measures for Employee Attendance Management, Measures for Employee Reward and Punishment Management, Measures for Implementation of Employee Paid Annual Leave and Measures for Reimbursement of Medical Expenses, to regulate the management of the Group in the areas of recruitment, dismissal, promotion, working hours, holidays, and welfare benefits.

Datang Renewable values the protection of the legal rights and interests as well as equal opportunities of female employees. The Group has formulated the Measures for the Management of Female Employees' Work in accordance with the *Trade Union Law of the People's Republic of China* and other laws and regulations to optimize the situation for female employee development, striving to create a satisfactory environment for harmonious development.

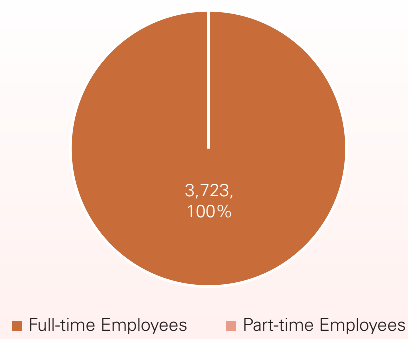
The Group strictly abides by *the Protection of Minors Law of the People's Republic of China*, *the Regulations on the Prohibition of Child Labor* and other laws and regulations, and ensures the principles of fairness, impartiality and openness in all aspects of the recruitment process, and opposes discrimination based on gender, race and beliefs. The Group requires each subsidiary to submit the information of the potential candidates to the Company for approval. Once approved, the results are publicized within each subsidiary for 7 business days and monitored by employees. In the event of child labor or forced labor, the Group sets the rule to immediately terminate the employment contract with the specific employee and hold accountabilities of the relevant personnel in accordance with the law.

As of the end of the Reporting Period, the Group employed a total of 3,723 employees, an increase of 21% compared to 3,070 employees in 2019. The percentages of employees by gender, employment type, age and region[7] are shown in the following charts:

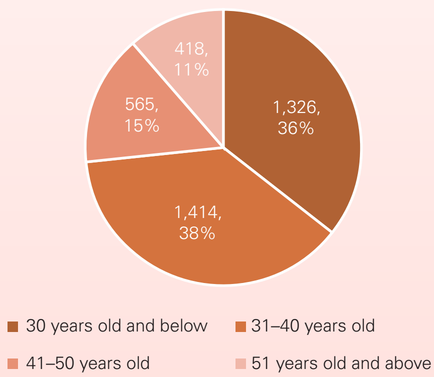
Total Number of Employees by Gender



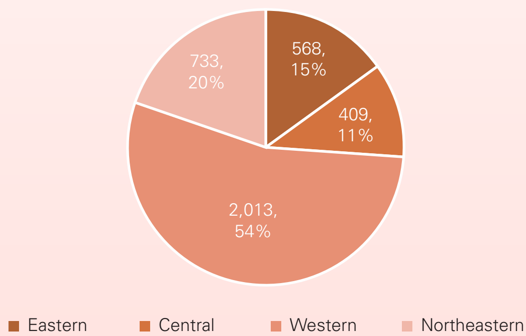
Total Number of Employees by Employment Type



Total Number of Employees by Age Group



Total Number of Employees by Geographical Location



In 2020, the Group did not commit any violations of laws and regulations regarding remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits, nor was there any situations of child labor or forced labor employment.

---

[7] The classification is based on the method of the National Bureau of Statistics of the People's Republic of China for dividing China's economic regions into eastern, western, central and northeastern regions.

5.2 Health and Safety

The Group values occupational health and safety of its employees, strictly complies with *the Labor Law of the People's Republic of China*, *the Occupational Disease Prevention and Control Law of the People's Republic of China*, *the Regulations on Work Injury Insurance* and other relevant laws and regulations, and has developed a series of measures such as the Measures for Safety Management, Measures for Prevention and Control of Occupational Diseases and Measures for the Management of Regular Medical Examination of Employees to strengthen the management of occupational health and safety. All subsidiaries of the Group actively implement the concept of "safety first", formulate occupational health and safety management regulations in accordance with relevant laws, regulations and industry standards, strengthen the primary responsibility of occupational hazard prevention and control, and protect the safety and health of employees.

During the Reporting Period, the Group continued to provide relevant training to its employees to enhance their occupational safety awareness by providing them with occupational safety training in six areas, including occupational health design standards for industrial enterprises, management specifications for occupational disease hazard notification and warning signs for employers, classification and catalog of occupational diseases, catalog of occupational disease hazard factors, management regulations for labor protective equipment for employers and selection of individual protective equipment. Meanwhile, the Group provides a series of safeguards to ensure the occupational health and safety of employees, covering provision of labor protection supplies, safe work environment, regular health check-ups, and training as well as advocacy of occupational disease protection. Based on the results of the medical examination, the Group has established corresponding improvement measures, including strengthening the management of employees' physical and mental health, following up on employees with abnormal medical examination results and reminding them to review and seek medical consultation. During the Reporting Period, the health check-up rate and health record coverage rate of the Group's employees both reached 100%.

During the Reporting Period, the Group did not violate any laws and regulations related to occupational health and safety that have a significant impact on the Group, and no workplace fatality was caused.

Case 1:

Datang Liaoning Renewable Power Company Limited regularly provides occupational health and safety training to its employees to popularize occupational diseases and their hazards, introduces methods to identify and prevent and control workplace hazards, and implements corresponding occupational health and safety risk prevention measures. After having professional agencies to evaluate the current situation of occupational disease hazards at each of its wind power plants, it was concluded that the occupational disease protection measures, management and provision of on-site personal protective equipment, emergency rescue measures and notification of occupational disease hazards at each plant have met the national standards of various aspects such as noise prevention.

Datang Liaoning Renewable Power Company Limited CPR first aid skills training

Case 2:

As part of a training series on practical techniques to improve the work style of cadres, Datang Jilin Renewable Power Company Limited carried out a training on the topic of "stress and emotion management". The training was conducted via the form of video conference held in one main venue and four sub-venues. Experts including domestically well-known corporate trainers and psychological counselors were invited to present the following contents to managers: sources and effects of stress and emotions, coping strategies, methods of resolving them, exploration of negative emotions and appropriate expressions. Through frequent interaction, it helped employees to deepen their self-awareness and thus improve management efficiency.

Datang Jilin Renewable Power Company Limited conducted training on stress and emotion management

The following are the highlight trainings and activities regarding health and safety provided by the Group during the Reporting Period:

Datang Chongqing Renewable Power Company Limited CPR first aid skills training

Datang Heilongjiang Renewable Power Company Limited CPR first aid skills training

Datang Anhui Renewable Power Company Limited employee badminton tournament

Datang Renewable Power Experimental Research Institute and Datang Renewable Power Technology Industry Development Company first aid skills training

5.3 Empowering Development

The Group focuses on talent cultivation and potential development to meet the expectations of stakeholders for the professional quality of personnel. The Group is committed to providing a platform for the development of various types of talents and has developed a series of plans and programs accordingly for attracting, retaining and cultivating talents, thus creating a team with excellent technical skills and outstanding quality.

In order to standardize the management of employee education and training, as well as enhance their professionalism and technical ability, the Group has formulated training-related management measures and implementation plans, such as Management Measures for Education and Training (Trial), Management Measures for Professional Training Projects and Management Measures for Staff Education and Training Funds (Trial), in accordance with the laws and regulations of *the Labor Law of the People's Republic of China and the Vocational Education Law of the People's Republic of China,* so as to enhance the efficiency of the Group's training management and broaden the channels of talent development.

Each subsidiary company fully cooperates with the standardised management of Datang Renewable, improves the top-level design of the education and training system, establishes and improves the training management system and covers the annual training plans of their own subsidiaries, comprehensively improving the quality of employees through internal training, outbound training, inviting lecturers and technical exchanges. Each subsidiary company actively provides diversified training topics and contents for employees, and carries out a number of training work involving production safety, engineering construction, operation management, policies and regulations, such as new staff orientation, professional qualification certification for production technicians and management capacity enhancement training for managers. The total employee training rate of the Group reached 100%, and the training rate of new employees was 100%.

	2020	2019
Percentage of employees trained by gender		
Male employees	83%	81%
Female employees	17%	19%
Percentage of employees trained by position		
Senior management	4%	4%
Department head	18%	16%
Other office staff	11%	12%
General workers, technicians	67%	68%

	2020	2019
Average number of hours trained for employees by gender *(hours)*		
Male employees	145.63	141.62
Female employees	45.80	43.46
Average number of hours trained for employees by position *(hours)*		
Senior management	61.89	57.67
Department head	52.63	48.67
Other office staff	56.85	52.47
General workers, technicians	79.35	76.98

Case 3:

Datang Gansu Renewable Power Company Limited organised employees to participate in various professional trainings organised by Datang Group and skill competitions organised by industry as well as local organizations according to the 2020 Staff Education and Training Plan, including company-wide system examinations and photovoltaic professional knowledge examinations. At the same time, Datang Gansu Renewable Power Company Limited organised orientation for and safety specification examinations for new hires and carried out management capacity enhancement training for management capacity building, so as to build a high-quality team.

Orientation for new employees by Datang Gansu Renewable Power Company Limited

Case 4:

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited has formulated a two-month training program for new employees, which comprehensively covers induction physical examination, experience sharing from former outstanding graduates, safety knowledge, professional skills and vocational certificate training, so as to lay a solid foundation for new employees to formally enter the workplace.

On boarding training for new employees by
Datang Beijing-Tianjin-Hebei Renewable Power Company Limited

5.4 Employee Communication and Care

The rapid growth and development of the Group is inseparable from the hard work of our employees. Based on the philosophy of being "people-oriented", the Group values each and every employee, strives to help employees solve their most concerned and realistic problems, and provides beneficial resources for all employees to the greatest extent.

The Group, in accordance with laws and regulations including *the Trade Union Law of the People's Republic of China and the Provisions on the Democratic Management of Enterprises,* along with Datang Group's policy such as the System for the Participation of Employee Representatives in the Daily Democratic Management of Subsidiaries, the Group has formulated the System for the Participation of Employee Representatives in the Daily Democratic Management, taking into account the actual situation, and promoted the establishment of a working system for employee representatives to broaden the communication between enterprises and employees. In the meantime, the Group has developed the Measures for the Management of Trade Union Funds in accordance with the laws and regulations such as the Measures for the Management of Primary Trade Union Funds, improved the mechanism of employee services, and delivered warmth to employees in need including extreme poverty, work injury and illness through the adoption of a combination of material and spiritual encouragement.

Case 5:

In accordance with the Company's Management Measures for Trade Union Funds, while considering the actual situation, Datang Beijing-Tianjin-Hebei Renewable Power Company Limited has established the Management Measures for Warmth Delivery Work and organised visits and activities to care for employees. To extensively implement employee care into daily management, Datang Beijing-Tianjin-Hebei Renewable Power Company Limited has formed the Six Provisions on Relations to Employees' Lives, which clarify the standards and responsibilities of employee care provision including birthday blessings for employees, maternity care for female employees and sickness hospitalization.

Case 6:

Datang Chongqing Renewable Power Company Limited has strengthened team building and effectively expressed concerns as well as cared for employees. During the Reporting Period, Datang Chongqing Branch completed the establishment of Chongqing Regional Labor Union Organization, set up a psychological counseling room for employees, established a psychological counseling hotline, visited each wind power plant to understand the employee demands, and provided greetings and offerings on holidays, employees' childbirth and marriage, events including "Bringing Coolness in the Summer" and "Golden Autumn Scholarship", and express sympathy in cases of employees' sickness. Datang Chongqing Branch invested a total of 108,900 yuan to send warmth to employees, and carried out activities such as online riddle-guessing, online chess tournaments and other fun games for employees to further enhance their sense of happiness and satisfaction.

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited sent winter warmth to employees

Datang Anhui Renewable Power Company Limited sent May Day holiday gifts to employees

6. PAYBACK TO SOCIETY

Datang Renewable takes advantage of its clean energy business characteristics and rich platform resources to focus on social welfare, poverty alleviation and other fields, actively participating in public welfare activities. In combating coronavirus disease 2019 (COVID-19), Datang Renewable offered employee protection, provided social assistance and promoted work resumption to ensure supply, so as to create a good social atmosphere of mutual assistance and promote the harmonious development between society and enterprises.

6.1 Social Welfare

The Group strives to participate in community construction. While achieving its own rapid development, the Group actively fulfills its social responsibility and participates in social welfare activities based on the concept of "ensuring mutual benefit and win-win, contributing to public welfare with love". Regarding external donations, the Group strictly complies with the laws and regulations such as *the Public Welfare Donation Law of the People's Republic of China and the Notice of the Ministry of Finance on Strengthening the Financial Management of External Donations* as well as Datang Group's External Donation Management Measures, clarified the process of community investment, strictly controlled the use of funds and promoted the transparency and planning of the Group's social contribution work.

During the Reporting Period, the Group invested a total of RMB4.88 million in social welfare.

Case 1:

Datang Renewable Power Experimental Research Institute and Datang Renewable Power Technology Industry Development Company (hereinafter referred to as the "Datang Renewable Power Experimental Research Institute and Technology Company") actively participated in the "Old Clothes – Zero Disposal" environmental public welfare project organised by Flying Ants, calling on all employees to donate used clothes and reuse them by recycling. This activity was expected to have reduced nearly 60kg of carbon emissions, transforming the love of employees into contribution towards environmental protection.

Datang Renewable Power Experimental Research Institute and Technology Company participated in Flying Ants' "Used Clothes – Zero Disposal" environmental protection charity project

6.2 Poverty Alleviation

The Group actively responds to the national and regional poverty alleviation policies and calls for helping the poor, participates in precise poverty alleviation projects in various regions, earnestly fulfills its corporate social responsibility and contributes to the successful achievement of the first century goal of "building a moderately prosperous society in all respects". Datang Renewable has set up a poverty alleviation leading group to better coordinate and promote poverty alleviation work and ensure effectiveness.

During the Reporting Period, the Group mainly took industrial poverty alleviation and education poverty alleviation as important tools to innovate poverty alleviation models and enhance the effectiveness of poverty alleviation. By the end of the Reporting Period, the Group invested a total of RMB14.23 million in precise poverty alleviation.

Case 2:

During the Reporting Period, Datang Ningxia Renewable Power Company Limited invested 540,000 yuan as donation funds and helped Yuanyang Lake Power Plant to coordinate a total fund of 495,700 yuan, totaling1,035,700 yuan. In terms of industrial poverty alleviation, Datang Ningxia Renewable Power Company Limited continued to promote the construction of cattle-raising demonstration villages and the development of the "integrated industry of farming and breeding", and the per capita disposable income increased from7,085 yuan to 9,386 yuan in 2019. In terms of poverty alleviation through education, Datang Ningxia Branch launched the "Datang Enlightening Star Class" in Maoping Primary School for three consecutive years to spread the concept of "studying hard to steer away from the mountains and change your fate". During the Reporting Period, Datang Ningxia Branch sponsored a total of 20 students who had received offers from second-tier universities or above.

Case 3:

The Enlightening Star lecturer team of Datang Sanmenxia Wind Power Generation Company Limited conducted the "Enlightening Star Class" activity for Datang Beizi Township Jinghekou Hope Primary School. The lecturer team donated masks, disinfectant and other supplies for coronavirus pandemic prevention to the school, explained to the children the pandemic prevention and control measures, and sent them pandemic protection manuals, health protection packs and other pandemic-related offerings for a fresh start of the school year, actively cooperating with the school to provide "the first lesson regarding pandemic prevention and control".

Datang Sanmenxia Wind Power Generation Company Limited conducted "Enlightening Star Class"

Case 4:

Datang Renewable Power Experimental Research Institute and Technology Company came to Linjiadi Village, Sijiazi Town, Aohan Qi, Chifeng City, to bring the Datang Corporate Open Day Event to local villagers. The event focused on the work of the Group in fulfilling social responsibility as well as helping to fight poverty, and organised poor households to participate in the "live-streaming + sales" training to sell agricultural products. Nearly 70 people participated in this event.

Datang Renewable Power Experimental Research Institute and Technology Company held the Corporate Open Day Event for villagers

Case 5:

During the Reporting Period, Datang Jilin Renewable Power Company Limited actively responded to the call of the government and the Group regarding helping the poor, purchased millet, walnuts and multigrains for a total of 64,548 yuan from the community factory targeted to help poor households in Chengcheng County, Shaanxi Province on several occasions. In the meantime, it purchased camellia oil and honey for a total of 51,100 yuan from poor households in Enshi County, Hubei Province, contributing to the local efforts of poverty alleviation.

6.3 Combating the Pandemic

In the face of the raging COVID-19 pandemic, the Group made concerted efforts to ensure the safety and stability of production operation in an orderly manner while safeguarding the health and safety of employees, providing energy security for the local fight against pandemic and resumption of production.

To enhance employees' ability to deal with on-site crises and prevent as well as control the pandemic, the Group organised on-site safety training to further enhance the level of pandemic prevention for personnel at each field station and steadily promote the Group's production safety target. The Company requires its subsidiary wind power plants to strengthen personnel management, carry out pandemic prevention and control contingency drills, strengthen the registration of archival filling and testing for foreign personnel, ensure sufficient reserve of supplies, and promote pandemic prevention and control knowledge among personnel.

Case 6:

At the early stage of the outbreak, to improve the knowledge of pandemic prevention and control among employees, Datang Fujian Renewable Power Company Limited issued the "Knowledge Manual on Prevention and Control of Pneumonia Infected by Novel Coronavirus" prepared by the Emergency General Hospital, and actively responded to the call of the government and Datang Group by setting up a leading group to prevent and control the pandemic, develop preventive and control measures and organize to strengthen the pandemic prevention work in office and production areas. Considering the return of employees after the Spring Festival, Datang Fujian Renewable Power Company Limited ensured the health and safety of employees and guaranteed the normal operation of on-site production in case of emergencies by strictly requiring the filing of return trips and controlling group activities.

Datang Fujian Renewable Power Company Limited
pandemic prevention and control emergency drill

Case 7:

During the pandemic prevention and control in 2020, Datang Renewable Power Experimental Research Institute and Technology Company sent pandemic prevention supplies to Linjiadi Village in Chifeng City, Inner Mongolia, donating to support the pandemic prevention and control work in Linjiadi Village by conducting a fundraising activity for all employees. Datang Renewable Power Experimental Research Institute and Technology Company sent 3,000 medical disposable masks and 280 bottles of 84 disinfectant to Linjia Village, donating a total of 17,400 yuan for pandemic prevention supplies.

Datang Renewable Power Experimental Research Institute and Technology Company made procurement for donation supplies

7. HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

A. Environmental

General Disclosures and KPIs		Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect A1: Emissions			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.2 Emission Management
Key Performance Indicators (KPI)	A1.1	The types of emissions and respective emissions data.	4.2 Emission Management
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Emission Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Emission Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Emission Management
	A1.5	Description of measures to mitigate emissions and results achieved.	4.1 Low-carbon Development 4.2 Emission Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.2 Emission Management

General Disclosures and KPIs	Description		Relevant Chapter(s) in the Report or Other Explanation
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		4.3 Resource Consumption
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.3 Resource Consumption
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.3 Resource Consumption
	A2.3	Description of energy use efficiency initiatives and results achieved.	4.3 Resource Consumption
	A2.4	Description of whether there are any issues in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.3 Resource Consumption
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	None of the products and services provided by the Group involve the use of packaging materials
Aspect A3: Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.		4.4 Environmental Protection
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.4 Environmental Protection

B. Social

General Disclosures and KPIs	Description		Relevant Chapter(s) in the Report or Other Explanation
Aspect B1: Employment			
General Disclosure	Information on:		5.1 Standardised Employment
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
KPI	B1.1	Total workforce by gender, employment type, age, group and geographical region.	5.1 Standardised Employment
Aspect B2: Health and Safety			
General Disclosure	Information on:		3.3 Safe and Efficient Energy Supply 5.2 Health and Safety 5.4 Employee Communication and Care
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
KPI	B2.1	Number and rate of work-related fatalities.	3.3 Safe and Efficient Energy Supply
	B2.2	Lost days due to work injury.	3.3 Safe and Efficient Energy Supply
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3.3 Safe and Efficient Energy Supply

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.3 Empowering Development
KPI	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.3 Empowering Development
	B3.2 The average training hours completed per employee by gender and employee category.	5.3 Empowering Development
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	5.1 Standardised Employment 5.4 Employee Communication and Care
KPI	B4.1 Description of measures to review employment practices to avoid child and forced labor.	5.1 Standardised Employment
	B4.2 Description of steps taken to eliminate such practices when discovered.	5.1 Standardised Employment
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	3.5 Sustainable Supply Chain Management
KPI	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	3.5 Sustainable Supply Chain Management

General Disclosures and KPIs	Description		Relevant Chapter(s) in the Report or Other Explanation
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		3.2 Responsible Product and Service
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	None of the products and services provided by the Group are applicable to this indicator
	B6.2	Number of products- and service-related complaints received and how they are dealt with.	None of the products and services provided by the Group are involved in complaints
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.4 Steady Development of Technological Innovation
	B6.4	Description of quality assurance process and recall procedures.	3.2 Responsible Product and Service (Only the quality assurance process is included, none of the products and services provided by the Group are applicable to the recall process)
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	3.2 Responsible Product and Service

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	3.1 Compliance and Integrity Operation
KPI	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	3.1 Compliance and Integrity Operation
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	3.1 Compliance and Integrity Operation
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6. Payback to Society
KPI	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	6. Payback to Society
	B8.2 Resources contributed (e.g. money or time) to the focus area.	6. Payback to Society

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2020

1. Investors' Routine Visits

During the reporting period, the Group always gave detailed answers to the queries raised by analysts in compliance with the information disclosure rules. The Company had adequate communications and exchange of ideas with investors and analysts from a number of institutions via meetings, telephone calls, emails and WeChat. As of the end of 2020, it held 69 investor's conferences, which were attended by a total of 205 investors.

2. Results Briefings

During the reporting period, the Group organised and convened conferences for 2019 annual results and 2020 interim results online after overcoming difficulties in pandemic prevention and control. A total of 79 analysts from more than 40 companies participated in the conferences, with whom the Group communicated in aspect of industry development, business planning and production operation. After the conference, the Group held a roadshow teleconference with 21 investment institutions.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2021

In 2021, the Group will pay close attention to important policies of the wind power industry and capital market trend, constantly optimize discloseable information taking into account external focus. Based upon required publication of regular announcements, the Group will timely make public discloseable information, continuously improve our work for information disclosure, and continue to strengthen positive and proactive communication with the capital markets.

