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華電福新能源股份有限公司
HUADIAN FUXIN ENERGY CORPORATION LIMITED

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

(Stock Code: 00816)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

ANNUAL RESULTS HIGHLIGHTS

- Revenue for the year ended 31 December 2019 amounted to RMB19,775.9 million, representing an increase of 7.9% over the comparative figures of 2018.
- Profit attributable to equity holders of the Company for the year ended 31 December 2019 amounted to RMB2,415.7 million, representing an increase of 6.5% over the comparative figures of 2018.
- The Group's net profit for the year ended 31 December 2019 amounted to RMB2,691.5 million, representing an increase of 8.8% over the comparative figures of 2018.
- The Board recommended to distribute a final dividend of RMB0.540 per 10 shares (inclusive of tax) in cash, representing a decrease of RMB0.028 over the comparative figure of 2018 and accounting for 30.0% of the attributable profit for the year ended 31 December 2019 to shareholders of the Company.

The board ("**Board**") of directors (the "**Directors**") of Huadian Fuxin Energy Corporation Limited (the "**Company**", "**we**" or "**our**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2019, together with comparative figures for the year ended 31 December 2018. The Company's consolidated financial information for the year ended 31 December 2019 in this announcement was based on the Company's consolidated financial statements, which were prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2019, under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at the core, by following the underlying principle of making progress while maintaining stability and focusing on the main task of supply-side structural reform, the Chinese government at all levels and their departments strengthened the countercyclical adjustment of macro policies and made every effort to carry out the work of "stabilisation in six aspects". As a result, the overall economic operation remained stable, the quality of development has been steadily improved, and the expected targets and tasks have been well accomplished. In 2019, China's GDP reached RMB99,080 billion, representing an increase of 6.1% over the previous year and meeting the anticipated growth target of 6% to 6.5% proposed at the beginning of the year.

The growth in power generation slowed down. The overall power consumption in whole society was 7,226 million MWh, representing an increase of 4.5% over the previous year, 3.93 percentage points lower than the growth rate of the previous year. The total electricity output reached 7,325 million MWh, representing an increase of 4.7% over the previous year. The power generation by type was as follows: wind power generation amounted to 405 million MWh, representing an increase of 10.9% over the previous year; solar power generation amounted to 220 million MWh, representing an increase of 26.5% over the previous year; hydropower generation amounted to 1,300 million MWh, representing an increase of 5.7% over the previous year; coal-fired power generation amounted to 5,045 million MWh, representing an increase of 2.4% over the previous year; and nuclear power generation amounted to 348 million MWh, representing an increase of 18.2% over the previous year. As at the end of 2019, China's total installed capacity of power generation was 20.106 billion MW, representing an increase of 5.8% over the previous year. Specifically, the wind power installed capacity was 2,105 million MW, representing an increase of 14.0% over the previous year; the solar power installed capacity was 2,046 million MW, representing an increase of 17.4% over the previous year; the hydropower installed capacity was 3,564 million MW, representing an increase of 1.1% over the previous year; the coal-fired power installed capacity was 11,905 million MW, representing an increase of 4.1% over the previous year; and the nuclear power installed capacity was 480 million MW, representing an increase of 9.1% over the previous year. The average utilisation time of power generation units throughout the year was 3,825 hours, representing a decrease of 54 hours over the previous year. Specifically, the wind power utilisation time was 2,082 hours, representing a decrease of 21 hours over the previous year; solar power utilisation time was 1,169 hours, representing an increase of 54 hours over the previous year; hydropower utilisation time was 3,726 hours, representing an increase of 119 hours over the previous year; coal-fired power utilisation time was 4,293 hours, representing a decrease of 85 hours over the previous year; and nuclear power utilisation time was 7,394 hours, representing a decrease of 149 hours over the previous year.

I. BUSINESS REVIEW

In 2019, the Group promoted the implementation of the development strategies across the board, and took full advantage of the diversified power generating assets. To be specific, the Group took advantage of the adequate rainfall in Fujian province in hydropower segment, increased procurement of imported coal in coal-fired power segment, and actively coped with the adverse situation of declining wind speed in most parts of the country in wind power segment and strengthened equipment management. As a result, positive achievements have been made in the various activities of the Group: the gross power generation of the Group throughout the year was 47,696,505.4 MWh, representing an increase of 7.0% over the previous year; the profit attributable to equity holders of the Company was RMB2,415.7 million, representing an increase of 6.5% over the previous year; and the capacity of approved power generation projects was 130.0 MW, the newly-added consolidated installed capacity was 218.2 MW and the percentage of clean energy installed capacity to the total installed capacity was 78.1%.

The respective consolidated installed capacity of the power generating assets of the Group as of 31 December 2019 and 2018 by type was:

Consolidated Installed Capacity (MW)

Type	**2019**	2018	Change percentage
Wind power	**8,035.2**	7,993.0	0.5%
Solar power	**1,214.7**	1,155.6	5.1%
Hydropower	**2,607.9**	2,607.9	0.0%
Coal-fired power	**3,600.0**	3,600.0	0.0%
Natural gas-fired power (distributed)	**970.0**	902.6	7.5%
Other clean power	**25.3**	25.3	0.0%
Total	**16,453.1**	16,284.4	1.0%

The respective attributable consolidated installed capacity of the power generating assets of the Group as of 31 December 2019 and 2018 by type was:

Attributable Consolidated Installed Capacity (MW)

Type	2019	2018	Change percentage
Wind power	**7,514.2**	7,456.2	0.8%
Solar power	**1,159.1**	1,120.8	3.4%
Hydropower	**1,967.0**	1,967.0	0.0%
Coal-fired power	**3,740.4**	3,740.4	0.0%
Natural gas-fired power (distributed)	**1,104.4**	1,037.0	6.5%
Nuclear power	**1,948.8**	1,948.8	0.0%
Other clean power	**25.1**	25.1	0.0%
Total	**17,459.0**	17,295.3	0.9%

The respective gross generation of the power generating assets of the Group in 2019 and 2018 by type was:

Gross Power Generation (MWh)

Type	2019	2018	Change percentage
Wind power	**16,913,424.4**	16,869,057.5	0.3%
Solar power	**1,724,094.8**	1,613,383.0	6.9%
Hydropower	**9,461,387.0**	5,790,818.4	63.4%
Coal-fired power	**16,032,179.8**	17,513,697.9	-8.5%
Natural gas-fired power (distributed)	**3,422,776.1**	2,620,624.7	30.6%
Other clean power	**142,643.3**	166,139.8	-14.1%
Total	**47,696,505.4**	44,573,721.3	7.0%

(I) Wind Power Business

As of 31 December 2019, the Group had consolidated wind power installed capacity of 8,035.2 MW, representing an increase of 0.5% as compared with that as of 31 December 2018. During the period from 1 January 2019 to 31 December 2019 (the "**Reporting Period**"), the consolidated installed capacity of the Group's new wind power projects which had commenced operation was 91.7 MW. The gross wind power generation was 16,913,424.4 MWh, representing an increase of 0.3% over the previous year. The average on-grid tariff (tax exclusive) was RMB419.59/MWh, representing a decrease of RMB10.61/MWh, or 2.47%, over the previous year.