Profile of Directors, Supervisors and Senior Management

I. NON-EXECUTIVE DIRECTORS

Mr. Kou Wei, born in October 1961, serves as chairman of the Board and non-executive Director of the Company since May 2020. He obtained the bachelor degree and master degree. He is a member of Communist Party of China and a senior engineer of professorial level. He started his career in September 1983. Mr. Kou Wei had successively served as general manager and secretary of Communist Party Group, chairman and secretary of Communist Party Group of Yunnan Huaneng Lancang River Hydropower Development Co., Ltd. (雲南華能瀾滄江水電開發有限公司); chief engineer of China Huaneng Group Co., Ltd. (中國華能集團有限公司) and chairman of Yunan Huaneng Lancang River Hydropower Co., Ltd. (雲南華能瀾滄江水電有限公司); deputy general manager and member of Communist Party Group of China Huaneng Group Co., Ltd.; director, general manager and deputy secretary of Communist Party Group, and chairman and secretary of Communist Party Group of State Grid Corporation of China (國家電網有限公司). He currently serves as director, general manager and deputy secretary of Communist Party Group of Datang Corporation.

Mr. Hu Shengmu, born in June 1960, has been re-designated as a non-executive Director of the Company since March 2019 and is currently the chairman of the Strategy Committee and a member of the Remuneration and Assessment Committee. He served as the executive Director of the Company from October 2018 to February 2019 and the general manager of the Company from August 2018 to February 2019, and has resigned as the general manager of the Company since March 2019. He has also been the chief legal advisor of Datang Corporation since March 2019. He has served as the chief accountant and the deputy general manager of Datang Corporation since December 2018 and from October 2015 to September 2020, respectively. Mr. Hu Shengmu had successively served as the deputy manager of the finance department, the deputy chief accountant and the chief accountant of North China Power Group Company (formerly known as North China Power Administration Bureau); a member of the Party group, the chief accountant (chief financial officer) and the non-executive director of Datang Power, from December 1993 to October 2015. Mr. Hu Shengmu graduated from Hunan Electric Power College, majoring in finance and accounting. He is currently a senior accountant.

Mr. Li Yi, born in February 1967, served as a non-executive Director of the Company from June 2018 to May 2019 and has been re-appointed as a non-executive Director of the Company since 12 November 2019 up to now. He is currently a member of the Nomination Committee. He has served as the chairman of Datang Corporation Shanghai Branch and the chairman of China Datang Corporation Ocean Energy Industry Co., Ltd. (大唐集團海洋能源產業有限公司) since March 2020. He has served as the dean of the China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. and the director of the new energy department of Datang Corporation since July 2019, a director of Guangxi Guiguan Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600236) since January 2019, a director of Datang Huayin Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600744) since July 2018 and a non-executive director of Datang Environment Industry Group Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 1272) since June 2018. Mr. Li Yi started his career in August 1990, and had successively served as the deputy director and the head of Changshan Thermal Power Plant, the general manager of Datang Changchun No. 2 Co-generation Power Co., Ltd., the general manager of Changchun Thermal Power Development Co., Ltd., the director of political work department of Datang Jilin Power Generation Company Limited, the general manager of Datang Jilin Ruifeng Renewable Power Company Limited, the deputy chief engineer and the director of the project management department of Datang Shandong Wind Power Generation Co., Ltd., the deputy general manager and a Party committee member of Datang Shandong Wind Power Generation Co., Ltd., the deputy director and the director of safety and production department of Datang Corporation, the deputy director of Beijing International Clean Energy Power Generation Training Center and the director of the new energy management department of Datang Corporation. Mr. Li Yi graduated from Jilin University majoring in national economics in June 2004 with a master's degree in economics. He is currently a senior engineer.

Mr. Liu Baojun, born in April 1961, successively served in Changshan Thermal Power Plant as an accountant in the finance division, a clerk in the planning division, the deputy chief of the finance division, the head and the chief accountant in the finance department from July 1986 to November 2004. From November 2004 to November 2006, Mr. Liu successively served as the director of the finance department and the vice chief accountant in Datang Jilin. From November 2006 to December 2013, he served as the chief accountant in Datang Heilongjiang Power Generation Co., Ltd. From December 2013 to January 2015, he served as the vice director of the capital operation and property management department in China Datang Corporation. Mr. Liu served as the vice general manager, the chief accountant and a member of the Party committee in Datang Jilin from January 2015 to April 2021. He has served as a non-executive Director of the Company since June 2016 and is currently a member of the Audit Committee of the Company. He is a CPC member and senior accountant with a bachelor's degree.

II. EXECUTIVE DIRECTORS

Mr. Liu Guangming, born in December 1971, has been re-designated as an executive Director of the Company since March 2019 and is currently a member of the Strategic Committee of the Company. He served as the non-executive Director of the Company from June 2016 to February 2019. He has been appointed as the general manager of the Company since March 2019 and has served as the chief economist of Datang Corporation since February 2018, He is a director of Guangxi Guiguan Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600236) and Datang Huayin Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600744) and a non-executive director of Datang Environment Industry Group Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 1272) since June 2016, and a director of the capital operation and asset management department of Datang Corporation from March 2016 to June 2019. Mr. Liu Guangming began his career in September 1993, and had successively served as the assistant to the director of the power transformation segment, the deputy head of Party committee, the head of administration office and of the Party committee office of Baoding Electric Power Bureau; a staff of directors' and supervisors' office of the personnel and director management department of the State Power Corporation; the deputy head of administration office of leading cadres of human resources department, the head of directors' and supervisors' office, the head of division II of administration office of leading cadres of China Huadian Corporation Ltd. (formerly known as China Huadian Corporation); the assistant to the general manager of China Huadian Capital Holdings Company Limited; the assistant to the general manager, deputy general manager and member of Party group of China Huadian Finance Corporation Limited; the general manager and deputy secretary of Party group of China Datang Finance Co., Ltd.. Mr. Liu Guangming graduated from North China Electric Power University majoring in electrical system and automation, and obtained a master's degree in engineering. He is currently a senior engineer.

Mr. Meng Lingbin, born in April 1962, an executive Director of the Company since June 2018, and is a member of the Strategic Committee. He has been an employee representative Supervisor of the Company from June 2017 to March 2018 and an executive Director and secretary of the Board of the Company since June 2018. He has been a vice general manager since he joined the Group in January 2007, and a Party committee member, vice general manager and chairman of the trade union of the Group since February 2015. Mr. Meng was the Party committee member and vice general manager of the Group from January 2007 to February 2015. Prior to joining the Group, Mr. Meng successively worked as deputy chief engineer and chief of production department of Electric Power Bureau of Chifeng, the deputy chief of Electric Power Bureau of Chifeng and the vice general manager of Dongdian Maolin Wind Energy Development Co., Ltd. from April 1998 to January 2007. Mr. Meng graduated in 2002 from Northeast Electric Power University with a bachelor degree in electrical engineering and automation. He is a senior engineer (高級工程師) (a title of qualification of speciality and technology for engineering professionals in the PRC).

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Chaoan, born in March 1956, joined the Company as an independent non-executive Director in July 2010. He is the chairman of the Nomination Committee and a member of the Remuneration and Assessment Committee. Mr. Liu was the chairman of the board of China Power Engineering Consulting Corporation North China Power Engineering Co., Ltd. ("NCPE," a company mainly providing engineering design, consulting and other related services to the power companies in the PRC) from December 2009 to August 2016 and served as the chairman of the board of North China Power Engineering (Beijing) Co., Ltd. (a subsidiary of NCPE) from December 2005 to December 2009 and vice general manager of North China Power Engineering Co., Ltd. from October 2000 to December 2005. He also served as an independent non-executive director of Datang Power from January 2007 to July 2010. Mr. Liu worked as a technician in Beijing Electric Power Design Institute in 1980 and successively worked as the professional section chief, deputy division chief, assistant to general manager of North China Electric Power Design Institute (predecessor of NCPE). Mr. Liu graduated from the Geological Institute of Jilin University in 1980 majoring in hydrogeology and obtained double bachelor degree in management engineering from Business Administration School of North China Electric Power University in 2001. Mr. Liu holds the attestation qualification of Registered Consulting Engineer, Registered Civil Engineer (Geotechnical), Certified Senior Project Manager of International Project Management Association (IPMA Level B) and Royal Institution of Chartered Surveyors (FRICS) membership, Chartered Builder of the Chartered Institute of Building (FCIOB) and is a professor-grade senior engineer (教授級高級工程師) (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

Mr. Lo Mun Lam, Raymond, born in September 1953, has been an independent non-executive Director since he joined the Company in August 2013. He is the chairman of the Audit Committee and a member of the Nomination Committee. Mr. Lo is currently an executive director of Amasse Capital Holdings Limited. Mr. Lo, served as an executive director and co-managing partner of South Asian Investment Management Company from 21 January 2002 to 2016 and currently serves as an executive director and the licensee of SPDB International Holdings Limited, an investment bank of Shanghai Pudong Development Bank. Trained as a Chartered Accountant in England & Wales, he also qualified as a Canadian Chartered Accountant and also the member of International Bar Association. Mr. Lo is now pursuing a doctorate in law in the University of California and is licensed as a Responsible Officer by the Securities & Futures Commission of Hong Kong for providing Type 1 and 6 (corporate finance) advisory. He held directorate level and strategist positions with multinational financial and emerging companies internationally. He served as former chairman of the board of directors and an independent non-executive director (resigned in August 2013) of Luk Fook Holdings (International) Limited (stock code: 00590), the former vice chairman and a non-executive director of The Asian Capital Resources (Holdings) Limited (stock code: 08025), a former non-executive director and the chairman of audit committee (resigned in 2014) of Guangshen Railway Co., Ltd. (stock code: 00525), and a former independent non-executive director of Shanghai Zendai Property Limited (stock code: 00755) (resigned in June 2015). Mr. Lo graduated from the University of Wisconsin-Madison in business administration and obtained a master degree in law from at the University of Hong Kong, also obtained the certificate for postgraduate of sustainable development courses of Cambridge University and achieved certification of independent non-executive director qualified by SSE.

Mr. Yu Shunkun, born in May 1963, has been appointed as an independent non-executive Director of the Company since March 2015 and is currently a chairman of the Remuneration and Assessment Committee and a member of the Audit Committee. He holds a doctorate in management from the School of Economics and Management of North China Electric Power University. He has been a professor and doctoral supervisor with the School of Economics and Management of North China Electric Power University since July 1991. From September 1983 to July 1991, Mr. Yu was a teacher with the Department of Business Administration of Communication University of China. Being long engaged in the teaching administration in human resources management major, Mr. Yu was one of the "First Batch Trans-century Academic Leader Candidates of the Electric Power Ministry of China" (電力部首批跨世紀學術帶頭人培養對象) and "Excellent Backbone Youth Teachers of Beijing" (北京市優秀青年骨幹教師). Mr. Yu has a considerable academic standing and influence in his expertise filed and holds various social positions, mainly including: the visiting professor of various universities such as Tsinghua University, Peking University and Zhejiang University and the visiting research fellow of Chinese Academy of Personnel Science (中國人事科學研究院客座研究員).

IV. SUPERVISORS

Mr. Liu Quancheng, born in October 1963, has been the chairman of the Supervisory Committee of the Company from May 2019 and has served as the supervisor of Datang International Power Generation Co., Ltd. (a company listed on the Stock Exchange (stock code: 0991), the SSE (stock code: 601991) and the London Stock Exchange (stock code: DAT)) ("Datang Power") and the director of Datang Huayin Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600744) since June 2016, has served as the director of the financial business department of Datang Corporation and the chairman of China Datang Group Finance Co., Ltd since March 2020 and served as the director of the financial management department of Datang Corporation from December 2015 to March 2020. Mr. Liu Quancheng started his career since August 1983, and had served as the chief accountant of Xinxiang Coal-fired Plant; the chief accountant of Luoyang Shouyangshan Electricity Plant; the head of the supervision and audit department, the deputy chief accountant and the head of financial and asset management department, and the chief accountant of Henan Branch of Datang Corporation; the deputy head of financial management department of Datang Corporation; and the chief accountant and a member of the Party group of Datang Power. Mr. Liu Quancheng graduated from Zhongnan University of Economics and Law (formerly known as Zhongnan University of Economics) majoring in finance and accounting, and obtained a bachelor's degree. He then obtained a master's degree of philosophy from Huazhong University of Science and Technology, majoring in philosophy of scientific technology. He also obtained a degree of executive master of business administration from Xiamen University, majoring in business administration. He is currently a senior accountant.

Ms. Ding Yu, born in June 1972, has been a Supervisor since she joined the Company in June 2017. She is the deputy director and director of financial management department of Datang Jilin since March 2017. From December 2016 to March 2017, she served as the deputy director of planning and marketing department of Datang Jilin. She held the post of chief accountant of Datang Changshan Thermal Power Plant from January 2014 to December 2016. She took special responsibilities in supervision and audit department of Datang Jilin from January 2013 to January 2014. From July 2007 to January 2013, she held the positions as the deputy director (in charge) of finance department and director of the multi-production finance department of the multi-operation headquarter (多經總公司多產財務部) of Datang Changchun No. 2 Cogeneration Power Co., Ltd. She took charge of accountancy, taxation and project management of finance department of Datang Changchun No. 2 Co-generation Power Co., Ltd. from March 1998 to July 2007. Ms. Ding Yu graduated from the Department of Economics of Northeast Normal University in July 1997 majoring in enterprise management and obtained a bachelor's degree of economics (distance-learning). She is a senior accountant (高級會計師).

Ms. Bai Xuemei, born in February 1969, has joined the Company and served as an employee representative Supervisor since 11 October 2019, and has served as the secretary of discipline inspection committee and the chairlady of the trade union of the Company since June 2019. Ms. Bai started working in July 1991 and served as the chief and the deputy chief of the Division of Remuneration and Insurance (Social Insurance Center) and the chief of the Division of Talents Development (Talents Assessment Center) of the Human Resources Department of Datang Corporation; the secretary of discipline inspection committee of the Company; and the secretary of discipline inspection committee and the chairlady of the trade union of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. Ms. Bai graduated from Beijing Union University in 1991 with a bachelor of science degree in electrical automation. She completed off-the-job study majoring in human resources in Renmin University of China from September 1995 to June 1996. She is currently a senior engineer and senior economist.

V. SENIOR MANAGEMENT

For biographical details of Mr. Liu Guangming, please refer to the section headed "Profile of Directors, Supervisors and Senior Management – II. EXECUTIVE DIRECTORS" of this report.

For biographical details of Mr. Meng Lingbin, please refer to the section headed "Profile of Directors, Supervisors and Senior Management – II. EXECUTIVE DIRECTORS" of this report.

Ms. Mi Keyan, born in April 1966, joined the Company in December 2013. She was the Secretary of Party Committee and the vice general manager of the Company (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Limited) from December 2015 to date. She served as the employee representative Supervisor of the Company from June 2014 to December 2015. She has been a Party committee member and leader of discipline inspection team of the Company from February 2015 to October 2015. She was a Party committee member and leader of discipline inspection team of the Party committee and chairman of the trade union of the Company from December 2013 to February 2015. She was a Party committee member and leader of discipline inspection team and chairman of the trade union of Datang Environmental Technology & Engineering Company Limited (大唐環境科技工程有限公司) from December 2005 to December 2013, and assistant to the general manager of Datang Environmental Technology & Engineering Company Limited from January to December 2005. From January 2003 to January 2005, she successively served as the vice director (in charge of work) and director of the supervision division II of the supervision department of Datang Corporation. From July 1996 to January 2003, she was the director of office II of the discipline inspection team (supervision division) of Huabei Electric Power Group. Ms. Mi graduated from Chongqing University with a degree of bachelor of engineering in power system and automation in July 1988 and is a senior political officer (高級政工師) (a senior title of qualification of specialty and technology for political science professionals in the PRC).

Ms. Wang Haiyan, born in February 1967, has been the chief accountant of the Company since March 2020. She served as a member of the Party Committee and Chief Accountant of China Datang Capital Holdings Co., Ltd. from August 2016 to March 2020. She served as a member of the Party group and the chief accountant of China Datang Coal Industry Co., Ltd. from March 2012 to August 2016. She served as a director of the finance and property right management department of China Datang Coal Industry Co., Ltd. from September 2009 to March 2012. She served as head of the finance and property right management department of China Datang Coal Industry Co., Ltd. from January 2009 to September 2009. She served as the deputy director of the finance and property right management department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from March 2008 to January 2009. She served as the chief accountant of China National Water Resources & Electric Power Materials & Equipment Shanghai Corporation from March 2007 to March 2008. She served as the deputy director of the finance and property right management department and the director of the treasury management centre of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from June 2005 to March 2007. She served as the vice general manager of the operations and finance department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from September 2003 to June 2005. Ms. Wang graduated from Dongbei University of Finance and Economics majoring in accounting, with a master's degree in management in March 2001. She is currently a senior accountant.

Mr. Pan Xiaokai, born in August 1971, has served as the deputy general manager of the Company since August 2020. He served as the vice general manager, a member of the Party Committee and the chairman of the trade union of China Datang Capital Holdings Co., Ltd. from December 2016 to August 2020. He served as the general manager of Shanghai Datang Financial Leasing Company Limited from June 2015 to December 2016. He served as the manager of the comprehensive management department and the manager of Party-mass work department of China Datang Group Finance Co., Ltd from February 2013 to June 2015. He served as the manager of the comprehensive management department of China Datang Group Finance Co., Ltd from March 2012 to January 2013. He served as the vice manager of the comprehensive management department of China Datang Group Finance Co., Ltd from February 2009 to March 2012. Mr. Pan obtained a MBA degree from School of Economics and Management, Tsinghua University, majoring in business administration through on-the-job learning in December 2009. He is currently a chief editor (a senior title).

Mr. Jia Hong, born in April 1965, has been the joint company secretary of the Company since March 2021. Mr. Jia Hong has been the head of the Securities Compliance Department of the Company since July 2019. Mr. Jia Hong served as the head of the Planning and Finance Department of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. (中國大唐集團新能源科學技術研究院有限公司) from March 2018 to July 2019. He served as the director of the Capital Operation and Equity Management Department of the Company from January 2017 to March 2018. Mr. Jia Hong served successively as the chief financial officer and director of the Audit Department, secretary of the board of directors at China Power Media Group Co., Ltd. (中國電力傳媒集團有限公司) and executive director and general manager of China Power Media Group Wuhan Company (中電傳媒(武漢)有限公司) from October 2013 to December 2016. He served successively as deputy director and director of the finance department and chief financial officer at China Power Media Corporation Limited (中電傳媒股份有限公司) from November 2007 to September 2013, chief accountant at Tongxin Certified Public Accountants (同新會計師事務所) from October 2003 to November 2007, audit manager at Zhongruihua Certified Public Accountants (中瑞華會計師事務所) from January 2000 to September 2003, accountant and director of the finance department of Keyu Pump Plant of China Institute of Water Resources and Hydropower Research (中國水利水電科學研究院科禹泵廠) from September 1990 to January 2000, worker at the Instrument Factory of China Institute of Water Resources and Hydropower Research (中國水利水電科學研究院儀器工廠) from July 1983 to August 1990. From September 2005 to January 2008, Mr. Jia Hong studied in Accounting (top-up degree programme) at the School of Continuing Education of Renmin University of China (中國人民大學繼續教育學院) and obtained his bachelor's degree in January 2008. Mr. Jia Hong has obtained qualifications of PRC Certified Public Accountant, PRC Certified Public Valuer and PRC Registered Tax Agent.

Mr. Cui Jian, born in July 1975, has been the joint company secretary of the Company from March 2018 to March 2021. Mr. Cui Jian served as the director of Planning and Development Department and the director of headquarters Office (Human Resources Department) of the Company from July 2019 to October 2020. He served as the director of Planning and Marketing Department of the Company from January 2012 to July 2019. Mr. Cui Jian served as the deputy director of the Capital Operation and Equity Management Department of the Company from February 2011 to January 2012. He served successively as project manager of the Renewable Energy Department, the deputy director of the Planning and Developing Department and deputy director of the Marketing and Sales Department of China Datang Technologies & Engineering Co., Ltd. from April 2007 to February 2011, during which, he was temporarily transferred to the Company to assist on the Company's listing process of H shares on the Main Board of the Hong Kong Stock Exchange since February 2010 until the Company's successful listing in December 2010. Before that, he served successively as the account manager of Shangbu Sub-branch, deputy manager of Credit Business Department, the manager of Risk Department and assistant to president of Donghu Sub-branch of Shenzhen Branch of China Construction Bank Corporation from July 1999 to April 2007. From September 1995 to July 1999, Mr. Cui Jian studied at the Business Administration School of Northeast Normal University (東北師範大學) majored in Economic Management and obtained his bachelor's degree in July 1999. From September 2006 to July 2008, Mr. Cui Jian studied at the Economics School of Jilin University (吉林大學) majored in World Economy and obtained his master's degree in July 2008.

Human Resources

I. PROFILE OF HUMAN RESOURCES

As at 31 December 2020, the Group had 3,723 employees in total, including 1,326 employees aged 30 or below, representing approximately 35.62% of the total; 1,414 employees aged between 31 to 40, representing approximately 37.98% of the total; 565 employees aged between 41 to 50, representing approximately 15.18% of the total; 418 employees aged 51 or above, representing approximately 11.23% of the total.

II. STAFF INCENTIVES

Based on its development needs, the Group clearly defined targets for various posts and further established, improved the mechanism of KPI+MBO+360 performance assessment system, made clear of its approach of stressing on both motivations and regulations, stimulated employees' enthusiasm and initiatives for work; established a working atmosphere that is fair and equitable, free and harmonious, that affirms personal values, encourages innovation, and with unimpeded information and knowledge sharing, allowing employees to showcase their talents in an open and equal environment, stimulating their sense of competition and giving full play to their potentials. The Group fully understand the personal needs and career development aspirations of our employees and provide them with a career path that suits their characteristics, aiming to accomplish mutual development of the employees and the Company.

III. STAFF REMUNERATION POLICY

The Group strictly implements national policies on payroll distribution, performs a basic salary system based on the position-points salary and adopts various incentive mechanisms to attract and keep talents. The Group establishes a sound assessment and evaluation system for staff, carries out the remuneration mechanism where the total amount of staff's salary is linked with the result of performance assessment. The Group has made reasonable internal payroll distribution to truly arouse the enthusiasm of all the staff and exert the security, incentive and restriction functions of remuneration.

IV. STAFF TRAINING

Guided by the concept of "value-based, efficiency-oriented", the Company actively carried out the plan of building a strong enterprise relying on talents and vigorously worked on building up three talents teams in management, technical and skilled personnel. It aimed to gradually establish and improve the talents cultivation system with its characteristics through "fostering, selecting, motivating and utilizing" talents, thus enabling the talents to play important roles in the development of the Company.

In 2020, the Group provided training programmes on business management, professional techniques and production skills, with 100% employees attending the trainings. Average hours of training per employee by gender for male and female are 145.63 hours/person and 45.80 hours/person, respectively. Average hours of training per employee by ranking for senior management, heads of department, other office staff and general and technical workers are 61.89 hours/person, 52.63 hours/person, 56.85 hours/person and 79.35 hours/person, respectively.

V. GUARANTEE OF STAFF RIGHTS

The Group strictly complies with the Labour Law of the PRC and the Labour Contract Law of the PRC and makes contributions to social insurance and housing provident fund for employees according to these laws, among which the social insurance includes basic pension insurance, medical and maternity insurance, occupational injury insurance and unemployment insurance. Based on the actual conditions, the Group has established enterprise annuity and supplemental medical insurance, prepared labour protection appliances and regularly organized medical examination for staff to further safeguard their vital interests.

Independent Auditor's Report

To the shareholders of China Datang Corporation Renewable Power Co., Limited
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Datang Corporation Renewable Power Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 162 to 309, 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 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 the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. 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 *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

KEY AUDIT MATTERS (CONTINUED)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment	
The management of the Company identified impairment indicators for some of the Group's non-current assets which included (i) continuous losses suffered by certain operating wind farms in recent years as a result of the curtailment of wind power in view of the constantly low electricity demand and the limitation of the electricity transmission capacity in Northeastern China and the Gansu province; and (ii) the suspension of certain wind farms and energy management projects under development or construction. As a result, the Group performed impairment tests for the relevant cash-generating units ("CGUs") for which impairment indicators were identified. The carrying amount of the property, plant and equipment with impairment indicator identified under the relevant CGUs as of 31 December 2020 was material to the consolidated financial statements. The assessment of their value-in-use and fair value less costs of disposal was complex and involved significant judgement by management, subjective assumptions and estimation uncertainty. The Group's disclosures about the impairment of property, plant and equipment are included in Notes 2.14, 3, and 13 to the consolidated financial statements.	We performed audit procedures on the key assumptions and methodologies used by management. We evaluated the forecasted cash flows made by management with reference to the long-term strategic plans that were approved by management and assessed the key assumptions adopted, such as the future sales volume affected by the improvement on curtailment of wind power, the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects and the utilisation efficiency and operating costs by comparing with historical information, the budget and feasibility report and adjustment factors with reference to external industry outlook reports, electricity prices by checking to the approval from the National Development and Reform Commission on the on-grid price of the wind power industry in the region. Our assessment was also based on our understanding of the current market conditions and the latest government policy. We assessed the recoverable amounts of certain property, plant and equipment pending for disposal based on fair values less costs of disposal. We evaluated the fair value made by management with reference to recent sales prices of similar assets within the same industry. We involved our internal valuation specialists to assist in the assessment of the methodologies and discount rates applied in the cash flow forecast. We also assessed the adequacy of the Group's disclosures in the consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of long-aged receivables	
Certain long-aged receivables which aged over three years mainly comprised other receivables from the Clean Development Mechanism ("CDM") projects, equipment sales and proceeds from disposals of projects and subsidiaries, and a trade debtor for services rendered. The expected credit losses on the long-aged receivables was assessed by considering the individual debtors. The balance of these long-aged receivables as at 31 December 2020 of which RMB121.4 million was included in "trade receivables" and RMB238.3 million was included in "prepayments, other receivables and other assets" was material to the consolidated financial statements and significant estimation and judgement were required in determining the expected credit losses by management. In assessing the expected credit losses for these receivables, the management of the Group has considered the specific factors, such as the ageing of the balances, the creditworthiness of the debtors and the historical loss experience. The Group's disclosures about the amount of provision for the long-aged receivables are included in Notes 2.15, 3, 19 and 21 to the consolidated financial statements.	We reviewed the settlement agreements, obtained direct confirmations from the debtors, and reviewed subsequent cash receipt evidence on the long-aged receivables. We assessed management's estimation on the expected credit losses and evaluated the basis and factors used in the estimation, by evaluating the credit status, financial conditions and reputation of the debtors and history of payments by the debtors. We also assessed the adequacy of the Group's disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by 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 of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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.

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

- 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 the Audit Committee 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.

We also provide the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Siu Ki Ricky.

Ernst & Young
Certified Public Accountants

Hong Kong
30 March 2021

Consolidated Statement of Profit or Loss

Year ended 31 December 2020
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2020	2019
Revenue	4	9,372,031	8,324,779
Other income and other gains, net	5	300,235	365,548
Depreciation and amortisation charges	6	(3,838,585)	(3,565,636)
Employee benefit expenses	6	(768,294)	(703,125)
Material costs		(65,955)	(57,857)
Repairs and maintenance expenses		(303,754)	(252,823)
Other operating expenses	7	(773,508)	(584,377)
Operating profit		3,922,170	3,526,509
Finance income	8	37,203	41,233
Finance expenses	8	(2,136,818)	(2,186,914)
Finance expenses, net	8	(2,099,615)	(2,145,681)
Share of profits of associates and joint ventures	16	56,930	59,046
Profit before tax		1,879,485	1,439,874
Income tax expenses	9	(326,892)	(295,882)
Profit for the year		1,552,593	1,143,992
Attributable to:			
Owners of the parent		1,186,861	936,437
Non-controlling interests		365,732	207,555
		1,552,593	1,143,992
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	10	0.1275	0.1128

Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Note	2020	2019
Profit for the year		1,552,593	1,143,992
Other comprehensive income:			
Other comprehensive income that may be reclassified to profit or loss in the subsequent periods:			
Exchange differences on translation of foreign operations		501	235
Share of other comprehensive income of joint ventures		(436)	208
Net other comprehensive income that may be reclassified to profit or loss in the subsequent periods		65	443
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods:			
Equity investments designated at fair value through other comprehensive income: Changes in fair value, net of tax	17	2,666	100,961
Net other comprehensive income that will not be reclassified to profit or loss in the subsequent periods		2,666	100,961
Other comprehensive income for the year, net of tax		2,731	101,404
Total comprehensive income for the year		1,555,324	1,245,396
Attributable to:			
Owners of the parent		1,191,191	1,038,507
Non-controlling interests		364,133	206,889
		1,555,324	1,245,396

Consolidated Statement of Financial Position

31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	13	64,703,731	59,055,130
Investment properties		19,499	20,259
Intangible assets	14	364,285	361,650
Right-of-use assets	15(a)	3,569,431	1,730,167
Investments in associates and joint ventures	16	990,458	833,173
Equity investments designated at fair value through other comprehensive income	17	68,287	413,010
Financial assets at fair value through profit or loss		9,728	14,368
Deferred tax assets	18	12,430	12,391
Prepayments, other receivables and other assets	19	2,955,973	2,782,491
Total non-current assets		72,693,822	65,222,639
Current assets			
Inventories	20	221,592	193,731
Trade and bills receivables	21	12,405,648	9,545,652
Prepayments, other receivables and other assets	19	1,483,077	1,500,221
Restricted cash	22	32,402	44,041
Time deposits	22	19,490	–
Cash and cash equivalents	22	3,052,717	3,517,159
Total current assets		17,214,926	14,800,804
Total assets		89,908,748	80,023,443
LIABILITIES			
Current liabilities			
Trade and bills payables	23	282,580	366,641
Other payables and accruals	24	7,168,674	5,833,280
Interest-bearing bank and other borrowings	25(b)	14,154,713	20,131,024
Current income tax liabilities		131,082	126,172
Total current liabilities		21,737,049	26,457,117
Net current liabilities		(4,522,123)	(11,656,313)

31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2020	2019
Non-current liabilities			
Interest-bearing bank and other borrowings	25(a)	40,171,571	36,649,523
Deferred tax liabilities	18	15,939	18,427
Other payables and accruals	24	251,471	2,397,526
Total non-current liabilities		40,438,981	39,065,476
Total liabilities		62,176,030	65,522,593
Net assets		27,732,718	14,500,850
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	7,273,701	7,273,701
Share premium	26	2,080,969	2,080,969
Perpetual note and bonds	27	12,250,087	–
Retained profits		3,666,475	2,951,129
Other reserves	28	(1,238,889)	(1,237,002)
		24,032,343	11,068,797
Non-controlling interests		3,700,375	3,432,053
Total equity		27,732,718	14,500,850

Liu Guangming	Wang Haiyan
Director	*Chief Accountant*

Consolidated Statement of Changes in Equity

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds *(Note 27)*	Other reserves *(Note 28)*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2020	7,273,701	2,080,969	–	(1,237,002)	2,951,129	11,068,797	3,432,053	14,500,850
Profit for the year	–	–	259,521	–	927,340	1,186,861	365,732	1,552,593
Other comprehensive loss for the year:								
Share of other comprehensive income of joint ventures	–	–	–	(436)	–	(436)	–	(436)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	4,326	–	4,326	(1,660)	2,666
Exchange differences on translation of foreign operations	–	–	–	440	–	440	61	501
Total comprehensive income for the year	–	–	259,521	4,330	927,340	1,191,191	364,133	1,555,324
Capital contributions from non-controlling interests	–	–	–	–	–	–	51,706	51,706
Final 2019 dividend declared *(Note 11)*	–	–	–	–	(218,211)	(218,211)	–	(218,211)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	–	(94,192)	94,192	–	–	–
Issuance of perpetual note and bonds, net of issuance costs	–	–	11,990,566	–	–	11,990,566	–	11,990,566
Transfer from retained profits	–	–	–	87,975	(87,975)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(147,517)	(147,517)
As at 31 December 2020	7,273,701	2,080,969	12,250,087	(1,238,889)	3,666,475	24,032,343	3,700,375	27,732,718

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds	Other reserves *(Note 28)*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2019	7,273,701	2,080,969	1,979,325	(1,382,141)	2,339,910	12,291,764	2,989,602	15,281,366
Profit for the year	–	–	–	–	936,437	936,437	207,555	1,143,992
Other comprehensive income for the year:								
Share of other comprehensive income of joint ventures	–	–	–	208	–	208	–	208
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	101,656	–	101,656	(695)	100,961
Exchange differences on translation of foreign operations	–	–	–	206	–	206	29	235
Total comprehensive income for the year	–	–	–	102,070	936,437	1,038,507	206,889	1,245,396
Capital contributions from non-controlling interests	–	–	–	–	–	–	359,861	359,861
Repayment of principal of perpetual note	–	–	(1,979,325)	(20,675)	–	(2,000,000)	–	(2,000,000)
Final 2018 dividend declared *(Note 11)*	–	–	–	–	(145,474)	(145,474)	–	(145,474)
Appropriation to perpetual note payable	–	–	–	–	(116,000)	(116,000)	–	(116,000)
Transfer from retained profits	–	–	–	63,744	(63,744)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(124,299)	(124,299)
As at 31 December 2019	7,273,701	2,080,969	–	(1,237,002)	2,951,129	11,068,797	3,432,053	14,500,850

Consolidated Statement of Cash Flows

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2020	2019
Cash flows from operating activities			
Profit before tax		1,879,485	1,439,874
Adjustments for:			
Depreciation of property, plant and equipment	6	3,747,509	3,475,601
Amortisation of deferred income and deferred loss from sale and lease back transactions	6	–	(14,394)
Depreciation of right-of-use assets	6	45,339	55,772
Amortisation of intangible assets, long-term prepaid expenses and depreciation of investment properties	6	45,737	48,657
Losses/(gains) on disposal of property, plant and equipment and intangible assets	5	8,706	(380)
Impairment of receivables	6	32,283	29,027
Impairment of property, plant and equipment	6	244,793	98,790
Impairment of right-of-use assets	6	1,739	–
Foreign exchange (gains)/losses, net		(14,770)	3,816
Interest income	8	(1,887)	(2,180)
Interest expenses	8	2,146,869	2,182,989
Share of profits of associates and joint ventures	16	(56,930)	(59,046)
Gains on acquisition of a subsidiary	5	–	(19,001)
Gains on restructuring of debt	5	(438)	(5,435)
Fair value (gains)/losses on financial assets at fair value through profit or loss	5	(388)	943
Others, net		(33,659)	(48,571)
Changes in working capital:			
Increase in inventories		(27,861)	(20,723)
Increase in trade and bills receivables		(2,888,942)	(2,036,816)
(Increase)/decrease in prepayments, other receivables and other assets		(120,996)	34,792
Decrease/(increase) in restricted cash		11,639	(2,664)
(Decrease)/increase in trade and bills payables		(93,829)	98,431
Increase in other payables and accruals		856,425	341,272
Cash generated from operations		5,780,824	5,600,754
Interest received		35,316	39,053
Income tax paid		(326,013)	(265,277)
Net cash flows from operating activities		5,490,127	5,374,530

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2020	2019
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		(9,238,282)	(6,349,063)
Proceeds from disposal of property, plant and equipment and intangible assets		1,555	1,555
Investments in associates and joint ventures	16(b)	(120,335)	–
Investments in equity investments designated at fair value through other comprehensive income	17	(9,749)	–
Acquisition of a subsidiary		–	(79,542)
Dividends received from equity investments designated at fair value through other comprehensive income	5	–	9,452
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	17	357,138	–
Proceeds from disposal of financial assets at fair value through profit or loss		5,079	–
Disposal of equity interest of a joint venture		9,382	–
Increase in time deposits		(19,490)	–
Dividends received from associates		26,893	6,689
Net cash flows used in investing activities		(8,987,809)	(6,410,909)
Cash flows from financing activities			
Proceeds from issuance of corporate bonds and short-term bonds, net of issuance costs		10,745,846	9,193,160
Proceeds from issuance of perpetual note and bonds, net of issuance costs		11,990,057	–
Capital contributions from non-controlling interests		51,706	359,861
Proceeds from borrowings		20,051,846	9,826,755
Repayments of borrowings		(21,073,805)	(8,607,244)
Repayments of corporate bonds and short-term bonds		(12,000,000)	(11,000,000)
Loans from related parties	29(a)	9,250,620	17,636,078
Repayments of loans from related parties	29(a)	(13,516,350)	(11,931,476)
Interest paid to perpetual note holders		–	(116,000)
Dividends paid		(218,211)	(145,474)
Dividends paid to non-controlling interests		(21,567)	(38,676)
Interest paid		(2,089,673)	(2,215,920)
Repayments of working capital provided by related parties		(12,550)	(16,000)
Repayment of perpetual note		–	(2,000,000)
Principal portion of lease payments		(119,241)	(24,460)
Net cash flows from financing activities		3,038,678	920,604

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2020	2019
Net decrease in cash and cash equivalents		(459,004)	(115,775)
Cash and cash equivalents at beginning of year		3,517,159	3,632,830
Effect of foreign exchange rate changes, net		(5,438)	104
Cash and cash equivalents at end of year	22	3,052,717	3,517,159
Analysis of balances of cash and cash equivalents:			
Cash and bank balances	22	3,052,717	3,517,159
Cash and cash equivalents as stated in the consolidated statement of cash flows	22	3,052,717	3,517,159

1. CORPORATE INFORMATION

China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (the "Company") was established as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 9 July 2010, as part of the reorganisation of the wind power generation business of China Datang Group Corporation Limited (中國大唐集團有限公司) ("Datang Corporation"), a limited liability company established in the PRC and controlled by the PRC government. As at 31 December 2020, in the opinion of the directors, the ultimate holding company of the Company was Datang Corporation.

The Company and its subsidiaries (together, the "Group") are principally engaged in the generation and sale of wind power and other renewable power.

The address of the Company's registered office is Room 6197, Floor 6, Building 4, Yard 49, Badachu Road of Shijingshan District, Beijing, the PRC.

The Company's H shares were listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in December 2010.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRSs (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except that certain bills receivable, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 to the financial statements.

These financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern

As at 31 December 2020, the Group's current liabilities exceeded its current assets by approximately RMB4,522.1 million (31 December 2019: RMB11,656.3 million). The Group meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks and other financial institutions. The followings are the Group's available sources of funds considered by the directors of the Company:

- The Group's expected net cash inflows from operating activities in 2021;
- Unutilised banking facilities of approximately RMB4,500.0 million (Note 31.1(c)) as at 31 December 2020. The directors of the Company were of the opinion that such covenants of unutilised banking facilities have been complied with and are confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing as at 31 December 2020; and
- Other available sources of financing from banks and other financial institutions given the Group's credit history. There were corporate bonds of RMB2,800.0 million approved by the China Securities Regulatory Commission ("CSRC") but not yet issued, renewable corporate bonds of RMB2,000.0 million approved by the CSRC but not yet issued, a mid-term note of RMB1,000.0 million registered in the National Association of Financial Market Institutional Investors ("NAFMII") but not yet issued, and short-term financing bonds of RMB3,250.0 million registered in the NAFMII but not yet issued as at 31 December 2020. Except for the corporate bonds and short-term financing bonds that are valid until September 2021, the approvals and registrations mentioned above are effective and valid for the next 12 months from the end of the reporting period.

The directors of the Company believe that the Group has adequate resources to continue operation and to repay its debts when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries for the year ended 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any resulting surplus or deficit in profit or loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions (early adopted)*
Amendments to IAS 1 and IAS 8	*Definition of Material*

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

(b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any significant impact on the financial position and performance of the Group.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

(c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

(d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly lease payments for the leases of the Group's plant and machinery have been reduced or waived by the lessors upon reducing the scale of production as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB115 thousands has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to construction in progress for the year ended 31 December 2020.

(e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective International Financial Reporting Standards

The Group has not adopted the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements:

Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform - Phase 2*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 17	*Insurance Contracts*[3]
Amendments to IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 1	*Classification of liabilities as Current or Non-current*[3]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[3]
Amendments to IAS 8	*Definition of Accounting Estimates*[3]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to IAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*[2]
Annual Improvements to IFRS standards 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 No mandatory effective date yet determined but available for adoption

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective International Financial Reporting Standards (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

(a) Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective International Financial Reporting Standards (Continued)

(b) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change (the "Economicly Equivalent"). In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

The Group had certain interest-bearing bank and other borrowings denominated in RMB based on various Interbank Offered Rates or the Loan Prime Rate published by the People's Bank of China ("PBOC") as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the Economically Equivalent criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective International Financial Reporting Standards (Continued)

(c) Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

(d) Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

(e) Amendments to IAS 1 require an entity to disclose its material accounting policy information rather than its significant accounting policies. To help entities to apply the amendments to IAS 1, the IASB also amended IFRS Practice Statement 2 *Making Materiality Judgements* to illustrate how an entity can judge whether accounting policy information is material to its financial statements. The IASB added guidance and examples to IFRS Practice Statement 2 to help an entity apply the four-step materiality process to accounting policy information. An entity shall apply the amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact. The amendments are not expected to have any significant impact on the Group's financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective International Financial Reporting Standards (Continued)

(f) Amendments to IAS 8 introduce a new definition of accounting estimates. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. An entity shall apply the amendments to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in which it applies the amendments. The amendments are not expected to have any significant impact on the Group's financial statements.

(g) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are expected to have significant impact on the Group's financial statements. The Group will not early apply the amendments and will assess the impact upon the application of amendments to IAS 16.

(h) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective International Financial Reporting Standards (Continued)

(i) *Annual Improvements to IFRS standards 2018-2020* set out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments:* clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- IFRS 16 *Leases:* removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.4 Business combinations and goodwill

(a) Common control business combinations

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 combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss includes profit or loss 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 the common control, where there is a shorter period, regardless of the date of the common control combination.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations and goodwill (Continued)

(b) Other business combinations

The Group applies the acquisition method to account for business combinations other than common control business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations and goodwill (Continued)

(b) Other business combinations (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Investments in associates and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. 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.

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 or joint control over those policies.

The Group's investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Group's share of the post-acquisition profit or loss is recognised in profit or loss. Any change in other comprehensive income of those investees is included in the Group's consolidated other comprehensive income. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as "Share of profits and losses of associates and joint ventures" in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Investments in associates and joint ventures (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and the proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors and certain senior management (including chief accountant) (together referred to as the "Executive Management") that make strategic decisions.

2.7 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

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

(ii) has a significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group 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 parent of the Group.

2.8 Fair value measurement

The Group measures its certain trade and bills receivables, equity investments designed at fair value through other comprehensive income, financial assets at fair value through profit or loss at fair value at the end of each reporting period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Fair value measurement (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Based on quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit and loss within "Finance expenses, net". All other foreign exchange gains and losses are presented in "Other income and other gains, net" in profit or loss.

Translation differences on non-monetary financial assets and liabilities such as financial assets at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equity investments designated at fair value through other comprehensive income, are included in other comprehensive income.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign currency translation (Continued)

(c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities in each statement of financial position presented are translated at the closing rates at the end of the reporting period;

(ii) income and expenses in each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income. Upon disposal of a foreign operation, the other comprehensive income related to the foreign operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) Disposal of a foreign operation and partial disposal

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, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), 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 the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interests in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment (including construction in progress)

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life as follows:

Buildings	8–50 years
Equipment	
– Wind turbines	20 years
– Others	5–30 years
Transportation facilities	6 years
Office equipment and others	3–9 years

The assets' depreciation method, residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment (including construction in progress) (Continued)

Construction in progress ("CIP") represents buildings under construction, and plant and equipment pending for installation, and is stated at cost less any impairment losses. Cost comprises construction expenditures, other expenditures necessary for the purpose of preparing the CIP for its intended use and those borrowing costs incurred before the assets are ready for their intended use that are eligible for capitalisation. CIP is transferred to the appropriate category of property, plant and equipment when the CIP is completed and ready for its intended use.

2.11 Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to write off the cost to the residual value over the estimated useful life of an investment property. The estimated useful lives used for this purpose are as follows:

Buildings	30 years

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the financial year end.

(a) Concession assets

The Group, as an operator of wind/solar power generation projects under service concession arrangements between the Group and the government (the "Grantor"), is responsible for both the projects' construction and its subsequent services in a specified period after the construction. At the end of the concession period, the Group is obliged either to hand over the infrastructure to the Grantor in a specified condition or dispose of it. The Group recognises a concession asset, included in intangible assets, arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. Intangible assets received as consideration for providing construction services in a service concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation of concession assets is charged to profit or loss on a straight-line basis over the term of the arrangement upon the completion of construction.

(b) Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring the specific software to use.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets (other than goodwill) (Continued)

(c) Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

(i) It is technically feasible to complete the software product so that it will be available for use;

(ii) Management intends to complete the software product and use or sell it;

(iii) There is an ability to use or sell the software product;

(iv) It can be demonstrated how the software product will generate probable future economic benefits;

(v) Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

(vi) The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed nine years.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases

The Group assesses at contract inception whether a contract is, or contains, 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land/sea use right	10–50 years
Buildings	2–20 years
Plant and equipment	4–20 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing bank and other borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases 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 leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (Continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease.

The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

2.14 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, (only if there are revalued assets in the financial statements) unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.15 Financial assets

(a) Classification

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(a) Classification (Continued)

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(a) Classification (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets designated at fair value through other comprehensive income (equity investments)

The Group elects to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(a) Classification (Continued)

Subsequent measurement (Continued)

(iii) Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(c) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(c) Impairment of financial assets (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.16 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables by the Group as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, interest-bearing bank and other borrowings and financial liabilities included in other payables and accruals.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Financial liabilities (Continued)

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Inventories

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

2.19 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (including time deposits) with original maturities of three months or less. Bank overdrafts, if any, are shown as borrowings in current liabilities in the consolidated statement of financial position.