In 2019, the average wind power utilisation time of the Group was 2,099 hours, 17 hours over the average wind power utilisation time of China. In 2019, the Group optimized and refined the benchmarking and quota, improved the quota and benchmarking system for production and marketing of wind power enterprises, and launched a special promotion activity for utilization time. Meanwhile, we focused on improving the reliability and efficiency of wind power equipment, economic management and continued to carry out comprehensive improvement of generator sets with high failure and wind power sets with poorer power generation performance. As a result, remarkable achievements had been made in the comprehensive improvement and operation maintenance and management of wind power equipment, as evidenced by an utilisation ratio of wind turbines of 98.81%.

In 2019, the Group actively developed wind power projects. It promoted the development of offshore wind power projects in a stable and orderly manner. The offshore wind power project in Fuqing Haitan Strait, Fujian, has been officially commenced, and the fulfillment of conditions for commencement of the offshore wind power project in Yuhuan, Zhejiang, has been accelerated. Keeping up with the progress of ultra-high voltage wind power base projects, the decision to start construction of the wind power external transmission projects in Inner Mongolia, Xinjiang and other regions has been made to actively coordinate the planning and development of clean energy bases in Inner Mongolia, Shaanxi, Jilin and other regions. In 2019, two new wind power projects with an aggregate capacity of 130 MW were approved.

(II) Solar Power Business

As of 31 December 2019, the Group had consolidated solar power installed capacity of 1,214.7 MW.

In 2019, the Group's total solar power output was 1,724,094.8 MWh, and the average on-grid tariff (tax exclusive) was RMB807.59/MWh, representing an increase of RMB3.29/MWh or 0.41% over the previous year. The average solar power utilisation time was 1,419 hours, representing an increase of 24 hours over the previous year.

(III) Hydropower Business

As of 31 December 2019, the Group had consolidated hydropower installed capacity of 2,607.9 MW, and had capacity under construction of 1,200 MW.

In 2019, the gross hydropower generation of the Group was 9,461,387.0 MWh, representing an increase of 63.4% over the previous year; and the average on-grid tariff (tax exclusive) was RMB287.57/MWh, representing a decrease of RMB1.03/MWh or 0.4% over the previous year.

In 2019, due to the rich water inflow across Fujian province, the accumulated inflow of seven leading reservoirs increased by 132.8% year on year to 27,386 million cubic meter, 33.9% higher than the average level of the past years. The Group strengthened economic operation to increase efficiency, gave full play to the role of the first-level leading reservoir, actively carried out the optimization of watershed reservoir management, and improved the power generation efficiency of watershed power stations, realising average annual utilisation time of 3,631 hours, representing a year-on-year increase of 1,320 hours, 295 hours more than the utilisation time of hydropower under unified dispatch in Fujian province.

(IV) Coal-fired Power Business

As at 31 December 2019, the Group had consolidated coal-fired power installed capacity of 3,600.0 MW, with one project under construction.

In 2019, the gross coal-fired power generation of the Group was 16,032,179.8 MWh, representing a decrease of 8.5% over the previous year. The average coal-fired power utilisation time was 4,453 hours, representing a decrease of 8.5% over the previous year; the coal consumption for power generation was 305.79g/KWh, representing a decrease of 1.0g/KWh from the previous year; the average on-grid tariff (tax exclusive) was RMB343.96/MWh, representing an increase of RMB0.66/MWh or 0.2% over the previous year.

In 2019, overall coal price in coal-fired sector has declined, meanwhile, the Group strived to increase the blending proportion of high-quality and premium-priced imported coal. The average unit price (tax inclusive) of the standard coal reached RMB789.08/ton, representing a decrease of RMB132.9/ton. In the benchmarking of four major power generation groups of the same type in the same region, the ranking of Kemen Company achieved a historic breakthrough, with comprehensive standard coal unit price ranking rising from the fourth to the second (the gap with the first place narrowed RMB43.77/ton), and ranking of imported standard coal unit price rising from the fourth to the first. Kemen Company saved fuel costs of approximately RMB150 million throughout the year.

(V) Natural Gas-fired Power (distributed) Business and Other Business

As at 31 December 2019, the consolidated installed capacity put into operation of natural gas-fired power (distributed) projects of the Group amounted to 970.0 MW, with two projects under construction.

During the Reporting Period, the Group recorded an increase of 67.4 MW in its consolidated installed capacity newly put into operation of natural gas-fired power (distributed) projects.

As of 31 December 2019, the Group held 39% equity interest in Fujian Fuqing Nuclear Power Co., Ltd. ("**Fuqing Nuclear**") and 10% equity interest in Zhejiang Sanmen Nuclear Power Co., Ltd ("**Sanmen Nuclear Power**") . The Nos. 1 to 4 generator sets of Fuqing Nuclear Power Plant and Nos. 1 and 2 generator sets of Sanmen Nuclear Power were under good operation.

As of 31 December 2019, we also had two biomass power projects under operation, with consolidated installed capacity of 25.3 MW in our holding.

II. FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the audited financial statements of the Group together with the accompanying notes.

1. Overview

In 2019, the Group recorded a steady growth of its profit. The Group realized profit before taxation of RMB3,233.8 million, representing an increase of 17.3% as compared with RMB2,757.8 million in 2018. In particular, the profit attributable to equity holders of the Company amounted to RMB2,415.7 million, representing an increase of 6.5% as compared with RMB2,268.5 million in 2018.

2. Revenue

The Group's revenue increased by 7.9% to RMB19,775.9 million in 2019 as compared with RMB18,329.7 million in 2018, primarily due to the increase in revenue from electricity sales of the Group's hydropower, solar power and natural gas-fired power (distributed) segments.

The Group's revenue from sales of electricity increased by 7.4% to RMB18,632.8 million in 2019 as compared with RMB17,345.0 million in 2018, primarily due to the increase in hydropower electricity sales, resulting an increase of 9.9% in electricity sales as compared with that of the corresponding period of 2018, and a decrease of approximately 2.2% of the average unit price of electricity.