Time deposits and other cash investments with original maturities of more than three months are excluded from cash and cash equivalents.

2.20 Borrowing costs

General and specific 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxation

(a) Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Share of income tax expense of associates and joint ventures is included in "Share of profits of associates and joint ventures". Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is recognised using the liability method on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to be applied when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxation (Continued)

(a) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for the deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, the deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) Offsetting

Deferred income tax assets and liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity and the same taxation authority or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxation (Continued)

(b) Value-added taxation ("VAT")

Sales of goods and the provision of certain services of the Group are subject to VAT. VAT payable is determined by applying certain tax rates on the taxable revenue arising from sales of goods or the provision of certain services after offsetting deductible input VAT of the period.

Pursuant to Cai Shui [2008] No.156 and Cai Shui [2015] No.74 issued by the Ministry of Finance and the State Administration of Taxation, wind power generation plants are entitled to a 50% refund of the VAT levied on electricity generated, which is recognised as government grant when there is reasonable assurance that the grant will be received.

2.22 Employee benefits

(a) Pension and other social obligations

The Group has various defined contribution plans in accordance with the local conditions and practices in the municipalities and provinces in which they operate. Defined contribution plans are pension and/or other social benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognised as labour costs when they are incurred.

(b) Housing fund

The Group contributes to the state-prescribed housing fund. Such costs are charged to profit or loss as incurred. Apart from those described above, the Group does not have other legal or constructive obligations over such benefits.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Contingencies

Contingent liabilities are recognised in the consolidated financial statements when it is probable that a liability will be recognised. Where no provision is recorded, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the consolidated financial statements unless virtually certain but it should be disclosed when an inflow of economic benefits is probable.

2.24 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

2.25 Perpetual securities

Perpetual securities are classified as equity if they are non-redeemable, or redeemable only at the issuer's option, and any interest and distributions are discretionary. Interest and distributions on perpetual securities classified as equity are recognised as distributions within equity.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of electricity and goods

Revenue from the sale of electricity and goods is recognised at the point in time when control of the asset is transferred to the customer, generally when electricity is supplied to the provincial grid companies.

(b) Rendering of other services

The Group provides certain energy performance services, repairs and maintenance services, and other services to external parties, and recognises the related revenue over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Proposed final dividends are disclosed in the notes to the financial statements.

2.28 Contract liability

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Going concern

As disclosed in Note 2.1.1, the ability of the Group to continue as a going concern basis is dependent upon the continuing net cash inflows from operations, and the availability of the banking facilities and other sources of financing in order to meet its day to day working capital requirements and its liabilities as they fall due. In the event that the Group is unable to obtain adequate funding, there is an uncertainty as to whether the Group will be able to continue as a going concern. The consolidated statement of financial position does not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Group be unable to continue as a going concern.

(b) The control assessment of Shanghai Dong Hai Wind Power Generation Co., Ltd. ("Shanghai Dong Hai") and Jilin Wind Power Generation Co., Ltd. ("Jilin Wind Power")

The Group regards Shanghai Dong Hai (details of which are included in Note 32) and Jilin Wind Power as subsidiaries. In determining whether the Group has control over these entities, the Group has taken into account its power through contractual arrangements with other shareholders of Shanghai Dong Hai and Jilin Wind Power over their financial and operating policies. In the opinion of the Company's directors, the Group has control over Shanghai Dong Hai and Jilin Wind Power even if the Group holds less than a majority of their equity interests.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

(c) Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of buildings and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

Estimation uncertainty

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

(a) Useful lives of property, plant and equipment

The management of the Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected wear and tear incurred during power generation. This could change significantly as a result of technical renovations on wind turbines and related equipment. Management will adjust the estimated useful lives where useful lives vary with previously estimated useful lives. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require material adjustments to the carrying amount of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment and concession assets

The Group performs impairment test on property, plant and equipment and concession assets whenever any impairment indication exists. In accordance with Note 2.14 to the financial statements, an impairment is recognised at the amount by which the asset's or related cash-generating unit's carrying amount exceeds its recoverable amount which is the higher of its value in use and fair value less cost of disposal. Certain operating wind farms of the Group have suffered continuous losses in recent years as a result of the curtailment of wind power in view of the constantly low electricity demand and the limitation of the electricity transmission capacity in Northeastern China and the Gansu province; and the suspension of certain wind and energy management projects under development or construction. These wind farms and projects are affected by the future market demand on wind electricity in their regions, the progress of the grid connection system which transmits electricity from power generation companies and the approval of projects from governmental authorities.

When value in use calculations are undertaken, the management's critical estimates and assumptions include future sales volume affected by the improvement on curtailment of wind power, the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects and the utilisation efficiency, operating costs, electricity prices and discount rates applied to the forecasted future cash flows. The Group assesses the recoverable amounts of concession assets and certain property, plant and equipment based on the fair values less costs of disposals which involved significant management judgements and estimations over the sales prices and the related disposal costs. When the actual results of the assessment of the recoverable amounts of these property, plant and equipment and concession assets are different from their original estimates, the carrying amounts of these assets will be adjusted accordingly against profit or loss.

(c) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(c) Provision for expected credit losses on trade receivables (Continued)

As at 31 December 2020, the long-aged account receivables except for tariff premium of renewable energy is RMB121.4 million. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 21 to the financial statements.

(d) Recoverability of CDM assets and other long-aged receivables

As at 31 December 2020, the Group reviews its CDM assets and other long-aged receivables amounting to RMB238.3 million in aggregate to assess impairment. The Group makes judgements and assumptions in determining the allowance for ECLs on these financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Factors affecting this estimate include, among other things, the credit status and financial conditions and reputation of the debtors, history of payments by the debtors (e.g. payment delinquency or default) and forward-looking factors specific to the debtors and the economic environment. The effect of these factors requires significant judgement to be applied in the estimation of future recoverable amounts. The Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from CDM assets and long-aged receivables. It is reasonably possible that if there is a significant change in circumstances including the Group's business in relation to CDM projects, the status of and relationship with the debtors and the external environment, the financial performance within the next financial year would be significantly affected and the ECL allowance would be adjusted. The information about the ECLs on the Group's other receivables is disclosed in Note 19 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(e) Income tax

The Group pays income tax in various regions. There can be various uncertainties on the ultimate income tax treatments for many transactions and events arising from normal operating activities, overall assets transfers, corporate restructuring and preferential tax treatments granted by the tax authorities. The Group has to make critical accounting judgements when calculating income tax expense for different regions. In the event that the finalised amounts recognised for such tax events are different from those originally recorded, this could result in material adjustments to current income tax expense and deferred income tax expense.

(f) Fair value of unlisted equity investments

Some of the unlisted equity investments have been valued based on a market-based valuation technique as detailed in Note 30 to the financial statements or assessed by third party through evaluating the discounted cash flow. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2020 was RMB60.4 million (31 December 2019: RMB67.5 million). Further details are included in Note 30 to the financial statements.

(g) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION

(a) Segment information

Management has determined the operating segments based on the information reviewed by the executive directors and certain senior management (including chief accountant) (together referred to as the "Executive Management") for the purposes of allocating resources and assessing performance.

The Executive Management considers the performance of all businesses on a consolidated basis as all other renewable power businesses except the wind power business were relatively insignificant for the years ended 31 December 2020 and 2019. Therefore, the Group has one single reportable segment, which is the wind power segment.

The Company is domiciled in the PRC. During the year ended 31 December 2020, all (2019: all) of the Group's revenue was derived from external customers in the PRC.

As at 31 December 2020, all (31 December 2019: all) of the non-current assets were located in the PRC (including Hong Kong).

For the year ended 31 December 2020, all (2019: all) revenue from the sales of electricity was charged to the provincial power grid companies in which the Group operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

(b) Revenue

An analysis of revenue is as follows:

	2020	2019
Revenue from contracts with customers	9,361,499	8,311,977
Revenue from other sources		
Gross rental income from investment properties leases:		
Other lease payments, including fixed payments	10,532	12,802
	9,372,031	8,324,779

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

Wind power segment	2020	2019
Types of goods or services		
Sale of electricity	9,334,458	8,251,394
Other services	27,041	60,583
Total revenue from contracts with customers	9,361,499	8,311,977
Timing of revenue recognition		
Goods transferred at a point in time	9,334,458	8,251,394
Services transferred over time	27,041	60,583
Total revenue from contracts with customers	9,361,499	8,311,977

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2020	2019
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Other services	3,057	429

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of electricity

The Group's contracts with customers for the power generation and sale generally include one performance obligation. The Group has concluded that the performance obligation is satisfied at a point in time and revenue continues to be recognised upon transmission to the customers.

Rendering of other services

The Group provides energy performance services, repairs and maintenance services, and other services to external parties, and recognises the related revenue over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and 2019 were as follows:

	2020	2019
Within one year	2,640	1,057
After one year	2,981	2,000
	5,621	3,057

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year related to construction and maintaining services, of which the performance obligations are to be satisfied within two to fifteen years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

(Amounts expressed in thousands of RMB unless otherwise stated)

5. OTHER INCOME AND OTHER GAINS, NET

	2020	2019
Government grants	311,465	334,473
Dividend from equity investments designated at fair value through other comprehensive income	–	9,452
Fair value gains/(losses) on financial assets at fair value through profit or loss	388	(943)
Gain on disposal of financial assets at fair value through profit or loss	51	–
Compensation from wind turbine suppliers *(Note)*	7,942	13,206
(Losses)/gains on disposal of property, plant and equipment and intangible assets	(8,706)	380
Compensation, liquidated damages and fines	(5,609)	(6,205)
Gain on acquisition of a subsidiary	–	19,001
Gain on a previously held equity interest remeasured at acquisition date's fair value	–	58
Gains on restructuring of debt	438	5,435
Others	(5,734)	(9,309)
	300,235	365,548

Note: Compensation from wind turbine suppliers represents compensation for revenue losses incurred due to the delays of the provision of maintenance services and poor conditions of spare parts, within the warranty period provided by relevant manufacturer.

(Amounts expressed in thousands of RMB unless otherwise stated)

6. PROFIT BEFORE TAX

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

	2020	2019
Employee benefit expenses (including directors' and supervisors' remuneration *(Note 12)*)		
– salaries and staff welfares	680,133	566,380
– retirement benefits - defined contribution plans *(Note (i))*	54,389	92,052
– staff housing fund *(Note (ii))*	51,653	38,275
– other staff costs	83,619	77,078
	869,794	773,785
Less: Employee benefit expenses capitalised in property, plant and equipment and intangible assets	(101,500)	(70,660)
	768,294	703,125
Depreciation of property, plant and equipment *(Note 13)*	3,747,509	3,475,601
Amortisation of deferred income and deferred loss from sale and lease back transactions	–	(14,394)
Amortisation of intangible assets *(Note 14)*	21,375	21,591
Amortisation of long-term prepaid expenses and depreciation of investment property	24,362	27,066
Depreciation of right-of-use assets	45,339	55,772
Research and development costs	631	1,531
Auditors' remuneration		
– audit and audit related services	8,000	8,000
– non-audit services	650	450
Foreign exchange (gains)/losses, net *(Note 8)*	(10,051)	3,925
Impairment of receivables *(Notes 19, 21)*	32,283	29,027
Impairment of property, plant and equipment *(Note 13)*	244,793	98,790
Impairment of right-of-use assets *(Notes 15(a))*	1,739	–
Lease payments not included in the measurement of lease liabilities *(Note 15)*	17,431	16,586
Government grants *(Note 5)*	(311,465)	(334,473)
Dividend from equity investments designated at fair value through other comprehensive income *(Note 5)*	–	(9,452)
Fair value (gains)/losses on financial assets at fair value through profit or loss *(Note 5)*	(388)	943
Gain on disposal of financial assets at fair value through profit or loss *(Note 5)*	(51)	–
Losses/(gains) on disposal of property, plant and equipment and intangible assets *(Note 5)*	8,706	(380)
Gain on acquisition of a subsidiary *(Note 5)*	–	(19,001)
Gain on a previously held equity interest remeasured at acquisition date's fair value *(Note 5)*	–	(58)
Gains on restructuring of debt *(Note 5)*	(438)	(5,435)

6. PROFIT BEFORE TAX (CONTINUED)

Notes:

(i) Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at rates ranging from 14% to 20% (2019: 14% to 20%) of the specified salaries of the employees in the PRC. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

In addition, the Group has implemented a supplementary defined contribution retirement scheme in accordance with Datang Corporation's policy. Under this scheme, the Group is required to make specified contributions at a rate of 5% (2019: 5%) of the total salaries of qualified employees. These employees will receive the total contributions and any returns thereon upon their retirements.

(ii) Housing fund

In accordance with the PRC housing reform regulations, the Group is required to make contributions to the state-sponsored housing fund at a rate of 12% (2019: 12%) of the specified salaries of the employees in the PRC. 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.

(Amounts expressed in thousands of RMB unless otherwise stated)

7. OTHER OPERATING EXPENSES

	2020	2019
Impairment of property, plant and equipment *(Note 13)*	244,793	98,790
Impairment of right-of-use assets *(Notes 15(a))*	1,739	–
Impairment of receivables *(Notes 19, 21)*	32,283	29,027
Tax and surcharges	108,172	95,013
Insurance premium	62,281	43,766
Utility fees	57,132	65,401
Travelling expenses	32,777	35,013
Professional service and consulting fees	33,604	42,740
Lease payments not included in the measurement of lease liabilities *(Notes 15)*	17,431	16,586
Transportation expenses	17,755	17,875
Information technology expenses	22,377	14,602
Property management fees	10,891	6,542
Office expenses	9,646	10,028
Technical supervision service fees	23,893	21,159
Entertainment expenses	2,983	3,351
Research and development costs	631	1,531
Others	95,120	82,953
	773,508	584,377

(Amounts expressed in thousands of RMB unless otherwise stated)

8. FINANCE INCOME/FINANCE EXPENSES

An analysis of finance income/finance expenses is as follows:

	2020	2019
Finance income		
Interest income on deposits with banks and other financial institutions	10,146	13,278
Interest income on deposits with a related party	25,170	25,775
Interest income from finance lease receivables	1,887	2,180
	37,203	41,233
Finance expenses		
Interest on bank and other borrowings	(2,301,178)	(2,396,468)
Interest on lease liabilities *(Note 15 (c))*	(73,505)	(11,377)
Unwinding of discount on asset retirement obligations *(Note 24 (ii))*	(6,025)	(5,655)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	233,839	230,511
	(2,146,869)	(2,182,989)
Foreign exchange gains/(losses), net *(Note 6)*	10,051	(3,925)
	(2,136,818)	(2,186,914)
Finance expenses, net	(2,099,615)	(2,145,681)
Interest capitalisation rate	4.05%-5.22%	4.37%-5.39%

(Amounts expressed in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSES

	2020	2019
Current tax		
PRC enterprise income tax	320,346	284,050
Underprovision in prior years	9,073	10,755
	329,419	294,805
Deferred tax		
Recognition of temporary differences *(Note 18)*	(2,527)	1,077
Income tax expenses	326,892	295,882

For the year ended 31 December 2020, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 15% (2019: 7.5% to 15%), all other subsidiaries established in the PRC were subject to income tax at a rate of 25% (2019: 25%). Tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The preferential tax policies applicable to the Group are described as follows:

(a) Pursuant to CaiShui [2008] No. 116 issued by the Ministry of Finance and the State Administration of Taxation, and Guoshuifa [2009] No.80 issued by the State Administration of Taxation, the public infrastructure projects authorised after 1 January 2008 are each entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating year for the investment operating income.

(b) Pursuant to CaiShui [2012] No.10 issued by the Ministry of Finance and the State Administration of Taxation on 12 January 2012, the public infrastructure projects authorised before 31 December 2007 that were originally not eligible for "the tax holiday of a 3-year full exemption followed by a 3-year 50% exemption" could apply this preferential tax policy from 1 January 2008 to their respective expiration dates.

The policies are applicable to all subsidiaries of the Group engaged in wind power and photovoltaic power generation under the relevant conditions, except for certain subsidiaries that adopt the preferential policies described in Note (a).

(c) Pursuant to CaiShui [2010] No.110 issued by the Ministry of Finance and the State Administration of Taxation, the eligible energy-conservation service companies that implement the contract energy management projects in line with the relevant provisions of the enterprise income tax law are entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating years of a statutory tax rate of 25%.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSES (CONTINUED)

(d) Pursuant to CaiShui [2011] No. 58 issued by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, from 1 January 2011 to 31 December 2020, the enterprise income tax will be levied at a reduced rate of 15% on the encouraged industrial enterprises in the western region. Pursuant to CaiShui [2020] No. 23 issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, this preferential tax policies validity was extended to 31 December 2030.

For the year ended 31 December 2020, the joint ventures and associates were subject to an income tax rate of 25% (2019: 25%), and the share of income tax attributable to joint ventures and associates of RMB0.1 million (2019: Nil) and RMB21.1 million (2019: RMB16.0 million) respectively, was included in "Share of profits of associates and joint ventures".

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profits of the consolidated entities as follows:

	2020	2019
Profit before tax	1,879,485	1,439,874
Taxation calculated at the statutory tax rate	469,871	359,969
Income tax effects of:		
– Preferential income tax treatments	(313,953)	(225,874)
– Income not subject to tax	(13,732)	(15,865)
– Expenses not deductible for tax purposes	3,043	2,438
– Tax losses and temporary differences for which no deferred income tax asset was recognised	182,365	178,372
– Utilisation of previously unrecognised tax losses and temporary differences	(9,775)	(13,913)
– Underprovision for prior years	9,073	10,755
	326,892	295,882
Weighted average effective income tax rate	17.4%	20.5%

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in 2020 and were entitled to income tax exemption pursuant to the preferential tax regulation in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

10. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings per share

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, adjusted to reflect the interest on perpetual note and bonds, and the weighted average number of ordinary shares in issue during the year.

	2020	2019
Earnings		
Profit attributable to owners of the parent *(RMB'000)*	1,186,861	936,437
Interest on perpetual note and bonds *(RMB'000)*	(259,521)	(116,000)
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation *(RMB'000)*	927,340	820,437
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation *(thousands of shares)*	7,273,701	7,273,701
Basic earnings per share *(RMB)*	0.1275	0.1128

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2020 and 2019 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

(Amounts expressed in thousands of RMB unless otherwise stated)

11. DIVIDENDS

	2020	2019
Proposed final dividend – RMB0.03 (before tax) (2019: RMB0.03 (before tax)) per ordinary share	218,211	218,211

The dividend paid by the Company in 2020 was RMB218.2 million (2019: RMB145.5million).

A final dividend in respect of the year ended 31 December 2020 of RMB0.03 (before tax) per ordinary share, amounting to a total final dividend of RMB218.2 million, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

(a) Directors' and supervisors' remuneration

The aggregate amount of remuneration payables to directors and supervisors of the Company during the year is as follows:

	2020	2019
Fees	600	600
Other emoluments:		
Salaries, allowances and benefits in kind	459	642
Discretionary bonuses	582	637
Pension scheme contributions	117	99
	1,158	1,378
	1,758	1,978

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

The remuneration of each director and supervisor of the Company is set out below:

For the year ended 31 December 2020

	Notes	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors						
– Mr. Liu Guangming (劉光明)*		–	–	–	–	–
– Mr. Meng Lingbin (孟令賓)		–	231	367	63	661
Non-executive directors						
– Mr. Chen Feihu (陳飛虎)*	(i)	–	–	–	–	–
– Mr. Kou Wei (寇偉)*	(ii)	–	–	–	–	–
– Mr. Hu Shengmu (胡繩木)*		–	–	–	–	–
– Mr. Li Yi (李奕)*		–	–	–	–	–
– Mr. Liu Baojun (劉寶君)*		–	–	–	–	–
Independent non-executive directors						
– Mr. Liu Chaoan (劉朝安)		200	–	–	–	200
– Mr. Lo Mun Lam (盧敏霖)		200	–	–	–	200
– Mr. Yu Shunkun (余順坤)		200	–	–	–	200
Supervisors						
– Mr. Liu Quancheng (劉全成)*		–	–	–	–	–
– Ms. Dingyu (丁宇)*		–	–	–	–	–
– Ms. Bai Xuemei (白雪梅)		–	228	215	54	497
		600	459	582	117	1,758

Notes:

(i) Mr. Chen Feihu has resigned as a non-executive director of the Company with effect from 11 May 2020.

(ii) Mr. Kou Wei has been appointed as a non-executive director of the Company with effect from 11 May 2020.

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

The remuneration of each director and supervisor of the Company is set out below: (Continued)

For the year ended 31 December 2019

	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors					
– Mr. Liu Guangming (劉光明)*	–	–	–	–	–
– Mr. Meng Lingbin (孟令賓)	–	334	355	50	739
– Mr. Hu Shengmu (胡繩木)*	–	–	–	–	–
Non-executive directors					
– Mr. Chen Feihu (陳飛虎)*	–	–	–	–	–
– Mr. Liu Guangming (劉光明)*	–	–	–	–	–
– Mr. Hu Shengmu (胡繩木)*	–	–	–	–	–
– Mr. Li Yi (李奕)*	–	–	–	–	–
– Mr. Wu Zhiquan (吳智泉)*	–	–	–	–	–
– Mr. Liu Baojun (劉寶君)*	–	–	–	–	–
Independent non-executive directors					
– Mr. Liu Chaoan (劉朝安)	200	–	–	–	200
– Mr. Lo Mun Lam (盧敏霖)	200	–	–	–	200
– Mr. Yu Shunkun (余順坤)	200	–	–	–	200
Supervisors					
– Ms. Huo Yuxia (霍雨霞)*	–	–	–	–	
– Mr. Liu Quancheng (劉全成)*	–	–	–	–	–
– Ms. Ding Yu (丁宇)*	–	–	–	–	–
– Mr. Shang Yuansheng (商遠生)	–	253	282	42	577
– Ms. Bai Xuemei (白雪梅)	–	55	–	7	62
	600	642	637	99	1,978

* These directors and supervisors of the Company receive emoluments from Datang Corporation. No apportionment of emoluments for their services to the Group has been made as the directors consider that it is impracticable to apportion these amounts between their services to the Group and their services to Datang Corporation.

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

During the year ended 31 December 2020, no emoluments were paid by the Group to any director or supervisor as an inducement to join or upon joining the Group or as compensation for loss of office (2019: Nil); and no director or supervisor waived or agreed to waive any emoluments (2019: Nil).