The respective segment revenue of the Company and their reconciliations to the consolidated revenue are as follows:

	2019 *RMB in million*	2018 *RMB in million*	Change percentage
Wind power	**6,901.6**	7,083.4	-2.6%
Solar power	**1,361.6**	1,232.1	10.5%
Hydropower	**2,704.0**	1,693.4	59.7%
Coal-fired power	**6,022.7**	6,116.0	-1.5%
Natural gas-fired power (distributed)	**2,313.5**	1,963.6	17.8%
Other	**153.5**	160.3	-4.2%
Total revenue of the reported segments	**19,456.9**	18,248.8	6.6%
Service concession construction revenue	**317.8**	80.4	295.3%
Unallocated head office and corporate revenue	**1.2**	0.5	140.0%
Consolidated revenue	**19,775.9**	18,329.7	7.9%

3. Other income and gains

In 2019, the Group's other net income decreased by 5.6% to RMB323.6 million as compared with RMB342.8 million in 2018, primarily due to the gain on resumption compensation obtained during the year of RMB90.5 million and the gain on disposal of non-current assets of RMB11.9 million in 2018, the loss from disposal of subsidiaries recognized during the year of RMB24.4 million, as compared with nil in 2018 and the default penalty income recognized during the year of RMB10.1 million, as compared with RMB81.0 million in 2018, representing a decrease of 87.6%.

4. Operating expenses

The Group's operating expenses increased by 8.5% to RMB15,042.3 million in 2019 as compared with RMB13,863.4 million in 2018. The increase was mainly due to the increase in other operating expenses.

In 2019, the fuel cost of the Group decreased from RMB5,877.0 million in 2018 to RMB5,244.2 million, representing a decrease of 10.8%. The decrease was mainly due to the decrease in power generation of coal-fired power segment in 2019 as compared with that of 2018 as well as the decrease in coal price.

The Group's depreciation and amortisation expenses increased by 4.6% to RMB4,781.3 million in 2019 as compared with RMB4,570.3 million in 2018. This increase was primarily due to commencement of operation of the Group's new generating units.

The Group's labor costs increased by 14.5% to RMB1,831.0 million in 2019 as compared with RMB1,599.4 million in 2018, primarily due to the increase of the Group's efficiency and the fact that a portion of the personnel costs were expensed instead of being capitalized after the commencement of operation of the Group's new generating units.

The Group's repair and maintenance costs increased by 23.2% to RMB650.0 million in 2019 as compared with RMB527.5 million in 2018, primarily due to the increase in the corresponding repair costs in hydropower segment and wind power segment during the year.

The Group's other operating expenses increased by 135.1% to RMB1,849.9 million in 2019 as compared with RMB786.9 million in 2018, primarily due to the comprehensive impact of the increase in provision of impairment losses on certain power generating assets for the year, the increase in the purchase of substituted electricity resulting from the transfer of planned power generation rights of coal-fired power segment, the increase in the hydro-resources fee and reservoir maintenance fund resulting from the increase in the power generation of hydropower segment, and the estimated financial guarantee loss recognized for providing guarantee for the bank loan of a joint venture.

5. Operating profit

The Group's operating profit increased by 5.2% to RMB5,057.2 million in 2019 as compared with RMB4,809.1 million in 2018, primarily due to the year-on-year increase in profits of hydropower segment and coal-fired power segment, respectively. The respective segment operating profit of the Group and their reconciliations to the consolidated operating profit in 2019 and 2018 are as follows:

	2019 ***RMB in millions***	2018 *RMB in millions*	Change percentage
Wind power	**3,101.7**	3,639.6	-14.8%
Solar power	**718.2**	638.4	12.5%
Hydropower	**1,119.6**	448.0	149.9%
Coal-fired power	**757.2**	166.2	355.6%
Natural gas-fired power (distributed)	**75.2**	112.4	-33.1%
Others	**-165.7**	0.3	-55,333.3%
Reportable segment profit	**5,606.2**	5,004.9	12.0%
Unallocated head office and corporate revenue	**1.2**	0.5	140.0%
Unallocated head office and corporate expenses	**-550.2**	-196.3	180.3%
Consolidated operating profit	**5,057.2**	4,809.1	5.2%

6. Finance income

The Group's finance income decreased by 10.1% to RMB73.6 million in 2019 as compared with RMB81.9 million in 2018, mainly due to the decrease in dividends from equity investments at fair value through other comprehensive income.

7. Finance expenses

The Group's finance expenses decreased by 12.2% to RMB2,697.5 million in 2019 as compared with RMB3,072.9 million in 2018, primarily due to decrease in interests from borrowings arising from decrease in bank borrowings of the Group for the period.

8. Share of profits less losses of associates and joint ventures

The Group's share of profits less losses of associates and joint ventures decreased by 14.8% to RMB800.6 million in 2019 as compared with RMB939.7 million in 2018, primarily due to a year-on-year decrease in share of net profit from investment in Fuqing Nuclear Power Plant of the Group and the losses incurred from the investment in Sanmen Nuclear Power Plant this year due to the repair of equipment for 11 months as a results of malfunction.

9. Income tax

The Group's income tax increased by 90.2% to RMB542.3 million in 2019 as compared with RMB285.1 million in 2018, primarily due to a significant year-on-year increase in the profit from the hydropower segment with higher tax rates, resulting in higher income tax correspondingly.

10. Net profit

The Group's net profit increased by 8.8% to RMB2,691.5 million in 2019 as compared with RMB2,472.7 million in 2018, primarily due to the increase in income from hydropower and coal-fired power segment.

11. Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company increased by 6.5% to RMB2,415.7 million in 2019 as compared with RMB2,268.5 million in 2018, primarily due to a significant increase in profit from hydropower and coal-fired power segments.

12. Profit attributable to non-controlling shareholders

The Group's profit attributable to non-controlling shareholders increased by 35.1% to RMB275.8 million in 2019 as compared with RMB204.2 million in 2018, mainly due to the increase in profit from hydropower segment with larger non-controlling shareholding percentage of the Group.

13. Liquidity and sources of capital

The Group's cash and cash equivalents decreased by 31.7% to RMB2,457.8 million as at 31 December 2019 as compared with the balance of RMB3,597.8 million as at 31 December 2018, primarily due to the decrease in the receipts of tariff premium of renewable energy and the decrease in the scale of asset securitization in 2019, resulting net cash inflows from operating activities decreased to RMB6,977.3 million, and the increase in repayment of borrowings and long-term investment. The main sources of the Group's operating capital include: (1) approximately RMB20,159.8 million of unutilized banking facilities as at 31 December 2019; and (2) approximately RMB2,457.8 million of cash and cash equivalents.

As at 31 December 2019, the Group's borrowings decreased by 3.0% to RMB63,045.5 million as compared with RMB64,964.4 million, of which RMB13,579.2 million was short-term borrowings (including the current portion of long-term borrowings), and RMB49,466.3 million was long-term borrowings.

14. Capital expenditure

The Group's capital expenditure increased by 63.1% to RMB8,280.6 million in 2019 as compared with RMB5,076.4 million in 2018. Capital expenditure mainly comprises costs for purchase and construction of property, plant and equipment and capital injection to associates.

15. Net gearing ratio

As at 31 December 2019, the Group's net gearing ratio (net debt (i.e. total borrowings less cash and cash equivalents) divided by total equity) was 158.0%, representing a decrease of 27.4 percentage points as compared with 185.4% as at 31 December 2018, which was mainly because under the condition of no material change in the scale of net debt, net profit of the Group in 2019 amounted to RMB2,691.5 million, and the Group received RMB3,596.7 million from the issuance of perpetual medium-term notes in 2019, resulting in corresponding increase in equity interests.

16. Material acquisitions and disposals

The Group did not conduct any material acquisition and disposal in 2019.

17. Significant investment

The Group did not conduct any material investment in 2019.

18. Plans for material investments/acquisition of capital assets

The Group has no plan for any material investment/acquisition of capital assets for the coming year.

19. Pledge of assets

Some of the Group's loans are secured by certain of the Group's property, plant and equipment, right-of-use assets and rights of receipt of tariff. As at 31 December 2019, the total net book value of the pledged assets amounted to RMB19,537.5 million.

20. Contingencies

As at 31 December 2019, the contingencies of the Group included the financial guarantee provided to a joint venture, taxes on clean development mechanism revenue and the contingent liabilities of compensation for Mianhuatan hydropower resettlement of the Group,

III. PARTY BUILDING

In 2019, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the guiding principles from the 19th CPC National Congress, the Party Committee of the Company adhered to the "two consistent principles", and performed the political core leading functions, provided the directions, managed the overall situation and ensured the implementation in accordance with the requirements of the Company's articles of association, thereby further promoting the level of the Party building and ensuring the Company's work in various aspects closely focused on the policies of the Party and the State and advanced in an orderly way. The Company always adhered to the principle of management of talents by the Party in building the talent team, and selected and employed talents and improved the performance appraisal system in strict accordance with the prescribed procedures, to give full play to the positive incentive effects. The persistent efforts for Party building and gathering efforts to promote production provided a strong political guarantee for the Company's production, operation, reform and development. The spiritual civilization construction embarked on a new level and achieved new results.

In 2020, the Party Committee of the Company will fully implement the requirements of the CPC Central Committee on comprehensively strengthening Party self-discipline and act on the requirements of the Company's articles of association to focus on the core tasks of the Company, give full play to the strength and stronghold of the Party organizations as well as the role model as the pioneer of the member of the Party in improving the cohesiveness and work effectiveness of the Company's employees and promote the implementation of the Company's development strategy to achieve high quality development of the Company.

IV. RISK FACTORS AND RISK MANAGEMENT

1. Industry risk

The development and profitability of our clean energy projects are dependent on the policies and regulations that support such development in China. The gross generation and revenue of our hydropower projects are dependent upon the hydrological conditions prevailing from time to time in the broad geographic regions in which our existing and future hydropower projects are located. In addition, the resettlement of relocated residents may cause significant cost increases and/or construction delays in our hydropower projects. Our wind power business is highly dependent on wind conditions. The gross electricity and revenue generated from a wind power project are highly dependent on wind conditions, which vary across seasons and regions. Our solar power projects are highly dependent on sunlight conditions. The gross electricity and revenue generated from solar power projects are highly dependent on sunlight conditions, which vary across seasons and regions. Our coal-fired power plants are fueled by coal, and an increase in coal prices and a disruption in coal supply or its transportation could materially and adversely affect our coal-fired power business. Our natural gas distributed energy projects and other natural gas-fired power projects are fueled by natural gas. As such, a sufficient and timely supply of natural gas is essential to our distributed energy business.

2. Competition risk

We may encounter competition from utility companies which are mainly engaged in other clean energy businesses. In particular, other clean energy technologies may become more competitive and appealing. Competition from such companies may become intense if the technology used to generate electricity from these other clean energy resources becomes more sophisticated, or if the Chinese government decides to bolster its support of such other clean energy resources. Clean energy resources, such as hydropower and wind power, compete with conventional energy resources, including oil and coal. We will also face the competitive risks brought by the increase in the share of market-driven power generation and the reduction of market-driven electricity price.

3. Risk related to power grid

Although the construction of power grid is fast, wind power curtailment is inevitable in the short run. In particular, the structural power curtailment factors will still exist objectively for a period of time. In view of this, the Company flexibly adjusted construction strategies and rationally deployed new projects according to the power grid connection conditions. Meanwhile, the Company will continue improving technical innovation to reduce such impact.

4. Exchange rate risk

The Company's transactions are mainly denominated in RMB, Euro, United States dollar and Hong Kong dollar. Therefore, the Company is exposed to foreign currency exchange risk. The Company has not implemented any foreign currency hedging policy at the moment. However, the management has carried out continuous monitoring on the foreign exchange exposure and will consider hedging the foreign exchange exposure if it has material impact on the Company.

V. PROSPECT AND OUTLOOK

Under the current situation of profound adjustment to international supply and demand of energy and constant development of the new round of technological reform of energy, China, as a major energy producer and consumer, is facing unprecedented opportunities and challenges. Implementing new development concept, taking supply-side structural reform as the main line, enhancing competitiveness of the energy industry, and building a clean, low-carbon, safe and efficient modern energy system have become the inevitable path for the transformation and reform of energy development in China. China is carrying out research work on the energy development plan for the "Fourteen Five-Year" Plan (2021–2025), one of the crucial missions is to strengthen the clean energy industry, laying a foundation to achieve the goal that non-fossil energy accounts for 20% of primary energy consumption in 2030. Therefore, optimizing the layout of energy production and accelerating the proportion of renewable energy such as hydropower, wind power, solar energy and biomass energy will become important tasks for energy development in China in the coming period. The Group will always adhere to the new concept of development, stay true to its aspiration to be a clean, low-carbon, safe and efficient international first-class clean energy listed company, focus on developing clean energy and continue to optimize business structure to highlight the advantages of clean energy development and promote the high-quality development of the Group.

First, the Group will put emphasis on plans. The Group will unswervingly adhere to the new development concepts of innovation, coordination, green, openness and sharing, and implement the overall requirements of new strategies featuring "four revolutions, one cooperation" for energy safety, with the theme of high-quality development and supply-side structural reform as the main line. The Group will comprehensively summarize the implementation of the "Thirteenth Five-Year" Plan, objectively analyze the internal and external situation encountered by the Company's development, and scientifically prepare the "Fourteenth Five-Year" Plan for the layout of high-quality development of the Company.