(b) Five highest paid individuals

The number of directors and supervisors and non-director/non-supervisor employees included in the five highest paid individuals for the years ended 31 December 2020 and 2019 is set forth below:

	2020	2019
Directors or supervisors	2	1
Non-director or non-supervisor employees	3	4
	5	5

The emoluments of the directors and supervisors are disclosed in Note 12(a). The aggregate of the emoluments in respect of the remaining highest paid individuals is as follows:

	2020	2019
Salaries and other emoluments	443	751
Discretionary bonuses	755	1,128
Retirement benefits - defined contribution plans	87	123
	1,285	2,002

The emoluments of the five highest paid individuals are within the following band:

	Number of individuals	
	2020	2019
Nil to Hong Kong dollars ("HKD") 1,000,000	5	5

During the year ended 31 December 2020, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2019: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Equipment	Others (Note)	Construction in progress	Total
Year ended 31 December 2020					
Opening net carrying amount	2,996,179	47,559,698	132,700	8,366,553	59,055,130
Additions	1,795	161,509	9,188	9,500,338	9,672,830
Transfer and reclassification	234,666	5,347,796	22,931	(5,617,175)	(11,782)
Other disposals	(3,350)	(2,406)	(4,139)	–	(9,895)
Depreciation	(176,599)	(3,552,082)	(29,078)	–	(3,757,759)
Impairment during the year	(48,499)	(119,359)	(714)	(76,221)	(244,793)
Closing net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731
As at 31 December 2020					
Cost	4,239,680	76,242,611	452,085	12,339,303	93,273,679
Accumulated depreciation	(1,186,989)	(26,728,096)	(320,483)	–	(28,235,568)
Accumulated impairment	(48,499)	(119,359)	(714)	(165,808)	(334,380)
Net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731
Year ended 31 December 2019					
Opening net carrying amount	3,064,699	47,160,913	135,350	6,068,559	56,429,521
Additions	–	7,435	13,047	5,746,100	5,766,582
Transfer and reclassification	73,814	3,376,461	8,032	(3,349,316)	108,991
Acquisition of a subsidiary	32,259	299,704	530	–	332,493
Other disposals	(209)	(386)	(380)	–	(975)
Depreciation	(174,384)	(3,284,429)	(23,879)	–	(3,482,692)
Impairment during the year	–	–	–	(98,790)	(98,790)
Closing net carrying amount	2,996,179	47,559,698	132,700	8,366,553	59,055,130
As at 31 December 2019					
Cost	4,006,633	70,754,276	443,550	8,501,011	83,705,470
Accumulated depreciation	(1,010,454)	(23,194,578)	(310,850)	–	(24,515,882)
Accumulated impairment	–	–	–	(134,458)	(134,458)
Net carrying amount	2,996,179	47,559,698	132,700	8,366,553	59,055,130

Note: Other property, plant and equipment represents transportation facilities, office equipment and other property, plant and equipment held by the Group.

(Amounts expressed in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the year ended 31 December 2020 and 2019, depreciation expense is analysed as follows:

	2020	2019
Depreciation expense recognised in profit or loss *(Note 6)*	3,747,509	3,475,601
Capitalisation as construction in progress	10,250	7,091
	3,757,759	3,482,692

As at 31 December 2020, certain property, plant and equipment was pledged as security for long-term bank and other borrowings of the Group as set out in Note 25(c).

Impairment test for property, plant and equipment

In 2020, Datang Qiannan Renewable Power Co., Ltd. ("Qiannan Renewable"), a subsidiary of the Company, planned to dismantle 17 wind turbines and booster station in its wind farm named as the Dafengping project before 30 April 2021, in order to cooperate with the protection of the Duliu River Source Wetland Provincial Nature Reserve Nature Protection Zone by Guizhou Province Duliu City. The Group's management assessed the recoverable amounts of those assets based on fair values less costs of disposal, using the market comparison approach by reference to recent sales price of similar assets within the same industry, adjusted for differences such as the remaining useful lives. An impairment loss of RMB191.1 million and RMB1.7 million provided for the property, plant and equipment and right-of-use assets respectively, including RMB22.5 million provided for construction in progress, was recognised in profit or loss in "other operating expenses" as a result of the assessment as at 31 December 2020.

For the year ended 31 December 2020, certain construction in progress was considered impaired due to the suspension of the construction progress for a long time and the Group's management estimated that the recoverable amount based on fair value less costs of disposal of such construction in progress was nil. Accordingly, an impairment loss of RMB53.7 million (2019: RMB98.8 million) was recognised in profit or loss in "other operating expenses". A subsidiary of the Company, Beijing Yingtang Biomass Power Technology Co., Ltd. was cancelled this year, the accumulated impairment loss on construction in progress of RMB44.9 million was written off.

For the year ended 31 December 2020, no impairment losses were provided for other property, plant and equipment of the Group (2019: Nil). When indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each asset or CGU. The CGU is an entity. The carrying values of the assets or entities for which indication of impairment is identified were compared to their recoverable amounts, which were based predominantly on value in use. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the same cash flows of the fifth year. Other key assumptions applied in the impairment tests include the future sales volume, affected by the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects, and the utilisation efficiency, operating costs, electricity prices and discount rates. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopted a pre-tax rate of 9.41% and 14.67% (31 December 2019: 10.77%) that reflects specific risks related to CGUs as the discount rate as at 31 December 2020.

(Amounts expressed in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS

	Goodwill *(Note (iii))*	Concession assets *(Note (i))*	Computer and software	Technologies and tools *(Note (ii))*	Total
Year ended 31 December 2020					
Opening net carrying amount	58,055	242,619	54,342	6,634	361,650
Additions	–	–	6,645	13,859	20,504
Transfer and reclassification	–	–	5,692	(5,692)	–
Transferred from CIP	–	–	11,782	–	11,782
Transferred to property, plant and equipment	–	–	–	(7,911)	(7,911)
Other disposals	–	(315)	(50)	–	(365)
Amortisation charges	–	(15,281)	(6,094)	–	(21,375)
Closing net carrying amount	58,055	227,023	72,317	6,890	364,285
As at 31 December 2020					
Cost	58,055	640,028	128,381	6,890	833,354
Accumulated amortisation	–	(182,718)	(56,064)	–	(238,782)
Impairment *(Note (iv))*	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	227,023	72,317	6,890	364,285
Year ended 31 December 2019					
Opening net carrying amount	58,055	451,878	49,798	4,571	564,302
Additions	–	–	7,764	2,063	9,827
Transferred from CIP	–	–	3,293	–	3,293
Transferred to property, plant and equipment *(Note (iv))*	–	(186,856)	–	–	(186,856)
Transferred to prepayments, other receivables and other assets *(Note (iv))*	–	(7,121)	–	–	(7,121)
Other disposals	–	–	(204)	–	(204)
Amortisation charges	–	(15,282)	(6,309)	–	(21,591)
Closing net carrying amount	58,055	242,619	54,342	6,634	361,650
As at 31 December 2019					
Cost	58,055	640,343	104,557	6,634	809,589
Accumulated amortisation	–	(167,437)	(50,215)	–	(217,652)
Impairment *(Note (iv))*	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	242,619	54,342	6,634	361,650

14. INTANGIBLE ASSETS (CONTINUED)

Notes:

(i) Concession assets represent the rights the Group obtained for the usage of the concessions in relation to wind/solar power plants for the generation of electricity (Note 2.12(a)). The Group recognised the intangible assets at the fair value of the concession construction service. The concession assets are amortised over the original contracted operating period of the relevant service concession projects of 25 years.

(ii) As at 31 December 2020, technologies and tools represented internally generated technologies and tools pertaining to certain wind farm performance optimisation technology.

(iii) Impairment test for goodwill

The Group allocates goodwill to CGUs that are determined by different operating entities. The Group completed its annual impairment test for goodwill allocated to the respective CGUs by comparing their recoverable amounts to their carrying amounts as at the reporting date.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period with a terminal value related to the future earnings potential of the CGU beyond the next five years. Future cash flows are discounted at the pre-tax rate of 9.41% (31 December 2019: 10.77%). The estimated growth rates adopted do not exceed the long-term average growth rates for the businesses in which the CGU operates. Other key assumptions include expected tariff rates and demand for electricity in specific locations where these power plants are located. Management determined these assumptions based on the existing production capacity of the related power plants and adopted a pre-tax interest rate that can reflect the specific risk of the CGU as the discount rate.

Based on the assessments, the directors of the Company concluded that there was no impairment loss on the goodwill of the Group as at 31 December 2020 (31 December 2019: Nil).

(iv) In September 2017, a wind farm of Datang Hubei Renewable Power Co., Ltd. ("Hubei Renewable"), a subsidiary of the Company, named as the Longganhu Phase I project, ceased electricity generation in order to cooperate with the protection of the Longganhu Nature Protection Zone by Hubei Province Huanggang City. Management had made an accumulated impairment provision for its concession assets of RMB230.3 million as at 31 December 2018. Management reassessed the recoverable amounts of those assets based on fair values less costs of disposal at 31 December 2020, and no additional impairment need to be recognised. Management also formed an utilisation plan for the above concession assets in 2019. According to the plan, as at 31 December 2020, some assets with an amount of RMB186.9 million which were or will be used for other wind farms were transferred to property, plant and equipment and the other assets amounting to RMB7.1 million had been returned to the supplier.

(Amounts expressed in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS (CONTINUED)

For the year ended 31 December 2020 and 2019, the amortisation expense is analysed as follows:

	2020	2019
Amortisation charges recognised in profit or loss *(Note 6)*	21,375	21,591
	21,375	21,591

At 31 December 2020 and 2019, certain concession assets were pledged as security for long-term bank loans and other loans of the Group (Note 25(c)).

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and equipment, buildings, and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 10 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and equipment generally have lease terms between 4 and 20 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessee (Continued)

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year were as follows:

	Buildings	Plant and equipment	Land use rights	Others *(Note (i))*	Total
As at 1 January 2019	147,668	–	634,372	84,229	866,269
Additions	3,622	982,793	32,428	–	1,018,843
Additions as a result of acquisition of a subsidiary	2,616	–	–	–	2,616
Other changes *(Note (ii))*	(66,589)	–	–	(35,200)	(101,789)
Depreciation charge	(8,018)	(22,664)	(20,455)	(4,635)	(55,772)
As at 31 December 2019 and 1 January 2020	79,299	960,129	646,345	44,394	1,730,167
Additions	23,236	1,968,356	135,756	74,199	2,201,547
Revision of a lease term arising from a change in the non-cancellable period of a lease	(11,779)	(234,789)	–	–	(246,568)
Other changes *(Note (ii))*	–	–	–	6,311	6,311
Impairment charge *(Note (iii))*	–	–	(1,739)	–	(1,739)
Depreciation charge	(10,508)	(82,873)	(23,992)	(2,914)	(120,287)
As at 31 December 2020	80,248	2,610,823	756,370	121,990	3,569,431

Notes:

(i) Others represent the rights the Group obtained for the usage of transmission line and sea use rights.

(ii) Other changes represent the reductions due to contract expiration or contract changes.

(iii) An impairment of RMB1.7 million was provided for land use rights as at 31 December 2020. Details are disclosed in Note 13.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2020	2019
Carrying amount as at 1 January	1,097,187	221,203
New leases	2,142,408	988,056
Accretion of interest recognised during the year *(Note 8)*	73,505	11,377
Payment	(184,388)	(24,460)
Revision of a lease term arising from a change in the non-cancellable period of a lease	(177,368)	(8,281)
Covid-19-related rent concessions from lessors	(115)	–
Other changes	(18,414)	(90,708)
Carrying amount as at 31 December	2,932,815	1,097,187
Analysed into:		
Current portion *(Note 25 (a))*	50,323	35,918
Non-current portion *(Note 25 (a))*	2,882,492	1,061,269

The maturity analysis of lease liabilities is disclosed in Note 31 to the financial statements.

As disclosed in Note 2.2 to the financial statements, the Group has early adopted the amendment to IFRS 16 and applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain plant and equipment during the year.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2020	2019
Interest on lease liabilities *(Note 8)*	73,505	11,377
Depreciation charge of right-of-use assets	45,339	55,772
Expense relating to short-term leases and other leases (included in other operating expenses)	14,610	14,327
Variable lease payments not included in the measurement of lease liabilities (included in other operating expenses)	2,821	2,259
Impairment of right-of-use assets	1,739	–
Total amount recognised in profit or loss	138,014	83,735

(d) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. There are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease terms.

(e) Variable lease payments

The Group has lease contracts that contain variable payments based on the generating capacity. Management's objective is to align the lease expense with the units generated and revenue earned.

(f) The total cash outflow for leases is disclosed in Note 34(c) to the financial statements.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessor

The Group leases its property, plant, and equipment (Note 13 to the financial statements) and investment properties consisting of industrial properties under operating lease arrangements, with leases negotiated for terms ranging from one to five years. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB10.5 million (2019: RMB12.8 million), details of which are included in Note 4 (b) to the financial statements.

As at 31 December 2020 and 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2020	2019
Within 1 year	7,232	2,376
After 1 year but within 2 years	7,232	2,376
After 2 years but within 3 years	6,535	2,376
After 3 years but within 4 years	5,375	1,430
After 4 years	77,609	4,746
	103,983	13,304

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Investments in joint ventures

Movements in investments in joint ventures are as follows:

	2020	2019
As at 1 January	99,420	100,786
Disposal *(Note)*	(11,087)	–
Other comprehensive income	–	208
Share of profit/(loss) for the year	2,842	(1,574)
As at 31 December	91,175	99,420

Note: For the year ended 31 December 2020, Datang Hangjin Banner New Energy Co., Ltd., a joint venture of the Company, was cancelled, resulting in a reduction of RMB2.0 million in the investment of the joint venture. Datang Renewables (HK) Co., Ltd., a subsidiary of the Company, sold its 15% interest in China Datang Corporation Hong Kong Co., Limited to Datang Corporation on 16 January 2020, resulting in a reduction of RMB9.1 million in the investment of the joint venture.

As at 31 December 2020, the Group did not have significant commitments relating to its joint ventures, and there were no contingent liabilities relating to the Group's interests in the joint ventures.

In the opinion of the directors of the Company, investments in joint ventures are not material to the Group and no further disclosure of the particulars of the joint ventures is presented.

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates

Movements in investments in associates are as follows:

	2020	2019
As at 1 January	733,753	701,027
Capital injections	120,335	–
Dividends declared	(8,893)	(25,425)
Share of profit for the year	54,088	60,620
An associate transformed into a subsidiary	–	(2,469)
As at 31 December	899,283	733,753

Loans from associates and lease liabilities under lease arrangements are as follows:

	2020	2019
Loans from an associate	2,883,395	3,058,814
Lease liabilities under lease arrangements with an associate	1,573,754	432,844
As at 31 December	4,457,149	3,491,658

As at 31 December 2020, the loans from an associate and lease liabilities under lease arrangements with an associate included in the Group's "other payables and accruals" of RMB133 million (31 December 2019: Nil) and "Interest-bearing bank and other borrowings" of RMB4,324 million (31 December 2019: RMB3,492 million) were payables to Datang Financial Leasing Co., Ltd.("Datang Financial Leasing") which bore interest at rates ranging from 3.80% to 5.80% per annum (2019: 3.92% to 6.41%).

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Set out below are the associates of the Group as at 31 December 2020, which, in the opinion of the directors of the Company, are material to the Group. The associates listed below have share capital consisting of paid-in capital, which are held directly by the Group; the country of establishment or registration is also the principal place of business.

Name of entity	Place of business/country of establishment	Percentage of ownership interest	Nature of relationship	Measurement method
Datang Financial Leasing	PRC	20%	Note 1	Equity method
Guangdong Yueneng Datang Renewable Power Co., Ltd. (廣東粵能大唐新能源有限公司) ("Guangdong Yueneng")	PRC	49%	Note 2	Equity method

Note 1: Datang Financial Leasing, a limited liability company established in the PRC, and the Company are under the common control of Datang Corporation. Datang Financial Leasing provides financing services to the Group and other companies under the common control of Datang Corporation (see Note 25(a) (i) for more details).

Note 2: Guangdong Yueneng, a limited liability company established in the PRC, was jointly established by the Company and Guangdong Yueneng (Group) Company Limited (廣東粵能(集團)有限公司). Guangdong Yueneng engages in the power generation business.

Datang Financial Leasing and Guangdong Yueneng are private companies and there are no quoted market values available.

The Group has discontinued the recognition of its share of losses of an associate, Rongcheng Shengu New Energy Technology Co., Ltd., because the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this associate for the current year and cumulatively were RMB3.10 million (2019: 2.51 million) and RMB5.61 million (2019: 2.51 million), respectively.

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Summarised financial information of associates

The following table illustrates the summarised financial information in respect of Datang Financial Leasing and Guangdong Yueneng adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	Datang Financial Leasing		Guangdong Yueneng	
	2020	2019	2020	2019
Total current assets	10,847,788	7,758,674	65,947	71,427
Total current liabilities	(12,740,588)	(15,586,525)	(41,236)	(31,817)
Total non-current assets	17,002,621	17,884,374	291,013	311,880
Total non-current liabilities	(7,896,832)	(6,845,306)	(136,180)	(177,728)
Net assets	7,212,989	3,211,217	179,544	173,762
Reconciliation to the Group's interests in the associates:				
Proportion of the ownership	20%	20%	49%	49%
Group's share of net assets of associates, excluding goodwill	1,442,598	642,243	87,977	85,143
Goodwill and other adjustments	(711,710)	(51,745)	6,037	5,981
Carrying amount of the investments	730,888	590,498	94,014	91,124
Revenue	1,107,163	1,204,329	55,228	52,195
Profit before tax	325,917	326,373	29,569	12,036
Net profit for the year	243,108	254,783	22,186	10,499
Total comprehensive income	243,108	254,783	22,186	10,499
Dividends received from associates	18,000	–	7,981	6,689

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Summarised financial information of associates (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material (adjusted for differences in the accounting policies between the Group and the associates):

	2020	2019
Share of the associates' profit for the year	2,826	4,519
Share of the associates' total comprehensive income	2,826	4,519
Aggregate carrying amount of the Group's investments in associates	74,381	52,131

As at 31 December 2020, the Group had no significant contingent liabilities and unconfirmed commitments related to joint ventures and associates.

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020	2019
As at 1 January	413,010	312,049
Addition	9,749	–
Disposal	(357,138)	–
Changes in fair value recorded in other comprehensive income	2,666	100,961
As at 31 December	68,287	413,010

(Amounts expressed in thousands of RMB unless otherwise stated)

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

As at 31 December 2020 and 2019, the Group's equity investments designated at fair value through other comprehensive income include the following:

	2020	2019
Listed equity investments, at fair value:		
Huaneng Renewables Corporation Limited ("Huaneng Renewables") *(Note 1)*	–	336,562
Guodian Technology & Environment Group Corporation Limited	17,642	23,326
	17,642	359,888
Unlisted equity investments, at fair value:		
Inner Mongolia Hohhot Pumped Storage Power Generation Co., Ltd.	40,896	48,778
Haiyan Zhongdian Wind Power Engineering Co., Ltd. *(Note 2)*	–	4,344
Inner Mongolia East Electric Power Trading Center Co., Ltd. *(Note 3)*	5,444	–
Ningxia Electric Power Trading Center Co., Ltd. *(Note 4)*	4,305	–
	50,645	53,122
	68,287	413,010

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Note 1: On 16 January 2020, a subsidiary of the Company, Datang Renewables (HK) Co., Ltd. accepted the voluntary conditional offer made by CLSA Limited on behalf of China Huaneng Group Co., Ltd. (中國華能集團有限公司) to acquire all of the issued H Shares in Huaneng Renewables and disposed its 124 million H shares in Huaneng Renewables in consideration of the cash offer price at HKD3.17 per H share and RMB352.9 million in total. The accumulated gain recognised in other comprehensive income of RMB92.0 million was transferred to retained profits.

Note 2: On 27 November 2020, in order to optimize the investment structure, the Company sold its equity interest in Haiyan Zhongdian Wind Power Engineering Co., Ltd. to China Energy Construction Ping An (Tianjin) Equity Investment Fund Management Co. Ltd. The fair value on the date of sale was RMB4.2 million and the accumulated gain recognised in other comprehensive income of RMB2.2 million was transferred to retained profits.

Note 3: On 22 June 2020, Datang Alukeerqin Banner New Energy Co., Ltd., a subsidiary of the Company, acquired 3.75% of the equity interest in Inner Mongolia East Power Trading Center Co., Ltd., an unrelated third party, with a consideration amounting to RMB5.4 million.

Note 4: On 29 September 2020, the Company acquired 3% of the equity interest in Ningxia Electric Power Trading Center Co., Ltd., an unrelated third party, with a consideration amounting to RMB4.3 million.

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

(Amounts expressed in thousands of RMB unless otherwise stated)

18. DEFERRED TAX

The movements in deferred tax assets and liabilities are as follows:

Deferred tax assets:

	Tax losses	Provision for impairment	Intra-group unrealised profits	Deferred Income	Total
As at 1 January 2019	7,319	6,202	2,338	–	15,859
Credited to profit or loss	(3,382)	–	(86)	–	(3,468)
As at 31 December 2019 and 1 January 2020	3,937	6,202	2,252	–	12,391
Credited to profit or loss	–	–	(86)	125	39
As at 31 December 2020	**3,937**	**6,202**	**2,166**	**125**	**12,430**

Deferred tax liabilities:

	Asset revaluation	Total
As at 1 January 2019	(19,907)	(19,907)
Credited to profit or loss	2,391	2,391
Acquisition of a subsidiary	(911)	(911)
As at 31 December 2019 and 1 January 2020	(18,427)	(18,427)
Credited to profit or loss	2,488	2,488
As at 31 December 2020	**(15,939)**	**(15,939)**

(Amounts expressed in thousands of RMB unless otherwise stated)

18. DEFERRED TAX (CONTINUED)

Deferred tax assets are recognised for tax losses carried forward and temporary differences to the extent that the realisation of the related income tax benefits through the future taxable profits is probable. The unrecognised deductible temporary tax differences and the expiry dates of the related tax losses are summarised as follows:

	2020	2019
Tax losses	2,678,637	2,522,805
Other deductible temporary tax differences	673,550	440,042
	3,352,187	2,962,847

	2020	2019
Year of expiry		
2020	–	465,339
2021	530,058	560,531
2022	418,623	436,628
2023	446,647	465,279
2024	593,575	595,028
2025	689,734	–
	2,678,637	2,522,805

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2020	2019
CDM assets/receivables *(Note (i))*	69,361	68,642
Less: impairment allowance *(Note (i))*	(67,029)	(66,310)
	2,332	2,332
Receivables from the provision of services *(Note (i))*	16,123	36,123
Proceeds receivables from the disposal of subsidiaries *(Note (i))*	127,324	127,324
Receivable from the disposal of a wind farm project *(Note (i))*	22,971	22,367
Dividend receivable	–	18,000
Deposit for project investments *(Note (i))*	23,410	23,935
Deposit for borrowings *(Note 25(a)(i))*	48,705	48,705
Receivables under a lease arrangement *(Note (ii))*	32,843	39,456
Other receivables	237,561	200,141
	508,937	516,051
Less: impairment allowance *(Note (i))*	(32,838)	(30,220)
	478,431	488,163
Value-added tax recoverable	2,315,387	1,945,606
Current tax prepayments	9,128	7,624
Prepayments for constructions and equipment	1,221,896	1,531,286
Other prepayments	414,208	310,033
	4,439,050	4,282,712
Less: Non-current portion of		
– Receivables under a lease arrangement *(Note(ii))*	(25,924)	(32,843)
– Deposit for borrowings *(Note 25(a)(i))*	(48,705)	(48,705)
– Value-added tax recoverable	(1,558,393)	(1,341,270)
– Prepayments for constructions and equipment	(1,221,896)	(1,233,038)
– Other prepayments	(101,055)	(126,635)
	(2,955,973)	(2,782,491)
Total current portion of prepayments, other receivables and other assets	1,483,077	1,500,221

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes:

(i) The movement in the allowance for doubtful debts is as follows:

	2020	2019
As at 1 January	96,530	67,939
Impairment losses recognised	3,337	28,591
As at 31 December	99,867	96,530

An impairment analysis is performed on other receivables at each reporting date and expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. For prepayments for constructions and equipment, value-added tax recoverable, dividend receivable, deposits for borrowings, receivables under a lease arrangement and current tax prepayments and certain amounts included in other prepayments and receivables, they have specific due dates or settlement schedules. Management considers the probability of default to be nil.