Second, the Group will secure the price of electricity. In 2020, the onshore wind power under construction of the Company shall all be put into operation. The Group will actively respond to the shortage of supply of main machineries and other equipment brought by the trend of rushing for installation, strengthen supervision prudently, impose strict supervision of safety and quality, actively connect with major domestic equipment manufacturers, and give full play to the overall advantages. The Group will accelerate the construction of offshore wind power projects, and carry out on-site construction of offshore wind power in Fuqing Haitan Strait in a safe and high quality environment. Zhejiang Yuhuan and Guangdong Yangjiang offshore wind power projects are expected to be qualified for commencement as soon as possible.

Third, the Group will seize the opportunities of implementation. The Group will actively develop new energy, give priority to meeting the investment needs of wind power projects which are able to commence production in a timely manner, obtain tariff and ensure expected revenue. The Group will establish a comprehensive internal management mechanism for "Total-to-Total" cooperative development projects of listed companies, actively follow up with the strategic cooperation agreements entered into by the Company, further implement the cooperation method, and focus on promoting the construction work of water-solar complementary clean energy bases in Southwest China.

Fourth, the Group will impose strict supervision. The Group will continue to follow up the construction of key projects. Zengcheng project, as the first 9H heavy-duty gas turbine in China, is required to achieve high-quality operation, aiming to boost the overall efficiency of the gas segment of the Company. The Group will further strengthen the guidance and coordination of key projects under construction, such as Fujian Zhouning pumped-storage and onshore wind power, to ensure that the construction progress and resources allocation are balanced in an orderly manner, scientific and reasonable, and further enhance the proportion of clean energy installed capacity of the Company.

Fifth, the Group will seek a breakthrough. The Group will actively seek wind and solar power resources through competitive allocation and extensive cooperation, especially to achieve new breakthroughs in offshore wind power and onshore wind and solar power base as well as scale development, and to secure quality projects in Inner Mongolia and Gansu. The Group will prudently develop gas-fired power in accordance with local conditions, continue to strive for gas-fired and thermoelectric reserve projects in Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei and Yangtze River Economic Zones.

Sixth, the Group will seek for innovation. The Group will further leverage the specialized level of the Company in terms of decision-making of investment on new energy projects, development and construction experience, capability to prevent investment risks, policies and technical research capabilities. The Group will strengthen the management of research on innovation topics, and further improve carbon emissions through development of wind and solar power resources measurement platform, investment information platform, new energy expert team to continuously improve market competitiveness of new energy projects.

Seventh, the Group will strive for creating a first-class enterprise. In accordance with the decision-making arrangements for the establishment of a world-class enterprise, the Group will research the formulation of the "Special Implementation Plan for Creating a World-class Featured Energy Enterprise", reinforce the responsibility for creating work, strengthen promotion and guidance, regularly refine and improve, accelerate the structural adjustment, optimize the development layout, and achieve more remarkable results symbolizing the development strategies of the Company. The Group will bend over backwards to strive for the world-class clean energy listed company, creating the Company to be an industry-wide or even internationally recognized brand.

OTHER INFORMATION

1. Profit Distribution

The Board recommended the distribution of a final dividend of RMB0.540 per 10 shares (tax inclusive) in cash, representing a decrease of RMB0.028 over the comparative figure of 2018 and accounting for 30% of the attributable profit, for the year ended 31 December 2019 to shareholders. All dividends will be paid upon the approval by the shareholders at the annual general meeting of the Company for the year 2019 (the "**AGM**"). If the distribution proposal is approved at the AGM, it is expected that the final dividend for the year ended 31 December 2019 will be paid on or around 28 August 2020 to the shareholders of the Company.

As the Company is yet to confirm the date of the AGM, the record date for determining the eligibility to attend and vote at the AGM and the entitlement to the final dividend and the period for closure of register, the Company will upon confirmation thereof announce such details in the notice of the AGM.

2. Compliance with the Corporate Governance Code

During the Reporting Period, the Company was in compliance with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**Corporate Governance Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

3. Compliance with the Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as the code of conduct and rules governing dealings by its Directors and supervisors (the "**Supervisors**") in the securities of the Company. Having made specific enquiry to the Directors and Supervisors, all Directors and Supervisors have confirmed that they have strictly complied with the required standards set out in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company's securities, which terms are no less exacting than the Model Code. The Company has not discovered any breach of the guidelines by its relevant employees.

The Board will examine the corporate governance practices and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to protect shareholders' interests.

4. Directors' Responsibility for the Financial Statements

The Board acknowledges its responsibility for preparing the Financial Statements of the Group for the year ended 31 December 2019. The Company's accounts are prepared in accordance with all relevant statutory requirements and appropriate accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable; and the accounts are prepared on a going concern basis. The Board is responsible for presenting a clear and understandable assessment of annual and interim reports, inside information and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

5. Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries purchased or sold any of its securities listed on the Hong Kong Stock Exchange.

AUDIT AND RISK MANAGEMENT COMMITTEE

The 2019 annual results of the Group and the financial statements for the year ended 31 December 2019 prepared in accordance with the International Financial Reporting Standards have been reviewed by the Audit and Risk Management Committee of the Company.

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute audits, reviews and other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND REPORT

This results announcement will be published on the website of Hong Kong Stock Exchange at (www.hkexnews.hk) and the Company's website at (www.hdfx.com.cn).

The Company's 2019 annual report with all the information required under the Listing Rules will be despatched to the shareholders of the Company and will be published on the websites of the Company and Hong Kong Stock Exchange in due course.

By Order of the Board
Huadian Fuxin Energy Corporation Limited
HUANG Shaoxiong
Chairman of the Board

Beijing, the PRC, 20 March 2020

As at the date of this announcement, the executive Directors are Mr. HUANG Shaoxiong, Mr. WU Jianchun and Mr. DU Jiangwu; the non-executive Directors are Mr. TAO Yunpeng, Mr. SHI Chongguang and Mr. WANG Bangyi; and the independent non-executive Directors are Mr. ZHANG Bai, Mr. TAO Zhigang and Mr. WU Yiqiang.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2019

*(Amounts expressed in Renminbi ("**RMB**") unless otherwise stated)*

	Notes	**2019** **RMB'000**	2018 RMB'000
Revenue	5	**19,775,911**	18,329,707
Other income and gains	6	**323,605**	342,803
Operating expenses			
Cost of fuel		**(5,244,180)**	(5,876,957)
Depreciation and amortisation	8(b)	**(4,781,338)**	(4,570,318)
Service concession construction costs		**(317,841)**	(80,393)
Personnel costs	8(a)	**(1,831,045)**	(1,599,438)
Repairs and maintenance		**(650,028)**	(527,468)
Administration expenses		**(367,981)**	(421,967)
Other operating expenses		**(1,849,902)**	(786,903)
		(15,042,315)	(13,863,444)
Operating profit		**5,057,201**	4,809,066
Finance income	7	**73,552**	81,925
Finance expenses	7	**(2,697,532)**	(3,072,906)
Net finance expenses	7	**(2,623,980)**	(2,990,981)
Share of profits less losses of associates and joint ventures		**800,551**	939,700
Profit before taxation	8	**3,233,772**	2,757,785
Income tax expense	9	**(542,276)**	(285,069)
Profit for the year		**2,691,496**	2,472,716
Attributable to:			
Equity holders of the Company		**2,415,720**	2,268,468
Non-controlling interests		**275,776**	204,248
		2,691,496	2,472,716
Basic and diluted earnings per ordinary share *(RMB cents)*	10	**22.45**	23.71

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Year ended 31 December 2019

(Amounts expressed in RMB unless otherwise stated)

	2019	2018
	RMB'000	*RMB'000*
Profit for the year	**2,691,496**	2,472,716
Other comprehensive income		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods, net of tax:		
Exchange difference on translation of foreign operations	**(676)**	18,100
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Changes in fair value of equity investments designated at fair value through other comprehensive income/(loss), net of tax	**1,850**	(209,135)
Other comprehensive income/(loss) for the year, net of tax	**1,174**	(191,035)
Total comprehensive income for the year	**2,692,670**	2,281,681
Attributable to:		
Equity holders of the Company	**2,416,894**	2,077,433
Non-controlling interests	**275,776**	204,248
	2,692,670	2,281,681

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Amounts expressed in RMB unless otherwise stated)

	Notes	**2019** *RMB'000*	2018 *RMB'000*
Non-current assets			
Property, plant and equipment		**81,928,864**	80,929,626
Right-of-use assets		**2,325,177**	–
Lease prepayments		**–**	1,427,551
Intangible assets		**1,641,426**	1,358,927
Interests in associates and joint ventures		**10,066,458**	8,984,570
Other non-current assets		**2,327,395**	3,076,747
Deferred tax assets		**362,511**	369,046
Total non-current assets		**98,651,831**	96,146,467
Current assets			
Inventories		**281,242**	413,564
Trade and bills receivables	11	**9,515,174**	5,969,777
Prepayments and other current assets		**1,280,890**	2,153,514
Tax recoverable		**1,176**	16,309
Restricted deposits		**22,484**	6,103
Cash and cash equivalents		**2,457,846**	3,597,841
Total current assets		**13,558,812**	12,157,108
Current liabilities			
Borrowings		**13,579,188**	10,868,084
Obligations under finance leases		**–**	25,810
Trade and bills payables	12	**1,449,140**	1,103,681
Other payables and accruals		**7,037,475**	7,220,220
Deferred income		**53,256**	49,555
Tax payable		**155,450**	77,413
Total current liabilities		**22,274,509**	19,344,763
Net current liabilities		**(8,715,697)**	(7,187,655)
Total assets less current liabilities		**89,936,134**	88,958,812

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2019
(Amounts expressed in RMB unless otherwise stated)

	2019	2018
	RMB'000	*RMB'000*
Non-current liabilities		
Borrowings	**49,466,337**	54,096,269
Obligations under finance leases	**–**	290,659
Lease liabilities	**526,853**	–
Deferred income	**416,770**	461,988
Deferred tax liabilities	**977,610**	1,007,989
Provision	**197,224**	–
Total non-current liabilities	**51,584,794**	55,856,905
NET ASSETS	**38,351,340**	33,101,907
Equity		
Share capital	**8,407,962**	8,407,962
Reserves	**14,086,173**	12,677,579
Perpetual medium-term notes and renewable corporate bonds	**12,566,547**	8,969,842
Total equity attributable to equity holders of the Company	**35,060,682**	30,055,383
Non-controlling interests	**3,290,658**	3,046,524
TOTAL EQUITY	**38,351,340**	33,101,907

NOTES
As at 31 December 2019
(Amounts expressed in RMB unless otherwise stated)

1. PRINCIPAL ACTIVITIES AND ORGANISATION

Huadian Fuxin Energy Corporation Limited (the "**Company**") was established in the People's Republic of China (the "**PRC**") on 19 August 2011 as a joint stock company with limited liability. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKSE**") on 28 June 2012. The Company and its subsidiaries (collectively, the "**Group**") are mainly engaged in the generation and sale of wind power, solar power, hydropower, coal-fired power, natural gas-fired power (distributed) and other clean energy power in the PRC.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which include all applicable International Financial Reporting Standards, International Accounting Standards ("**IASs**") and interpretations issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKSE.

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

(b) Basis of preparation of the financial statements

Basis of Consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. 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 (i.e., existing rights that give the Group the current ability to direct the relevant activities of 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:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) 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 equity holders of the Company 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.

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: (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises: (i) the fair value of the consideration received; (ii) the fair value of any investment retained; and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified 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.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that certain trade and bills receivables, and equity investments are stated at their fair value.

Going Concern

The consolidated financial statements have been prepared assuming that the Group will continue as a going concern notwithstanding the net current liabilities of the Group at 31 December 2019 amounting to RMB8,715,697,000. The directors of the Company are of the opinion that, based on a review of the forecasted cash flows and the availability of unutilised banking facilities of RMB20,159,843,000 as at 31 December 2019, the Group will have the necessary liquid funds to finance its working capital and capital expenditure requirements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
International Financial Reporting Interpretations Committee ("**IFRIC**") 23	*Uncertainty over Income Tax Treatments*
Annual Improvements to IFRSs 2015–2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9 and IAS 19, and *Annual Improvements to IFRSs 2015–2017 Cycle* – Amendments to IFRS 3, IFRS 11 and IAS 12, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

(a) IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17 and related interpretations.

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property, machinery, vehicles and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease by lease basis) and leases with a lease term of 12 months or less ("**short-term leases**") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) short-term leases. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in lease liabilities and other payables and accruals (current portion). The right-of-use assets for most leases were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on IAS 36. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of RMB452,659,000 that were reclassified from property, plant and equipment.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application;

- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease;

- Relying on the entity's assessment of whether leases were onerous by applying IAS 37 immediately before 1 January 2019 as an alternative to performing an impairment review; and

- Excluding initial direct costs from the measurement of the right-of-use assets at the date of initial application.

As a lessee – Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Accordingly, the carrying amounts of the right-of-use assets and the lease liabilities at 1 January 2019 were the carrying amounts of the recognised assets and liabilities (i.e., obligations under finance lease) measured under IAS 17.