As at 31 December 2020, certain long-aged other receivables which aged over three years, included in CDM assets/receivables, receivables from the provision of services, proceeds receivables from the disposal of subsidiaries, receivable from the disposal of a wind farm project and deposit for project investments amounted to RMB238.3 million, of which RMB95.7 million was provided for expected credit loss. In relation to CDM assets/receivables, except for the CDM receivables expected to receive from a subsidiary of Datang Corporation, the remaining assets with an amount of RMB67.0 million were expected to be fully impaired as at 31 December 2020 based on the assessment of recoverability with an expected credit loss rate of 100%. The proceed receivable from the disposal of a subsidiary with an amount of RMB28.7 million were expected to be fully impaired as at 31 December 2020, as the debtor was in abnormal operation condition. For the year ended 31 December 2020, the impairment of RMB0.7 million of CDM receivables was provided due to exchange rate fluctuation.

As at 31 December 2020, impairment loss of RMB4.2 million was provided for other receivables based on assessment of expected credit loss. For the year ended 31 December 2020, due to the abnormal operation condition of an external customer, the relevant receivable with an amount of RMB2.6 million are expected to be fully impaired.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(ii) During the year ended 31 December 2020, the Group provided a service to an external customer under an energy performance contract for a period of 12 years, pursuant to which certain facilities were constructed and operated by the Group and the service fee was determined at a monthly fixed amount plus a contingent fee which was linked to coal price. The transaction was accounted for as a finance lease and the implied interest rate was 4.54% per annum.

	2020	2019
Non-current receivables		
Finance lease – gross receivables	34,000	42,500
Unearned finance income from finance lease receivables	(8,076)	(9,657)
	25,924	32,843
Current receivables		
Finance lease – gross receivables	8,500	8,500
Unearned finance income from finance lease receivables	(1,581)	(1,887)
	6,919	6,613
Net investment in finance lease	32,843	39,456

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(ii) (Continued)

	2020	2019
Gross receivables from the finance lease:		
No later than 1 year	8,500	8,500
Later than 1 year and no later than 5 years	34,000	34,000
Later than 5 years	–	8,500
	42,500	51,000
Unearned future finance income from finance lease receivables	(9,657)	(11,544)
Net investment in finance lease	32,843	39,456
The net investment in finance lease is analysed as follows:		
No later than 1 year	6,919	6,613
Later than 1 year but no later than 5 years	25,924	24,548
Later than 5 years	–	8,295
Total	32,843	39,456

No contingent income was recognised during the year ended 31 December 2020.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(iii) The carrying amounts of the Group's other receivables were denominated in the following currencies:

	2020	2019
RMB	450,898	461,503
Euros ("EUR")	27,533	26,660
Total	478,431	488,163

(iv) As at 31 December 2020 and 2019, the fair values of the current loans and receivables approximated to their carrying amounts. The maximum exposure to credit risk at the reporting date was the carrying value of each class of the receivables. The Group does not hold any collateral as security.

20. INVENTORIES

	2020	2019
Spare parts	221,592	193,731
Less: Provision for impairment of inventories	–	–
	221,592	193,731

As at 31 December 2020 and 2019, the Group had no pledged inventories for interest-bearing bank and other borrowings.

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES

	2020	2019
Trade receivables	12,093,097	9,316,125
Bills receivable	345,149	233,179
	12,438,246	9,549,304
Less: impairment losses	(32,598)	(3,652)
	12,405,648	9,545,652

An ageing analysis of trade and bills receivables based on the revenue recognition date, less impairment losses, is as follows:

	2020	2019
Within 1 year	6,321,150	5,462,437
Between 1 year and 2 years	4,281,844	3,314,653
Between 2 years and 3 years	1,419,041	566,524
Over 3 years	383,613	202,038
	12,405,648	9,545,652

Trade and bills receivables primarily represent receivables from regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest-bearing. The fair values of the trade and bills receivables approximate to their carrying amounts.

For trade and bills receivables arising from tariff revenue, the Group usually grants credit periods of approximately one month to local power grid companies from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local power grid companies, except for the tariff premium of renewable energy. The collection of renewable energy tariff premium is subject to the allocation of funds by the relevant government authorities to the local power grid companies, which consequently takes a relatively longer time for settlement.

As at 31 December 2020 and 2019, the Group has pledged a portion of its tariff collection rights as security for certain bank and other loans (Note 25(c)).

The maximum exposure to credit risk at the reporting date was the carrying value of each category of receivables. The Group does not hold any collateral as security.

As at 31 December 2020, bills receivable which have not matured but discounted or endorsed with a right of recourse and were not derecognised in the financial statements were nil (31 December 2019: nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movements in the impairment loss of trade and bills receivables are as follows:

	2020	2019
As at 1 January	3,652	3,216
Impairment losses	28,946	436
As at 31 December	32,598	3,652

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group is satisfied that recovery of the amount is remote.

The financial resource for the renewable energy tariff premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. Pursuant to Caijian [2012] No. 102 Notice on the Interim 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 ''MOF"), the National Development and Reform Commission (the "NDRC") and the National Energy Administration (the "NEA") in March 2012, the standardised application and approval procedures on a project by project basis for the settlement of the tariff premium came into force since 2012, and such applications are accepted and approved batch by batch jointly by the MOF, NDRC and NEA at intervals in form of announcing renewable energy subsidy catalogues (the "Subsidy Catalogue").

In February 2020, the MOF, NDRC and NEA jointly issued new guidelines and notices (collectively referred to "New Guidelines"), i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法). Pursuant to the New Guidelines, the quota of new subsidies should be decided based on the scale of subsidy funds, there will be no new Subsidy Catalogue published for tariff premium and as an alternative, power grid enterprises will publish the list of renewable energy projects qualified for tariff premium (the "Subsidy List") periodically after the renewable energy enterprises have gone through certain approval and information publicity process.

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES (CONTINUED)

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. Based on the above, the Directors estimated that there are no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogue or the Subsidy List. 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 Group applies the simplified approach to the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses for trade receivables excluding tariff premium receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing. 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, except for RMB2.3 million (31 December 2019: RMB2.3 million) representing a past due tariff receivable from a power grid company in dispute which was assessed to be not recoverable. The expected credit loss for other trade receivables was RMB30.3 million as at 31 December 2020 (31 December 2019: RMB1.3 million).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

		Tariff receivables from grid companies and other trade receivables				
	Tariff premium of renewable energy	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total
Expected credit loss rate	–	–	–	–	24.943%	0.250%
Gross carrying amount	11,000,275	841,146	46,248	84,069	121,359	12,093,097
Expected credit losses	–	–	–	–	30,270	30,270

As at 31 December 2019

		Tariff receivables from grid companies and other trade receivables				
	Tariff premium of renewable energy	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total
Expected credit loss rate	–	–	–	–	1.783%	0.014%
Gross carrying amount	8,154,628	951,826	90,405	44,986	74,280	9,316,125
Expected credit losses	–	–	–	–	1,324	1,324

(Amounts expressed in thousands of RMB unless otherwise stated)

22. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

	2020	2019
Restricted cash *(Note (i))*	32,402	44,041
Time deposits *(Note (ii))*	19,490	–
Cash and bank balances	3,052,717	3,517,159
Cash and cash equivalents, restricted cash and time deposits	3,104,609	3,561,200

Notes:

(i) As at 31 December 2020, restricted cash mainly represented deposits held for use as land reclamation deposits, issued notes payable and unsettled suits.

(ii) As at 31 December 2020, time deposits of the Group was RMB19.5 million with a deposit period of 6 months and an annual interest rate of 1.3%.

Cash and cash equivalents, restricted cash and time deposits of the Group were denominated in the following currencies:

	2020	2019
RMB	3,095,464	3,550,927
HKD	8,809	8,803
US dollars ("USD")	192	905
AUD	144	565
	3,104,609	3,561,200

(Amounts expressed in thousands of RMB unless otherwise stated)

23. TRADE AND BILLS PAYABLES

	2020	2019
Trade payables	263,227	356,619
Bills payable	19,353	10,022
	282,580	366,641

The ageing analysis of trade payables, based on the invoice date, is as follows:

	2020	2019
Within 1 year	164,798	258,761
After 1 year but within 2 years	49,698	56,064
After 2 years but within 3 years	22,727	21,292
After 3 years	26,004	20,502
	263,227	356,619

Bills payable are bills with maturity of less than one year. The trade and bills payables are non-interest-bearing and are normally settled within one year.

The fair values of the trade and bills payables approximate to their carrying amounts.

(Amounts expressed in thousands of RMB unless otherwise stated)

24. OTHER PAYABLES AND ACCRUALS

	2020	2019
Payables for property, plant and equipment	5,882,175	4,866,326
Loans from related parties *(Note (i))*	461,854	2,244,265
Dividends payable to non-controlling interests	352,436	241,256
Accrued staff related costs	42,556	42,425
Payables for CDM projects	3,649	3,704
Payables for taxes other than income taxes	108,762	133,026
Asset retirement obligations *(Note (ii))*	98,017	91,992
Amounts due to a non-controlling interest	44,911	48,034
Contract liabilities	5,621	3,057
Other payables	335,667	470,024
	7,335,648	8,144,109
Deferred government grants	15,069	16,052
Other accruals and deferrals	69,428	70,645
	7,420,145	8,230,806
Less: Non-current portion of		
– Loans from related parties *(Note (i))*	(70,083)	(2,219,964)
– Asset retirement obligations *(Note (ii))*	(98,017)	(91,992)
– Deferred government grants	(15,069)	(16,052)
– Other accruals and deferrals	(68,302)	(69,518)
	(251,471)	(2,397,526)
Current portion of other payables and accruals	7,168,674	5,833,280

Notes:

(i) As at 31 December 2020, except for the amount of RMB70.1 million which will be paid before 12 October 2032 and carries the effective interest rate of 4.46%, the amount of RMB377.8 million which will be paid in 2021 ahead of schedule and carries the effective interest rates from 4.46% to 4.49%, the loans from other related parties are unsecured, non-interest-bearing and have no fixed terms of repayment. The Group repaid the loan from Datang Corporation of RMB2,000.0 million ahead of schedule, and the loan from other related parties of RMB12.6 million during the year ended 31 December 2020.

(ii) Under the relevant laws and regulations, the Group is generally required to restore and rehabilitate areas caused by the Group's temporary occupation of pieces of land during the construction of the relevant power plant facilities. In addition, the Group may have contractual obligations to dismantle the relevant facilities and rehabilitate the pieces of land occupied at the end of the concession periods for wind or solar farms operated under the relevant service concession agreements.

For the year ended 31 December 2020, the unwinding of discount of RMB6.0 million (2019: RMB5.7 million) was included in "Finance expenses" in the consolidated statement of profit or loss.

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	2020	2019
Bank loans		
– Unsecured	22,021,298	20,230,006
– Guaranteed *(Note 25 (c))*	1,059,634	1,501,203
– Secured	9,217,252	6,301,084
– Secured and guaranteed *(Note 25 (c))*	89,716	–
	32,387,900	28,032,293
Other loans		
– Unsecured	5,918,254	4,935,491
– Guaranteed *(Note (iii))*	–	1,000,000
– Secured *(Note (i))*	5,694,898	5,329,301
	11,613,152	11,264,792
Corporate bonds – unsecured *(Note (ii))*	2,219,499	2,196,545
Lease liabilities *(Note 15 (b))*	2,932,815	1,097,187
Total long-term borrowings	49,153,366	42,590,817
Less: current portion of long-term borrowings *(Note 25 (b))*		
– Bank loans	(4,009,648)	(3,965,265)
– Other loans	(3,900,321)	(1,940,111)
– Corporate bonds	(1,021,503)	–
– Lease liabilities *(Note 15 (b))*	(50,323)	(35,918)
	(8,981,795)	(5,941,294)
Total non-current portion of long-term borrowings	40,171,571	36,649,523

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) Long-term borrowings (Continued)

Notes:

(i) As at 31 December 2020, the details of secured other loans were as follows:

	2020	2019
Datang Financial Leasing*	**2,618,770**	2,645,592
Shanghai Datang Financial Leasing Company Limited ("Shanghai Datang Financial Leasing")*	**1,050,068**	983,283
ICBC Financial Leasing Company Limited*	**856,820**	1,018,783
CMB Financial Leasing Company Limited*	**503,142**	356,019
China Reform Financial Leasing Company Limited*	**93,416**	140,553
State Grid International Leasing Company Limited*	**203,891**	152,979
Bank of Communications Financial Leasing Company Limited*	**14,202**	32,092
Datang Factoring Company Limited	**354,589**	–
Total	**5,694,898**	5,329,301

* According to the respective loan agreements with the aforementioned companies, certain subsidiaries of the Company agreed to sell and lease back certain property, plant and equipment to and from the aforementioned companies for periods ranging from 3 to 15 years under certain conditions. The underlying property, plant and equipment will be transferred to the relevant subsidiaries of the Group at a notional consideration of RMB1.00 at the end of the lease term. In accordance with SIC-27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*, proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement. As at 31 December 2020, cash amounting to RMB48.7 million (31 December 2019: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

(ii) The Company issued green corporate bonds amounting to RMB1,000.0 million, RMB500.0 million, RMB500.0 million and RMB1,200.0 million with a unit par value of RMB100 each on 14 September 2016, 28 September 2016, 21 October 2016 and 26 September 2019, respectively. The annual interest rates for these green corporate bonds are 3.50%, 3.15%, 3.10% and 3.58%, respectively. The first issued green corporate bond matured in September 2019.

(iii) As at 31 December 2019, the borrowings from Pingan Assets Management Co., Ltd. amounting to RMB1.0 billion were guaranteed by Datang Corporation (Note 29(b)).

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) Short-term borrowings

	2020	2019
Bank loans		
– Unsecured	1,449,855	5,750,000
– Guaranteed *(Note 25 (c))*	99,671	–
– Secured and guaranteed *(Note 25 (c))*	131,246	–
	1,680,772	5,750,000
Short-term bonds - unsecured *(Note (i))*	2,759,071	4,035,833
Entrusted loans *(Note (ii))*	–	3,000,000
Other loans		
– Unsecured	223,033	855,000
– Secured	510,042	548,897
	733,075	1,403,897
Current portion of long-term borrowings *(Note 25(a))*	8,981,795	5,941,294
	14,154,713	20,131,024

Notes:

(i) On 24 May 2019, 18 July 2019, 31 July 2019 and 17 September 2019, the Company issued four tranches of short-term bonds with a par value of RMB100 amounting to RMB2,000.0 million each. The issuance cost was RMB3.65 million. The bond has an annual effective interest rate from 2.35% to 2.60%. The four issued short-term bonds have already matured and settled in July 2019, September 2019, April 2020 and June 2020, respectively.

On 15 April 2020, 10 June 2020, 21 July 2020, 8 September 2020, 29 October 2020, 2 November 2020 and 12 November 2020, the Company issued seven tranches of short-term bonds with a par value of RMB100. The first four issued short-term bonds amounted to RMB2,000.0 million each, the fifth and sixth issued short-term bonds amounted to RMB1,000.0 million each, and the seventh issued short-term bonds amounted to RMB750.0 million. The issuance cost was RMB2.52 million. The bond had an annual effective interest rate from 1.10% to 2.45%. The first four issued short-term bonds have already matured and settled in October 2020, July 2020, September 2020 and November 2020, respectively, and the fifth, sixth and seventh issued short-term bonds have already matured and settled in January 2021 and February 2021, respectively.

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) Short-term borrowings (Continued)

Notes: (Continued)

(ii) As at 31 December 2019, included in entrusted loans were borrowings from Datang Corporation entrusted through China Datang Group Finance Co., Ltd. ("Datang Finance"), a fellow subsidiary of the Company which is a financial institution established in the PRC, with the amount of RMB3,000.0 million. The loans have been repaid on 8 December 2020.

The estimated fair values of short-term borrowings approximate to their carrying amounts.

(c) Other disclosures in relation to the Group's borrowings

As at 31 December 2020 and 2019, the effective interest rates per annum on borrowings are as follows:

	2020	2019
Long-term borrowings		
Bank loans	2.82%-5.50%	2.82%-5.76%
Other loans	3.30%-5.80%	3.92%-6.41%
Corporate bonds	3.10%-3.58%	3.10%-3.58%
Short-term borrowings		
Bank loans	3.00%-4.65%	3.70%-4.35%
Other loans	1.01%-5.70%	3.92%-5.70%
Short-term bonds	1.10%-2.45%	2.48%-2.60%
Entrusted loans	–	3.92%

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(c) Other disclosures in relation to the Group's borrowings (Continued)

As at 31 December 2020 and 2019, details of the Group's guaranteed bank loans are as follows:

	2020	2019
Guarantor		
– The Company*	1,131,047	1,269,420
– Non-controlling interests and an ultimate holding company of subsidiaries and a fellow subsidiary of the Company *(Note29 (b))***	249,220	231,783
	1,380,267	1,501,203

* As at 31 December 2020, guaranteed loans by the Company amounting to RMB4.0 million (31 December 2019: RMB14.0 million) were counter-guaranteed by non-controlling interests of a subsidiary.

** The loans of certain subsidiaries of the Company from China Merchants Bank Co., Ltd. were guaranteed by Datang Yunnan Power Generation Co., Ltd., a fellow subsidiary of the Company. As at 31 December 2020, the guaranteed balance was RMB89.7 million.

As at 31 December 2020 and 2019, the Group has pledged certain assets as collateral for certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	2020	2019	2020	2019
Property, plant and equipment	1,432,299	1,626,498	7,551,020	7,743,519
Concession assets	184,089	199,370	–	–
Tariff collection rights	2,276,492	1,412,974	803,328	436,186
	3,892,880	3,238,842	8,354,348	8,179,705

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(c) Other disclosures in relation to the Group's borrowings (Continued)

As at 31 December 2020 and 2019, long-term borrowings were repayable as follows:

	2020	2019
Within 1 year	8,981,795	5,941,294
After 1 year but within 2 years	6,889,979	7,764,538
After 2 years but within 5 years	19,314,139	17,245,410
After 5 years	13,967,453	11,639,575
	49,153,366	42,590,817

As at 31 December 2020 and 2019, the carrying amounts of borrowings were all denominated in the RMB.

26. SHARE CAPITAL AND SHARE PREMIUM

As at 31 December 2020 and 2019, ordinary shares comprised the following:

	2020 Number of shares *(in thousands)*	2019 Number of shares *(in thousands)*
Domestic shares	4,772,630	4,772,630
H shares	2,501,071	2,501,071
	7,273,701	7,273,701

The total number of authorised ordinary shares was 7,273.7 million with a par value of RMB1.00 per share. At 31 December 2020 and 2019, all issued shares were registered, fully paid and ranked pari passu with one another.

A summary of the Company's issued ordinary shares and share premium is as follows:

	Number of shares *(in thousands)*	Ordinary shares *(RMB'000)*	Share premium *(RMB'000)*	Total *(RMB'000)*
As at 31 December 2020 and 2019	7,273,701	7,273,701	2,080,969	9,354,670

(Amounts expressed in thousands of RMB unless otherwise stated)

27. PERPETUAL NOTE AND BONDS

(a) Perpetual note and bonds as at 31 December 2020

The information of perpetual note and bonds issued by the Company is listed in the below table:

Type of instruments	Issuance date	Category	Initial distribution rate	Issue price RMB'000	Number	Par Value RMB'000	Initial period	First coupon payment date	First call date
2020 medium-term notes (the first tranche)	June 2020	Equity Instrument	3.90%	0.1	20,000,000	2,000,000	3 Years	29 June 2021	29 June 2023
2020 Renewable Bonds (the first tranche)	January 2020	Equity Instrument	3.88%	0.1	20,000,000	2,000,000	3 Years	16 January 2021	16 January 2023
2020 Renewable Bonds (the second tranche)	February 2020	Equity Instrument	3.58%	0.1	20,000,000	2,000,000	3 Years	27 February 2021	27 February 2023
2020 Renewable Bonds (the third tranche)	July 2020	Equity Instrument	4.15%	0.1	20,000,000	2,000,000	3 Years	20 July 2021	20 July 2023
2020 Renewable Bonds (the fourth tranche)	August 2020	Equity Instrument	4.00%	0.1	10,000,000	1,000,000	3 Years	20 August 2021	20 August 2023
2020 Renewable Bonds (the fifth tranche)	September 2020	Equity Instrument	4.45%	0.1	10,000,000	1,000,000	3 Years	8 September 2021	8 September 2023
2020 Renewable Bonds (the sixth tranche)	September 2020	Equity Instrument	3.73%	0.1	10,000,000	1,000,000	1 Years	21 September 2021	21 September 2021
2020 Renewable Bonds (the seventh tranche)	October 2020	Equity Instrument	3.69%	0.1	10,000,000	1,000,000	1 Years	15 October 2021	15 October 2021
Total					120,000,000	12,000,000			

The perpetual note and bonds as at 31 December 2020 have no fixed maturity dates and are callable at the Company's option on the first call date or on any coupon payment date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. After the first call date, the coupon rate will be reset every 1 or 3 years to a percentage per annum equal to the sum of (a) the initial spreads of the difference between the nominal interest rate and the initial benchmark interest rate, (b) the current benchmark interest rate, and (c) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce the registered capital. Pursuant to the terms of these perpetual note and bonds, the Company has no contractual obligations to repay its principal or to pay any coupon interest. Accordingly, the perpetual note and bonds do not meet the definition of financial liabilities in accordance with IAS 32 *Financial Instruments: Presentation*, and are classified as equity and subsequent coupon payments will be treated as distributions to equity owners.

(Amounts expressed in thousands of RMB unless otherwise stated)

27. PERPETUAL NOTE AND BONDS (CONTINUED)

(a) Perpetual note and bonds as at 31 December 2020 (Continued)

In 2020, the Company accrued interest of RMB259.5 million (2019: RMB116.0 million) in terms of the perpetual note and bonds.

(b) Changes of perpetual note and bonds during 2020

	As at 1 January 2020	Issuance	Cumulative distributions		As at 31 December 2020
Type of instruments	Amount	Amount	Accrued	Appropriation	Amount
2020 medium-term notes (the first tranche)	–	1,998,113	39,748	–	2,037,861
2020 Renewable Bonds (the first tranche)	–	1,998,113	74,624	–	2,072,737
2020 Renewable Bonds (the second tranche)	–	1,998,113	60,615	–	2,058,728
2020 Renewable Bonds (the third tranche)	–	1,998,113	37,521	–	2,035,634
2020 Renewable Bonds (the fourth tranche)	–	999,057	14,685	–	1,013,742
2020 Renewable Bonds (the fifth tranche)	–	999,057	14,020	–	1,013,077
2020 Renewable Bonds (the sixth tranche)	–	1,000,000	10,424	–	1,010,424
2020 Renewable Bonds (the seventh tranche)	–	1,000,000	7,884	–	1,007,884
Total	–	11,990,566	259,521	–	12,250,087

(Amounts expressed in thousands of RMB unless otherwise stated)

28. OTHER RESERVES

A summary of the movements in the Group's other reserves for the year ended 31 December 2020 and 2019 is as follows:

	Statutory surplus reserve *(Note (i))*	Other reserves *(Note (ii))*	Fair value reserve	Exchange fluctuation reserve	Total
As at 1 January 2019	268,691	(1,445,264)	(197,449)	(8,119)	(1,382,141)
Transfer from retained profits	63,744	–	–	–	63,744
Payment on perpetual note	–	(20,675)	–	–	(20,675)
Share of other comprehensive income of joint ventures	–	208	–	–	208
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	101,656	–	101,656
Exchange differences on translation of foreign operations	–	–	–	206	206
As at 31 December 2019	332,435	(1,465,731)	(95,793)	(7,913)	(1,237,002)
As at 1 January 2020	332,435	(1,465,731)	(95,793)	(7,913)	(1,237,002)
Transfer from retained profits	87,975	–	–	–	87,975
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	(94,192)	–	(94,192)
Share of other comprehensive income of joint ventures	–	(436)	–	–	(436)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	4,326	–	4,326
Exchange differences on translation of foreign operations	–	–	–	440	440
As at 31 December 2020	420,410	(1,466,167)	(185,659)	(7,473)	(1,238,889)

28. OTHER RESERVES (CONTINUED)

Notes:

(i) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, the Company is required to appropriate 10% of its net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of the PRC, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such a reserve reaches 50% of the registered 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 shareholdings 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 the registered capital. The statutory surplus reserve is non-distributable.

(ii) Other reserves

Other reserves of the Group are mainly the difference between the fair value of assets injected by Datang Corporation and its share in the share capital as part of the reorganisation, and merger reserves arising from business combinations under common control.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The Company is controlled by Datang Corporation, the parent company and a state-owned enterprise established in the PRC. Datang Corporation itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24 *Related Party Disclosures*, government-related entities and their subsidiaries directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include Datang Corporation and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("Other State-owned Enterprises"), other entities and corporations over which the Company is able to control or exercise significant influence, and key management personnel of the Company and Datang Corporation as well as their close family members.

Some of the related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

For the purpose of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions

	2020	2019
Transactions with fellow subsidiaries of the Group:		
– Provision of installation, construction, general contracting services	2,478	5,857
– Sales of electricity	613	567
– Purchases of engineering, construction, supervisory services, insurance services and general contracting services *(Note (i))*	(393,026)	(227,228)
– Purchases of key and auxiliary materials, equipment and finished goods *(Note (ii))*	(2,549,538)	(583,324)
– Loans from related parties *(Note (iii))*	9,250,620	17,636,078
– Repayments of loans from related parties *(Note (iii))*	(13,516,350)	(11,931,476)
– Interest income earned	27,678	25,775
– Interest expense charged *(Note (iii))*	(464,185)	(291,419)
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (contracted, but not provided for)	875,513	812,829
Capital commitments to one of the Group's associates	–	100,000

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

Notes:

(i) The purchases of engineering, construction, supervisory services, insurance services, and general contracting services by certain fellow subsidiaries of Datang Group included purchases of equipment and construction services mainly from China Datang Corporation Renewable Energy Science and Technology Research Institute and Datang Huayin Electric Power Limited and insurance services from Beijing Datang Taixin Insurance Brokers Company Limited. The transaction prices were determined based on the prescribed prices or guidance prices published by the government authorities. Where a government-prescribed price or guidance price was not available, a market price as determined through a bidding process was adopted; where a bidding process was impractical, the transaction prices were determined on the basis of cost plus reasonable profit according to the historical prices and price trends of the relevant products.

(ii) The purchases of key and auxiliary materials, equipment and finished goods are mainly purchases of wind turbines, tower tubes and auxiliary materials from China National Water Resources & Electric Power Materials & Equipment Group Company Limited and China Datang International Trading Corporation. The transaction prices were determined by the prescribed prices or guidance prices published by the government authorities. Where a government-prescribed price or guidance price was not available, a market price as determined through a bidding process was adopted; where a bidding process was impractical, the transaction prices were determined on the basis of cost plus reasonable profit according to the historical prices and price trends of the relevant products.

(iii) During the year ended 31 December 2020, included in "Loans from related parties" were borrowings from Datang Financial Leasing, Shanghai Datang Financial Leasing, Datang Factoring Company and Datang Finance. The due dates of the related borrowings fall within the period from 3 July 2021 to 14 December 2035, and the interest rates range from 3.30% to 5.80% per annum.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

Notes: (Continued)

(iv) In addition to the above transactions, on 17 March 2015, the Company and Datang Finance entered into an agreement, pursuant to which Datang Finance agreed to provide certain loans, depository and other financial services to the Group for a period of three years, which expired at 31 December 2017. The financial service agreement was renewed on 12 May 2017 with a term from 1 January 2018 to 31 December 2020. And on 23 August 2018, the Company and Datang Finance entered into a supplemental agreement in relation to the financial service agreement to make revision on the annual transaction cap. The financial service agreement was renewed again on 20 October 2020 with a term from 1 January 2021 to 31 December 2023. The deposit interest rates and loan interest rates stipulated in the financial service agreement are determined with reference to the benchmark deposit interest rates and loan interest rates announced by the People's Bank of China and the equivalent deposit interest rates and loan interest rates provided by independent domestic commercial banks in China. The agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As at 31 December 2020, the Group had a cash deposit held at Datang Finance amounting to RMB2,635.1 million (31 December 2019: RMB3,172.1 million), and the interest income on the deposit was RMB27.7 million for the year ended 31 December 2020 (31 December 2019: RMB25.8 million).

All the transactions above with related parties are conducted at prices and on terms mutually agreed by the parties involved, and all the amounts disclosed are exclusive of VAT applicable to the relevant transactions.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Year-end balances due from/(to) related parties

Other than those disclosed elsewhere in the consolidated financial statements, the outstanding balances with related entities at the year end are as follows:

	2020	2019
Cash and cash equivalents deposited with		
A subsidiary of Datang Corporation *(Note 29 (a) (iv))*	2,635,115	3,172,104
Trade and bills receivables		
Datang Corporation and its subsidiaries	6,298	15,460
Prepayments, other receivables and other assets		
Datang Corporation and its subsidiaries	298,205	514,425
Other related parties	22,656	1,008
Trade and bills payables		
Datang Corporation and its subsidiaries	(30,124)	(95,622)
Other related parties	(35,081)	–
Other payables and accruals		
Datang Corporation and its subsidiaries	(1,565,490)	(2,666,060)
Other related parties	(12,196)	(11,677)
Interest-bearing bank and other borrowings		
Subsidiaries of Datang Corporation	(10,254,841)	(12,874,763)

All balances with related parties arose primarily from transactions as disclosed in Note 29(a).

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Year-end balances due from/(to) related parties (Continued)

As at 31 December 2020, amounts included in "Other payables and accruals" of RMB447.9 million (31 December 2019: RMB2,232.5 million) and "Interest-bearing bank and other borrowings" of RMB10,254.8 million (31 December 2019: RMB12,874.8 million) were payables to Datang Corporation and certain fellow subsidiaries which bore interest at rates ranging from 3.30% to 5.80% per annum (2019: 3.92% to 6.41%). Except for the above-mentioned balances, all (2019: all) other balances with Datang Corporation and its subsidiaries are interest-free, unsecured and due on demand.

As at 31 December 2020, the Company's ultimate holding company, a fellow subsidiary and the non-controlling shareholders of certain subsidiaries of the Company have guaranteed certain bank loans and other loans made to the Group of up to RMB42.1 million (31 December 2019: RMB1,103.8 million), RMB89.7 million (31 December 2019:Nil) and RMB117.4 million (31 December 2019: RMB128.0 million), respectively.

(c) Significant transactions with other state-owned enterprises

For the year ended 31 December 2020, all (2019: all) revenue was derived from the sales of electricity made to the provincial power grid companies. These power grid companies are directly or indirectly owned or controlled by the PRC government. At 31 December 2020, substantially all (2019: substantially all) of the trade and bills receivables (Note 21) were due from these power grid companies.

Apart from the above, for the years ended 31 December 2020 and 2019, a large portion of the Group's other significant transactions with other state-owned enterprises were its purchases of materials, property, plant and equipment and services. Substantially all cash and cash equivalents and borrowings at 31 December 2020 and 2019, and the relevant interest income earned and expenses incurred were transacted with banks and other financial institutions owned/controlled by the PRC government.

The transactions of revenue and expense in nature conducted with other state-owned enterprises are based on terms as set out in the underlying agreements, based on statutory rates or actual costs incurred, or as mutually agreed.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Compensation of key management personnel

	2020	2019
Basic salaries, housing fund, other allowances and benefits in kind	1,159	1,054
Discretionary bonuses	1,407	1,812
Pension costs	260	246
	2,826	3,112

Details of directors' and supervisors' remuneration are included in Note 12 to the financial statements.

(e) Commitments with related parties

As at 31 December 2020 and 2019, except for the other capital commitments disclosed in Note 29(a) to the financial statements, the Group had no significant commitments with other related parties.

(f) In 2020, the Group recognised right-of-use assets of RMB2,112.8 million (2019: RMB632.8 million), and lease liabilities of RMB1,950.1 million (2019: RMB1,014.3 million) for leases from related parties and it also recognised depreciation expenses of RMB80.1 million from right-of-use assets (2019: RMB18.9 million), and interest expenses of RMB63.7 million (2019: RMB6.8 million) from lease liabilities. It paid an amount of RMB148.7 million (2019: RMB11.8 million) under the lease agreements with related parties in 2020.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS

30.1 Financial instruments by category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

	2020				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Equity investments designated at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income	Total
Equity investments designated at fair value through other comprehensive income	–	–	68,287	–	68,287
Trade and bills receivables	–	12,060,499	–	345,149	12,405,648
Time deposits	–	19,490	–	–	19,490
Restricted cash	–	32,402	–	–	32,402
Cash and cash equivalents	–	3,052,717	–	–	3,052,717
Financial assets included in prepayments, other receivables and other assets	–	478,431	–	–	478,431
Financial assets at fair value through profit or loss	9,728	–	–	–	9,728
	9,728	15,643,539	68,287	345,149	16,066,703

Financial liabilities

	2020	
	Financial liabilities at amortised cost	Total
Trade and bills payables	282,580	282,580
Financial liabilities included in other payables and accruals	7,155,741	7,155,741
Interest-bearing bank and other borrowings	54,326,284	54,326,284
	61,764,605	61,764,605

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Financial instruments by category (Continued)

Financial assets

	2019				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Equity investments designated at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income	Total
Equity investments designated at fair value through other comprehensive income	–	–	413,010	–	413,010
Trade and bills receivables	–	9,312,473	–	233,179	9,545,652
Restricted cash	–	44,041	–	–	44,041
Cash and cash equivalents	–	3,517,159	–	–	3,517,159
Financial assets included in prepayments, other receivables and other assets	–	483,865	–	–	483,865
Financial assets at fair value through profit or loss	14,368	–	–	–	14,368
	14,368	13,357,538	413,010	233,179	14,018,095

Financial liabilities

	2019	
	Financial liabilities at amortised cost	Total
Trade and bills payables	366,641	366,641
Financial liabilities included in other payables and accruals	7,947,311	7,947,311
Interest-bearing bank and other borrowings	56,780,547	56,780,547
	65,094,499	65,094,499

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Financial instruments by category (Continued)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2020, the Company and its certain subsidiaries endorsed or discounted certain bills receivable accepted by banks in the PRC and Datang Finance to certain of its suppliers in order to settle the trade payables or other payables due to such suppliers with a carrying amount in aggregate of RMB78 million (2019: RMB192 million). The derecognised bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the derecognised bills have a right of recourse against the Group if the PRC banks or the financial institutions default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the derecognised bills. Accordingly, it has derecognised the full carrying amounts of the derecognised bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised bills and the undiscounted cash flows to repurchase these derecognised bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the derecognised bills are not significant.

30.2 Fair value and fair value hierarchy

Fair value

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values and those carried at fair values, are as follows:

	Carrying amount		Fair value	
	2020	2019	**2020**	2019
Financial liability:				
Long-term interest bearing bank and other borrowings (other than lease liabilities)	**37,289,079**	35,588,254	**36,411,060**	35,166,659

Management has assessed that the fair values of cash and cash equivalents, time deposits, restricted cash, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and short-term interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value (Continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and bills receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings and bills receivable as at 31 December 2020 were assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates, or assessed by a third party through evaluating the discounted cash flow. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple; enterprise value to earnings before interest and taxes ("EV/EBIT") and price to book ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings and net assets measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value (Continued)

For the fair value of the unlisted equity investments at fair value, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020 and 2019:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B Multiple of peers	2020: 1.3x to 1.7x (2019: 1.5x)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB4,774,199 (2019: RMB5,495,002)
		Average EV/EBIT Multiple of peers	2020: 17.9x (2019: NA)	
		Average EV/EBITDA Multiple of peers	2020: 9.7x (2019: NA)	
		Discount for lack of marketability	2020: 20% to 30% (2019: 27% to 30%)	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB1,924,149 (2019: RMB2,317,213)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Trade and bills receivables	–	345,149	–	345,149
Equity investments designated at fair value through other comprehensive income	17,642	–	50,645	68,287
Financial assets at fair value through profit or loss	–	–	9,728	9,728
	17,642	345,149	60,373	423,164

As at 31 December 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Trade and bills receivables	–	233,179	–	233,179
Equity investments designated at fair value through other comprehensive income	359,888	–	53,122	413,010
Financial assets at fair value through profit or loss	–	–	14,368	14,368
	359,888	233,179	67,490	660,557

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy (Continued)

The movements in fair value measurement within Level 3 during the year are as follows:

	2020	2019
As at 1 January	67,490	72,216
Total losses recognised in the other comprehensive income	(7,986)	(3,783)
Total gains/(losses) recognised in the statement of profit or loss included in other income	388	(943)
Investments in equity investments designated at fair value through other comprehensive income	9,749	–
Disposals of equity investments designated at fair value through other comprehensive income	(4,240)	–
Disposals of financial assets at fair value through profit or loss	(5,028)	–
As at 31 December	60,373	67,490

During the year, the Group had no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2019: Nil).

There were no assets for which fair values were disclosed as at 31 December 2020 and 2019.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Long-term interest-bearing bank and other borrowings (other than lease liabilities)	–	36,411,060	–	36,411,060

As at 31 December 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Long-term interest-bearing bank and other borrowings (other than lease liabilities)	–	35,166,659	–	35,166,659

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury management department (the "Group Treasury") under policies approved by the board of directors of the Company. The Group Treasury identifies, evaluates and hedges financial risks through close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the HKD, AUD, EUR and USD. Foreign exchange risk arises mainly from CDM assets/receivables, recognised assets and liabilities and net investments in foreign operations.

As at 31 December 2020, substantially all of the revenue-generating operations of the Group are located in the PRC and transacted in RMB. To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group have the policy to minimise foreign currency transactions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

As at 31 December 2020, if RMB had weakened/strengthened by 5% (2019: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB1.4 million lower/higher (2019: RMB0.4 million lower/higher) mainly as a result of foreign exchange gains/losses on translation of recognised monetary assets and liabilities.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the annual period end of the next reporting period. The analysis is performed on the same basis for the years presented.

RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying a sufficient foreign currency demand.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from bank borrowings and other loans. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2020, the Group's borrowings at variable rates were denominated in RMB (2019: in RMB).

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

As at 31 December 2020, if interest rates on RMB denominated loans both had been 50 basis points higher/lower, respectively, with all other variables held constant, interest expenses charged to profit or loss for the year would have been RMB242.23 million (2019: RMB212.46 million) higher/lower, respectively.

The estimated 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual period.

(iii) Price risk

The Group is exposed to equity security price risk because of investments held by the Group. The Group is not exposed to commodity price risk.

As at 31 December 2020, the Group was exposed to equity security price risk primarily arising from the investments classified as equity investments designated at fair value through other comprehensive income. These securities are publicly traded in Hong Kong. To manage the risk, the Group closely monitors the market prices of these securities and market trends.

If prices of the equity security investments had increased/decreased by 10% with the stock price, the investment valuation reserve within equity would have been increased/decreased by RMB1.47 million (2019: RMB30.05 million) as a result of the increase/decrease in equity securities classified as at fair value through other comprehensive income.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(b) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to receivable balances. Each local entity is responsible for managing and analysing the credit risk for each debtor. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and bank guarantees extended to external parties. For banks and financial institutions, the Group has the policy to review the credit risks of any banks and financial institutions and does not expect any significant losses from non-performance of these banks and financial institutions. The Group's policy requires all of the Group's cash and cash equivalents in the PRC to be deposited in the major state-owned/controlled PRC banks or financial institutions and well-known international banks outside of the PRC.

The receivables from sales of electricity mainly represent receivables from the provincial power grid companies. The Group has no significant credit risk with any of these power grid companies, which are major state-owned entities, and the Group maintains long-term and stable business relationships with these companies. With regard to receivables/assets arising from CDM projects, the CDM office of the Company centrally assesses the credit quality of the buyers, taking into account their financial positions, past experience and other factors. The Group performs periodic credit evaluations of its customers and believes that adequate provision for impairment of receivables/assets has been made (Notes 19 and 21). The Group does not expect any further losses from non-performance by these counterparties.

The concentrations of trade receivables are disclosed in Note 21.

The maximum exposure to credit risk is represented by the total carrying amount of financial assets in the statement of financial position after deducting any impairment allowance.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Treasury. The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. This forecast takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

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

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to Datang Finance. Datang Finance places the surplus cash with banks after considering sufficient liquidity to provide sufficient headroom as determined by Datang Finance.

As at 31 December 2020, the Group held cash and cash equivalents of RMB3,052.7 million (2019: RMB3,517.2 million) (Note 22). In addition, the Group held listed equity securities of RMB17.6 million (2019: RMB359.9 million) (Note 17), which could be readily realised to provide a further source of cash should the need arise.

The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs through i) maintaining flexibility by placing reliance primarily on bank loans; ii) periodically evaluating banking facilities position and maintaining sufficient headroom on its undrawn committed borrowing facilities; iii) complying with borrowing limits or covenants on any of its borrowing facilities - for example, appropriate management of pledged assets, compliance with certain debt ratios, and other credit rating requirements. Such forecast takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal debt ratio targets.

(Amounts expressed in thousands of RMB unless otherwise stated)

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

As at 31 December 2020 and 2019, the Group had the following undrawn borrowing facilities at floating rates:

	2020	2019
Expiring within one year	4,000,000	14,900,005
Expiring beyond one year	500,000	–
	4,500,000	14,900,005

Based on the above and other available sources of financing from other financial institutions stated in Note 2.1.1, the directors of the Company are confident that the Group will be able to meet its payment and settlement obligations and that the liquidity risk is low.

(Amounts expressed in thousands of RMB unless otherwise stated)

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
As at 31 December 2020					
Lease liabilities	180,940	299,323	1,326,089	1,983,650	3,790,002
Long-term loans *(Note 25(a))*	9,884,299	7,143,938	21,588,616	13,882,849	52,499,702
Long-term bonds *(Note 25(a))*	1,097,057	1,244,133	–	–	2,341,190
Short-term loans *(Note 25(b))*	2,469,064	–	–	–	2,469,064
Short-term bonds *(Note 25(b))*	2,767,555	–	–	–	2,767,555
Financial liabilities included in other payables and accruals	7,088,113	3,125	26,380	59,437	7,177,055
Trade and bills payables *(Note 23)*	282,580	–	–	–	282,580
	23,769,608	8,690,519	22,941,085	15,925,936	71,327,148
As at 31 December 2019					
Lease liabilities	83,868	101,479	695,826	536,795	1,417,968
Long-term loans *(Note 25(a))*	7,822,128	9,353,932	18,087,178	12,634,310	47,897,548
Long-term bonds *(Note 25(a))*	75,507	1,075,554	1,244,133	–	2,395,194
Short-term loans *(Note 25(b))*	10,153,897	–	–	–	10,153,897
Short-term bonds *(Note 25(b))*	4,196,289	–	–	–	4,196,289
Financial liabilities included in other payables and accruals	5,877,641	2,105,980	108,784	160,460	8,252,865
Trade and bills payables *(Note 23)*	366,641	–	–	–	366,641
	28,575,971	12,636,945	20,135,921	13,331,565	74,680,402

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.2 Capital risk management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors their capital structure on the basis of the liability-to-asset ratio, which is calculated by dividing total liabilities by total assets. The liability-to-asset ratio of the Group as at 31 December 2020 was 69.2% (2019: 81.9%).

The decrease in the liability-to-asset ratio was primarily due to the issurance of perpetual note and bonds which were classified as equity. Taking into consideration the expected operating cash flows of the Group, the unutilised banking facilities and the Group's past experience in refinancing its short-term borrowings, the directors and the management of the Company believe that the Group can meet its obligations when they fall due.