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 as at 1 January 2019 was as follows:

	Increase/ (decrease) *RMB'000*
Assets	
Increase in right-of-use assets	2,416,324
Decrease in property, plant and equipment	(452,659)
Decrease in lease prepayments	(1,427,551)
Decrease in prepayments and other current assets	(19,209)
Decrease in other non-current assets	(130,219)
Increase in total assets	386,686
Liabilities	
Increase in the non-current portion of lease liabilities	627,788
Increase in the current portion of lease liabilities (recorded in other payables and accruals)	75,367
Decrease in obligations under finance leases	(316,469)
Increase in total liabilities	386,686

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	RMB'000
Operating lease commitments as at 31 December 2018	443,479
Less:	
Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	1,393
Add:	
Commitments relating to leases previously classified as finance leases as at 31 December 2018	375,829
Lease commitments as at 1 January 2019 under IFRS 16	817,915
Weighted average incremental borrowing rate as at 1 January 2019	4.86%
Lease liabilities as at 1 January 2019	703,155

(b) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "**uncertain tax positions**"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group's tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any significant impact on the financial position or performance of the Group.

(c) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with IFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(d) Amendments under *Annual Improvements to IFRSs 2015–2017 Cycle*

IAS 23 *Borrowing Costs*: Clarifies that an entity treats as part of general borrowings any specific borrowing originally made to develop a qualifying asset, and that is still outstanding, when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The amendments did not have any impact on the financial position or performance of the Group.

4. SEGMENT REPORTING

The Group manages its businesses by divisions, which are based on their products and services. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable operating segments:

– Wind power: this segment constructs, manages and operates wind power plants and generates electric power for sale to power grid companies.

– Solar power: this segment constructs, manages and operates solar power plants and generates electric power for sale to power grid companies.

– Hydropower: this segment constructs, manages and operates hydropower plants and generates electric power for sale to power grid companies.

– Coal-fired power: this segment constructs, manages and operates coal-fired power plants and generates electric power for sale to power grid companies.

– Natural gas-fired power: this segment constructs, manages and operates natural gas-fired power plants and generates electric power for sale to power grid companies.

– Other business: this segment mainly manages and operates other clean energy power and heat plants and generates electric power for sale to power grid companies or heat for sale to the customers. This segment also operates the coal trading business.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

- Segment assets do not include interests in associates and joint ventures, equity investments at fair value through other comprehensive income, tax recoverable, deferred tax assets or unallocated head office and corporate assets. Segment liabilities do not include tax payable, deferred tax liabilities or unallocated head office and corporate liabilities.

- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses do not include service concession construction revenue and cost, unallocated head office and corporate revenue and expenses, share of profits less losses of associates and joint ventures, a gain on disposal of equity investments or net finance expenses.

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below:

For the year ended 31 December 2019

	Wind power *RMB'000*	Solar power *RMB'000*	Hydropower *RMB'000*	Coal-fired power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Revenue from external customers							
– Sale of electricity	6,888,947	1,350,690	2,678,184	5,643,750	1,977,114	94,089	18,632,774
– Sale of steam	315	–	–	301,692	329,400	59,322	690,729
– Others	12,385	10,895	25,768	77,300	7,002	6	133,356
Inter-segment revenue	5,796	–	5,366	–	3,509	–	14,671
	6,907,443	1,361,585	2,709,318	6,022,742	2,317,025	153,417	19,471,530
Reconciliation							
Inter-segment revenue	(5,796)	–	(5,366)	–	(3,509)	–	(14,671)
Reportable segment revenue	6,901,647	1,361,585	2,703,952	6,022,742	2,313,516	153,417	19,456,859
Reportable segment profit (operating profit)	3,101,738	718,249	1,119,612	757,177	75,150	(165,720)	5,606,206

	Wind power *RMB'000*	Solar power *RMB'000*	Hydropower *RMB'000*	Coal-fired power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Depreciation and amortisation	(2,725,532)	(467,190)	(520,522)	(731,189)	(260,021)	(26,461)	(4,730,915)
Interest income	13,014	1,996	5,659	3,471	1,665	381	26,186
Interest expenses	(1,593,241)	(282,344)	(82,977)	(229,899)	(130,480)	(22,809)	(2,341,750)
Impairment losses of property, plant and equipment	(188,647)	(14,143)	(18,939)	(19,564)	(76,869)	(151,005)	(469,167)
Impairment losses of trade receivables, other receivables and prepayments	(12,948)	(279)	(6,710)	(3,631)	(53)	–	(23,621)
Write-down of inventories to net realisable value	(6,479)	–	–	–	–	(27)	(6,506)
Addition to non-current segment assets during the year	3,859,622	344,868	844,023	875,293	1,721,743	64,893	7,710,442
As at 31 December 2019							
Reportable segment assets	56,598,391	9,638,034	12,162,259	14,975,599	8,069,147	502,376	101,945,806
Reportable segment liabilities	41,738,127	6,199,564	4,036,088	10,684,169	6,417,077	560,340	69,635,365

For the year ended 31 December 2018

	Wind power *RMB'000*	Solar power *RMB'000*	Hydropower *RMB'000*	Coal-fired power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Revenue from external customers							
– Sale of electricity	7,060,716	1,219,018	1,640,302	5,721,295	1,596,616	107,097	17,345,044
– Sale of steam	516	–	–	290,411	349,538	53,026	693,491
– Others	22,171	13,052	53,054	104,301	17,396	303	210,277
Inter-segment revenue	3,681	–	10,491	–	3,962	–	18,134
	7,087,084	1,232,070	1,703,847	6,116,007	1,967,512	160,426	18,266,946
Reconciliation							
Inter-segment revenue	(3,681)	–	(10,491)	–	(3,962)	–	(18,134)
Reportable segment revenue	7,083,403	1,232,070	1,693,356	6,116,007	1,963,550	160,426	18,248,812
Reportable segment profit (operating profit)	3,639,648	638,354	447,969	166,206	112,351	278	5,004,806

	Wind power RMB'000	Solar power RMB'000	Hydropower RMB'000	Coal-fired power RMB'000	Natural gas-fired power RMB'000	Other business RMB'000	Total RMB'000
Depreciation and amortisation	(2,670,585)	(432,216)	(478,744)	(729,839)	(228,596)	(25,885)	(4,565,865)
Interest income	19,445	6,413	3,185	5,081	1,455	844	36,423
Interest expenses	(1,768,411)	(297,978)	(92,828)	(337,521)	(122,585)	(13,812)	(2,633,135)
Impairment losses of property, plant and equipment	–	(1,143)	(1,132)	–	(2,071)	–	(4,346)
Impairment losses of trade receivables, other receivables and prepayments	1,042	(278)	(7)	(5,343)	–	(82)	(4,668)
Addition to non-current segment assets during the year	1,166,053	134,814	881,385	831,252	1,370,103	49,713	4,433,320
As at 31 December 2018							
Reportable segment assets	57,178,408	9,088,665	11,051,848	15,267,616	6,980,148	770,205	100,336,890
Reportable segment liabilities	43,872,295	6,567,507	3,934,684	11,742,077	5,525,162	468,800	72,110,525