(Amounts expressed in thousands of RMB unless otherwise stated)

32. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

As at 31 December 2020, the Company directly and indirectly held equity interests in its subsidiaries, all of which are unlisted securities. The Company's principal subsidiaries, all of which are limited liability companies established and operate in the PRC in the business of wind power generation, are as follows:

Name	Registered and fully paid-in capital	Proportion of equity interest held by the Group	
		Direct	Indirect
Datang (Chifeng) Renewable Power Co., Ltd. (大唐(赤峰)新能源有限公司) ("Chifeng Renewable")	2,120.5 million	60%	–
Datang (Qingdao) Wind Power Generation Co., Ltd. (大唐(青島)風力發電有限公司)	521,500	95%	–
Datang Alukeerqinqi Renewable Power Co., Ltd. (大唐阿魯科爾沁旗新能源有限公司)	543,516	100%	–
Datang Renewable Shuozhou Wind Power Generation Co., Ltd. (大唐新能源朔州風力發電有限公司)	Paid-in capital: 483,770 Registered capital: 449,910	100%	–
Shanghai Dong Hai (上海東海風力發電有限公司) *(Note (i))*	861,000	28%	–
Datang Xiangyang Wind Power Generation Co., Ltd. (大唐向陽風電有限公司)	675,900	100%	–
Datang (Tongliao) Huolinhe Renewable Power Co., Ltd. (大唐(通遼)霍林河新能源有限公司)	709,900	100%	–
Datang Tongxin Renewable Power Co., Ltd. (大唐同心新能源有限公司)	603,493	100%	–
Datang Xilinguole Wind Power Generation Co., Ltd. (大唐錫林郭勒風力發電有限責任公司)	474,525	100%	–
Datang Wenniuteqi Renewable Power Co., Ltd. (大唐翁牛特旗新能源有限公司)	129,548	100%	–
Datang Guoxin Bin Hai Wind Power Co., Ltd. (大唐國信濱海海上風力發電有限公司) ("Guoxin Bin Hai")	958,458	60%	–

32. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

All English names of the subsidiaries represent the best effort made by the Company's directors' to translate their Chinese names and are for reference only. The official names of these entities are in Chinese.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

(i) The Company has power to govern the financial and operating policies of Shanghai Dong Hai and certain subsidiaries by virtue of acting in concert arrangements with other shareholders who undertook to act in concert with the Group. The Company's proportion of voting rights of Shanghai Dong Hai was up to 60% as at 31 December 2020 which was included in the consolidation.

(ii) As at 31 December 2020, the Company's share in the paid-in capital of certain subsidiaries differed from its proportionate share in the share capital as specified in the articles of association, due to the delay in capital injection by certain shareholders. As a consequence, the Company's effective interest held was determined in accordance with the articles of association of the respective entities, or the share in the paid-in capital as mutually agreed among the respective shareholders.

(iii) During the year ended 31 December 2020, the Group dissolved and deregistered a subsidiary with net liabilities in aggregate of RMB30.65 million before liquidation in order to improve the management efficiency.

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2020	2019
Percentage of equity interest held by non-controlling interests:		
Chifeng Renewable	40%	40%
Shanghai Dong Hai	72%	72%
Guoxin Bin Hai	40%	40%
Datang Handian (Chaoyang) Renewable Power Co., Ltd. (大唐韓電(朝陽)新能源有限公司) ("Handian (Chaoyang)")	40%	40%
Datang Zhongdian (Jilin) Renewable Power Co., Ltd. (大唐中電(吉林)新能源發電有限公司) ("Zhongdian (Jilin)")	49%	49%
Datang Sanhe (Linxi) Renewable Power Co., Ltd. (大唐三合(林西)新能源有限公司) ("Sanhe (Linxi)")	49%	49%
Datang Sino Japan (Chifeng) new energy Co., Ltd. (大唐中日(赤峰)新能源有限公司) ("Zhongri Renewable")	49%	49%
Comprehensive income for the year allocated to non-controlling interests:		
Chifeng Renewable	91,042	93,072
Shanghai Dong Hai	76,113	50,994
Guoxin Bin Hai	118,489	23,538
Handian (Chaoyang)	6,821	5,578
Zhongdian (Jilin)	7,779	10,122
Sanhe (Linxi)	11,534	10,558
Zhongri Renewable	11,133	5,104

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Details of the Group's subsidiaries that have material non-controlling interests are set out below: (Continued)

	2020	2019
Dividends paid to non-controlling interests:		
Chifeng Renewable	78,784	–
Shanghai Dong Hai	52,861	75,318
Guoxin Bin Hai	–	–
Handian (Chaoyang)	–	–
Zhongdian (Jilin)	–	–
Sanhe (Linxi)	–	28,254
Zhongri Renewable	–	–
Accumulated balances of non-controlling interests at the reporting date:		
Chifeng Renewable	1,115,417	1,103,159
Shanghai Dong Hai	695,033	671,781
Guoxin Bin Hai	525,409	406,920
Handian (Chaoyang)	264,938	258,117
Zhongdian (Jilin)	190,931	183,152
Sanhe (Linxi)	135,106	123,572
Zhongri Renewable	124,207	113,074

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2020	Chifeng Renewable	Shanghai Dong Hai	Guoxin Bin Hai
Revenue	701,987	384,552	636,070
Total cost and expenses	(470,231)	(278,840)	(339,847)
Profit for the year	231,756	105,712	296,223
Total comprehensive income for the year	227,606	105,712	296,223
Current assets	1,119,790	655,987	551,524
Non-current assets	3,355,851	2,374,297	4,100,483
Current liabilities	(982,168)	(449,869)	(954,978)
Non-current liabilities	(674,470)	(1,615,092)	(2,383,503)
Net cash flows from operating activities	299,428	242,699	401,041
Net cash flows used in investing activities	(72,733)	(348)	(667,624)
Net cash flows (used in)/from financing activities	(367,649)	(197,207)	307,903
Net (decrease)/increase in cash and cash equivalents	(140,954)	45,144	41,320

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2019	Chifeng Renewable	Shanghai Dong Hai	Guoxin Bin Hai
Revenue	726,055	334,247	111,812
Total cost and expenses	(491,637)	(263,422)	(52,967)
Profit for the year	234,418	70,825	58,845
Total comprehensive income for the year	232,681	70,825	58,845
Current assets	1,031,464	477,182	228,699
Non-current assets	3,586,433	2,535,660	4,242,090
Current liabilities	(976,768)	(438,494)	(1,229,155)
Non-current liabilities	(852,770)	(1,641,319)	(2,494,500)
Net cash flows from operating activities	480,840	159,963	15,158
Net cash flows (used in)/from investing activities	(68,499)	4,683	(1,370,087)
Net cash flows (used in)/from financing activities	(281,260)	(285,973)	1,288,576
Net increase/(decrease) in cash and cash equivalents	131,081	(121,327)	(66,353)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2020	Handian (Chaoyang)	Zhongdian (Jilin)	Sanhe (Linxi)
Revenue	154,365	79,466	104,328
Total cost and expenses	(137,312)	(63,591)	(80,790)
Profit for the year	17,053	15,875	23,538
Total comprehensive income for the year	17,053	15,875	23,538
Current assets	209,235	137,641	180,179
Non-current assets	882,413	391,402	466,024
Current liabilities	(137,865)	(64,065)	(96,700)
Non-current liabilities	(316,959)	(75,323)	(273,777)
Net cash flows from operating activities	100,764	41,495	43,604
Net cash flows used in investing activities	(15,438)	(3,588)	(13,518)
Net cash flows used in financing activities	(99,908)	(46,026)	(62,465)
Net decrease in cash and cash equivalents	(14,582)	(8,119)	(32,379)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2019	Handian (Chaoyang)	Zhongdian (Jilin)	Sanhe (Linxi)
Revenue	141,831	93,056	101,342
Total cost and expenses	(127,885)	(72,398)	(79,796)
Profit for the year	13,946	20,658	21,546
Total comprehensive income for the year	13,946	20,658	21,546
Current assets	201,530	126,196	177,893
Non-current assets	939,698	422,718	497,695
Current liabilities	(124,837)	(48,973)	(118,426)
Non-current liabilities	(396,619)	(126,162)	(304,974)
Net cash flows from operating activities	59,724	70,556	81,018
Net cash flows used in investing activities	(12,322)	(2,655)	(3,578)
Net cash flows used in financing activities	(51,257)	(43,366)	(69,339)
Effect of foreign exchange rate changes, net	–	–	(418)
Net (decrease)/increase in cash and cash equivalents	(3,855)	24,535	7,683

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2020	Zhongri Renewable
Revenue	57,152
Total cost and expenses	(34,431)
Profit for the year	22,721
Total comprehensive income for the year	22,721
Current assets	98,318
Non-current assets	231,293
Current liabilities	(33,327)
Non-current liabilities	(42,800)
Net cash flows from operating activities	18,781
Net cash flows used in investing activities	(1,165)
Net cash flows used in financing activities	(25,958)
Net decrease in cash and cash equivalents	(8,342)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2019	Zhongri Renewable
Revenue	55,816
Total cost and expenses	(37,788)
Profit for the year	18,028
Total comprehensive income for the year	18,028
Current assets	78,658
Non-current assets	266,712
Current liabilities	(32,509)
Non-current liabilities	(82,098)
Net cash flows from operating activities	41,810
Net cash flows used in investing activities	(440)
Net cash flows used in financing activities	(27,050)
Net increase in cash and cash equivalents	14,320

(Amounts expressed in thousands of RMB unless otherwise stated)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,201.5 million (2019: RMB1,018.8 million) and RMB2,142.4 million (2019: RMB988.1 million), respectively, in respect of lease arrangements for plant and equipment and other use rights.

(b) Changes in liabilities arising from financing activities

2020

	Interest-bearing bank and other borrowings	Other payables and accruals
As at 1 January 2020	56,780,547	8,230,806
Changes from financing cash flows	(6,547,643)	(2,455,951)
Foreign exchange movement	–	(14,770)
Dividends payable	–	365,728
Interest expense	2,380,708	–
Covid-19-related rent concessions from lessors	(115)	–
New leases	2,142,408	–
Reassessment and revision of lease terms	(195,782)	–
Changes from operating cash flows	–	856,425
Changes from investing cash flows	(233,839)	437,907
As at 31 December 2020	54,326,284	7,420,145

(Amounts expressed in thousands of RMB unless otherwise stated)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (Continued)

2019

	Interest-bearing bank and other borrowings	Other payables and accruals
As at 31 December 2018	50,407,535	8,243,312
Effect of adoption of IFRS 16	221,203	(15,988)
As at 1 January 2019	50,628,738	8,227,324
Changes from financing cash flows	4,922,001	(2,361,258)
Foreign exchange movement	–	3,920
Dividends payable	–	385,773
Interest expense	147,670	2,265,830
Effect of adoption of IFRS 16	889,066	–
Acquisition of a subsidiary	228,410	64,626
Other adjustment	(35,338)	41,934
Changes from operating cash flows	–	341,272
Changes from investing cash flows	–	(738,615)
As at 31 December 2019	56,780,547	8,230,806

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2020	2019
Within operating activities	**17,431**	16,586
Within financing activities	**184,388**	24,460
	201,819	41,046

35. CONTINGENT LIABILITIES

As at 31 December 2020 and 2019, the Group had no significant contingent liabilities.

(Amounts expressed in thousands of RMB unless otherwise stated)

36. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	2020	2019
Contracted, but not provided for	**7,951,612**	6,449,396

(b) The Group has no lease contracts that have not yet commenced as at 31 December 2020.

37. EVENTS AFTER THE REPORTING PERIOD

As at 30 March 2021, the board of directors proposed to distribute the final dividend for the year ended 31 December 2020 of RMB0.03 per share (before tax) of the Company in cash to the shareholders with an amount of RMB218.2 million. The proposal is subject to the approval by the shareholders at the 2020 Annual General Meeting of the Company. These consolidated financial statements do not reflect this dividend payable.

The Company has completed the public issue of its short-term bonds (first tranche) of 2021 (the "Short-term Bonds I") and received the proceeds therefrom as at 26 January 2021. The issuance of the Short-term Bonds I is RMB2 billion, with a maturity period of 75 days. The par value is RMB100 and the interest rate is 2.28%. The interest starts to accrue since 26 January 2021.

The Company has completed the public issue of its short-term bonds (second tranche) of 2021 (the "Short-term Bonds II") and received the proceeds therefrom as at 4 February 2021. The issuance of the Short-term Bonds II is RMB1 billion, with a maturity period of 40 days. The par value is RMB100 and the interest rate is 2.69%. The interest starts to accrue since 5 February 2021. The short-term bonds have already matured and settled as at 17 March 2021.

The Company has completed the public issue of its short-term bonds (third tranche) of 2021 (the "Short-term Bonds III") and received the proceeds therefrom as at 12 March 2021. The issuance of the Short-term Bonds III is RMB1 billion, with a maturity period of 65 days. The par value is RMB100 and the interest rate is 2.42%. The interest starts to accrue since 15 March 2021.

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2020	2019
Assets		
Non-current assets		
Property, plant and equipment	250,433	272,804
Intangible assets	8,752	8,123
Right-of-use assets	10,662	–
Investments in subsidiaries	23,023,774	20,005,533
Investments in associates and joint ventures	222,821	197,798
Equity investments designated at fair value through other comprehensive income	4,305	4,344
Financial assets at fair value through profit or loss	9,728	14,368
Prepayments, other receivables and other assets	8,831,649	10,641,590
Total non-current assets	32,362,124	31,144,560
Current assets		
Inventories	180	309
Trade and bills receivables	111,820	100,663
Prepayments, other receivables and other assets	8,251,234	7,882,391
Cash and cash equivalents	313,113	501,841
Total current assets	8,676,347	8,485,204
Total assets	41,038,471	39,629,764

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2020	2019
Liabilities		
Current liabilities		
Interest-bearing bank and other borrowings	6,273,239	15,262,401
Trade and bills payables	1,673	3,261
Current income tax liabilities	2,142	2,142
Other payables and accruals	112,681	177,382
Total current liabilities	6,389,735	15,445,186
Net current assets/(liabilities)	2,286,612	(6,959,982)
Non-current liabilities		
Interest-bearing bank and other borrowings	9,986,799	10,178,728
Other payables and accruals	10,018	2,010,045
Total non-current liabilities	9,996,817	12,188,773
Net assets	24,651,919	11,995,805
Equity		
Share capital	7,273,701	7,273,701
Share premium	2,080,969	2,080,969
Perpetual note and bonds	12,250,087	–
Retained profits	1,345,058	1,024,662
Other reserves	1,702,104	1,616,473
Total equity	24,651,919	11,995,805

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's retained profits and other reserves is as follows:

		Other reserves			
	Retained profits	Statutory surplus reserves	Fair value reserve	Others	Total
As at 1 January 2019	717,671	259,399	2,826	1,311,661	2,291,557
Profit for the year	632,209	–	–	–	632,209
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	(482)	–	(482)
Appropriation to perpetual note holders	(116,000)	–	–	–	(116,000)
Transfer from retained profits	(63,744)	63,744	–	–	–
Payment of principal of perpetual notes	–	–	–	(20,675)	(20,675)
Dividends paid	(145,474)	–	–	–	(145,474)
As at 31 December 2019 and 1 January 2020	1,024,662	323,143	2,344	1,290,986	2,641,135
Profit for the year	624,342	–	–	–	624,342
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	(104)	–	(104)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	2,240	–	(2,240)	–	–
Transfer from retained profits	(87,975)	87,975	–	–	–
Dividends paid	(218,211)	–	–	–	(218,211)
As at 31 December 2020	1,345,058	411,118	–	1,290,986	3,047,162

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 30 March 2021.

Glossary of Terms

"Articles of Association"	the articles of association of the Company
"average on-grid tariff"	electricity sales revenue in a period divided by the corresponding electricity sales in such period
"average utilisation hours"	the consolidated power generation in a specified period (in MWH or GWH) divided by the average consolidated installed capacity in the same period (in MW or GW)
"biomass"	plant material, vegetation or agricultural waste used as a fuel or energy source
"Board"	the board of Directors of the Company
"capacity"	if used alone, is an abbreviated form of installed capacity for operating projects, constructing capacity for projects under construction, or prospective capacity for pipeline projects (as the case may be)
"Certified Emission Reductions"	certified emission reductions, which are carbon credits issued by CDM Executive Board for emission reductions achieved by CDM projects and verified by a designated operating entity under the Kyoto Protocol
"Clean Development Mechanism" or "CDM"	the Clean Development Mechanism, an arrangement under the Kyoto Protocol allowing industrialized countries to invest in projects that reduce greenhouse gas emissions in developing countries in order to earn emission credits
"consolidated installed capacity"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidate in our consolidated financial statements only. This is calculated by including 100% of the installed capacity or capacity under construction of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated installed capacity and consolidated capacity under construction do not include the capacity of our associated companies
"consolidated power generation"	the aggregate gross power generation or net electricity sales (as the case may be) of our project companies that we fully consolidate in our financial statements for a specified period
"Datang Corporation"	China Datang Corporation Ltd.* (中國大唐集團有限公司), a state-owned corporation incorporated in the PRC and a controlling shareholder and one of the promoters of our Group

"Datang Factoring Company"	Datang Commercial Factoring Company Limited* (大唐商業保理有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Datang Corporation
"Datang Finance"	China Datang Group Finance Co., Ltd (中國大唐集團財務有限公司), a company incorporated in the PRC with limited liability, which is a fellow subsidiary of the Company
"Datang Financial Leasing"	Datang Financial Leasing Co., Ltd (大唐融資租賃有限公司), a company incorporated in the PRC with limited liability, which is a fellow subsidiary as well as an associate of the Company
"Datang Jilin"	Datang Jilin Power Generation Company Limited (大唐吉林發電有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of Datang Corporation and just like Datang Corporation, also our controlling shareholder and one of the promoters of the Group
"Datang Power"	Datang International Power Generation Co., Ltd., a company incorporated in the PRC with limited liability and a subsidiary of CDC, being concurrently listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: 991)
"Datang Renewables (H.K.)"	Datang Renewables (H.K.) Co., Limited (大唐新能源(香港)有限公司), a company with limited liability incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
"Director(s)"	the director(s) of the Company
"electricity sales"	gross power generation less (i) auxiliary electricity; and (ii) the electricity generated during the construction and testing period. Income attributable to the sales of electricity generated during the construction and testing period is not included in the electricity sales revenue, but is offset against the cost of property, plant and equipment
"generation capacity"	the capacity of wind turbines that have started to produce electricity, which capacity corresponds to the amount of power generation salable to the power grid companies plus the auxiliary electricity
"Group" or "we" or "us"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股有限公司) and its subsidiaries
"GWh"	unit of energy, gigawatt-hour. 1 GWh=1 million kWh

Glossary of Terms (Continued)

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"installed capacity"	the capacity of those wind power projects in which the wind turbines have been completely assembled and erected
"kW"	unit of energy, kilowatt. 1 kW=1,000 watts
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy generally used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"Latest Practicable Date"	26 April 2021, being the latest practicable date prior to the printing of this report for ascertaining certain information contained in this report
"Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"MW"	unit of energy and unit of power, megawatt. 1 MW=1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh=1,000 kWh
"on-grid tariff"	the price of electricity per kWh for which a power project could sell the electricity it generates to the power grid companies. On-grid tariff includes (1) benchmark or approved on-grid tariff; (2) tariff premiums for wind power companies to compensate the costs of transmission lines that wind power companies constructed and owned (if applicable); and/or (3) discretionary tariff subsidies granted by the local government (if applicable)
"operating projects" or "projects in operation"	projects in which the wind turbines have been completely assembled and erected
"Our Company" or "Company" or "Datang Renewable"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司)
"pipeline projects"	wind power projects that have been identified and reserved for future development pursuant to the wind energy investment and development agreements that we entered into with local governments at all levels under which we are authorized to develop wind farms at specified sites with certain estimated total capacity

"PRC"	the People's Republic of China, unless it has specifically specified, it excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"projects under construction"	projects for which the construction work on the roads, foundations or electrical infrastructure have commenced, the approvals of the NDRC or provincial development and reform committee have been received and detailed engineering and construction blueprints have been completed
"prospective capacity"	the capacity of pipeline projects reserved for future development
"renewable energy sources"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, sunlight or water (based on industry consensus, hydro power less than 50 MW is categorized as renewable energy, which is encouraged by the Renewable Energy Law)
"RMB"	Renminbi, the current lawful currency of the PRC
"Shanghai Leasing Company"	Shanghai Datang Finance Leasing Co., Ltd.* (上海大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and a fellow subsidiary of the Company
"SSE"	the Shanghai Stock Exchange
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the board of supervisors of the Company
"USD"	United States dollars, the current lawful currency of the United States
"Year"	for the year ended 31 December 2020
"%"	per cent

Corporate Information

LEGAL NAME OF THE COMPANY

中國大唐集團新能源股份有限公司

ENGLISH NAME OF THE COMPANY

China Datang Corporation Renewable Power Co., Limited*

REGISTERED OFFICE

Room 6197, 6/F, Building 4, Courtyard 49, Badachu Road, Shijingshan District, Beijing, the PRC

HEAD OFFICE IN THE PRC

8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Kou Wei

AUTHORISED REPRESENTATIVES

Ms. Kwong Yin Ping Yvonne
Mr. Liu Guangming

JOINT COMPANY SECRETARIES

Mr. Jia Hong
Ms. Kwong Yin Ping Yvonne

COMMITTEES UNDER THE BOARD

Audit Committee

Mr. Lo Mun Lam, Raymond *(independent non-executive Director) (Chairman)*
Mr. Liu Baojun *(non-executive Director)*
Mr. Yu Shunkun *(independent non-executive Director)*

Nomination Committee

Mr. Liu Chaoan *(independent non-executive Director) (Chairman)*
Mr. Li Yi *(non-executive Director)*
Mr. Lo Mun Lam, Raymond *(independent non-executive Director)*

Remuneration and Assessment Committee

Mr. Yu Shunkun *(independent non-executive Director) (Chairman)*
Mr. Hu Shengmu *(non-executive Director)*
Mr. Liu Chaoan *(independent non-executive Director)*

Strategic Committee

Mr. Hu Shengmu *(non-executive Director) (Chairman)*
Mr. Liu Guangming *(executive Director)*
Mr. Meng Lingbin *(executive Director)*

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Citic Tower, 1 Tim Mei Avenue, Central, Hong Kong

Ernst & Young Hua Ming LLP
Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Ave. Dong Cheng District, Beijing, the PRC

LEGAL ADVISORS

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

As to the PRC law
Beijing Yingke Law Firm
Floors 19-25, Building 2 of CP Center, No. 20 Jinhedong Road, Chaoyang District, Beijing

PRINCIPAL BANKS

- Industrial and Commercial Bank of China Limited Beijing Branch

  Tower B, Tianyin Mansion, No. 2 Fuxingmen South Avenue, Xicheng District, Beijing, the PRC

- Bank of Communications Co., Ltd. Beijing Branch

  No. 33 Financial Street, Xicheng District, Beijing, the PRC

- China Development Bank Co., Ltd.

  No. 29 Fuchengmenwai Avenue, Xicheng District, Beijing, the PRC

- Standard Chartered Bank (China) Limited

  Building No. 2, West Wing of Ernst & Young Tower, No. 1 East Chang'an Avenue, Beijing, the PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

STOCK CODE

01798

INVESTOR INQUIRIES

Investor Hotline:	86 10 8375 0675 86 10 8375 0677
Fax:	86 10 8375 0600
Website:	http://www.cdt-re.com
E-mail:	dtrir@china-cdt.com

* *For identification purposes only*

Note: The annual report is prepared in both traditional Chinese and English. If there is any discrepancy between the Chinese and English versions of this annual report, the traditional Chinese version shall prevail.

中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC
Post Code: 100053
Tel: (86) 10-83750601
Fax: (86) 10-83750600
Website: www.cdt-re.com