(b) Reconciliations of reportable segment revenue, profit, assets and liabilities

	2019	2018
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**19,456,859**	18,248,812
Service concession construction revenue	**317,841**	80,393
Unallocated head office and corporate revenue	**1,211**	502
Consolidated revenue	**19,775,911**	18,329,707
Profit		
Reportable segment profit	**5,606,206**	5,004,806
Unallocated head office and corporate revenue	**1,211**	502
Unallocated head office and corporate expenses	**(550,216)**	(196,242)
Share of profits less losses of associates and joint ventures	**800,551**	939,700
Net finance expenses	**(2,623,980)**	(2,990,981)
Consolidated profit before taxation	**3,233,772**	2,757,785

	31 December 2019 *RMB'000*	31 December 2018 *RMB'000*
Assets		
Reportable segment assets	**101,945,806**	100,336,890
Inter-segment receivables	**(8,305,097)**	(10,416,255)
	93,640,709	89,920,635
Interests in associates and joint ventures	**10,066,458**	8,984,570
Other non-current assets – equity investments at fair value through other comprehensive income	**677,664**	1,087,775
Deferred tax assets	**362,511**	369,046
Tax recoverable	**1,176**	16,309
Unallocated head office and corporate assets	**7,462,125**	7,925,240
Consolidated total assets	**112,210,643**	108,303,575
Liabilities		
Reportable segment liabilities	**69,635,365**	72,110,525
Inter-segment payables	**(8,305,097)**	(10,416,255)
	61,330,268	61,694,270
Tax payable	**155,450**	77,413
Deferred tax liabilities	**977,610**	1,007,989
Unallocated head office and corporate liabilities	**11,395,975**	12,421,996
Consolidated total liabilities	**73,859,303**	75,201,668

(c) Geographical information

As the Group does not have material operations outside the PRC, no geographic segment information is presented.

(d) Major customers

Revenue from the sales of electricity to the PRC government controlled power grid companies amounted to RMB18,619,223,000 for the year ended 31 December 2019 (2018: RMB17,344,274,000).

5. REVENUE

An analysis of revenue is as follows:

	2019	2018
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of electricity	**18,632,774**	17,345,044
Service concession construction revenue *(note (i))*	**317,841**	80,393
Sale of steam	**690,729**	693,491
Others	**115,911**	199,695
	19,757,255	18,318,623
Revenue from other sources		
Rental income from operating leases, fixed lease payments	**18,656**	11,084
Total	**19,775,911**	18,329,707

Note:

(i) The Group has entered into several service concession agreements with the local government (the "**Grantor**") to construct and operate wind power plants during the concession period. The Group is responsible for the construction and maintenance of the wind power plants during the concession period. At the end of the concession period, the Group needs to either dismantle the wind power plants or transfer the ownership of the plants at the request of the Grantor. Service concession construction revenue recorded during the year represents the revenue recognised during the construction stage of the service concession period. The same amount of cost is recorded since substantially all construction activities are sub-constructed.

The Group has recognised intangible assets related to the service concession arrangement representing the right the Group receives to charge a fee for the sale of electricity during the concession period. The Group has not recognised service concession receivables as the Grantor will not provide the Group any guaranteed minimum payment for the operating period of the wind power plants.

(i) Disaggregated revenue information

Revenue from contracts with customers for the year ended 31 December 2019

	Wind power RMB'000	Solar power RMB'000	Hydropower RMB'000	Coal-fired power RMB'000	Natural gas-fired power RMB'000	Other business RMB'000	Unallocated head office RMB'000	Total RMB'000
Types of goods and services								
Sale of electricity	6,888,947	1,350,690	2,678,184	5,643,750	1,977,114	94,089	–	18,632,774
Service concession construction revenue	317,841	–	–	–	–	–	–	317,841
Sale of steam	315	–	–	301,692	329,400	59,322	–	690,729
Others	3,095	10,895	19,248	74,726	6,736	–	1,211	115,911
Total	7,210,198	1,361,585	2,697,432	6,020,168	2,313,250	153,411	1,211	19,757,255
Geographical markets								
Mainland China	7,160,459	1,361,585	2,697,432	6,020,168	2,313,250	153,411	1,211	19,707,516
Spain	49,739	–	–	–	–	–	–	49,739
Total	7,210,198	1,361,585	2,697,432	6,020,168	2,313,250	153,411	1,211	19,757,255
Timing of revenue recognition								
Goods transferred at a point in time	6,891,616	1,350,988	2,678,184	6,013,028	2,311,603	153,411	182	19,399,012
Services transferred over time	318,582	10,597	19,248	7,140	1,647	–	1,029	358,243
Total	7,210,198	1,361,585	2,697,432	6,020,168	2,313,250	153,411	1,211	19,757,255

Revenue from contracts with customers for the year ended 31 December 2018

	Wind power *RMB'000*	Solar power *RMB'000*	Hydropower *RMB'000*	Coal-fired power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Unallocated head office *RMB'000*	Total *RMB'000*
Types of goods and services								
Sale of electricity	7,060,716	1,219,018	1,640,302	5,721,295	1,596,616	107,097	–	17,345,044
Service concession construction revenue	80,393	–	–	–	–	–	–	80,393
Sale of steam	516	–	–	290,411	349,538	53,026	–	693,491
Others	17,459	13,052	48,072	102,911	17,396	303	502	199,695
Total	7,159,084	1,232,070	1,688,374	6,114,617	1,963,550	160,426	502	18,318,623
Geographical markets								
Mainland China	7,107,558	1,232,070	1,688,374	6,114,617	1,963,550	160,426	502	18,267,097
Spain	51,526	–	–	–	–	–	–	51,526
Total	7,159,084	1,232,070	1,688,374	6,114,617	1,963,550	160,426	502	18,318,623
Timing of revenue recognition								
Goods transferred at a point in time	7,072,177	1,219,339	1,622,317	6,088,462	1,952,584	160,426	502	18,115,807
Services transferred over time	86,907	12,731	66,057	26,155	10,966	–	–	202,816
Total	7,159,084	1,232,070	1,688,374	6,114,617	1,963,550	160,426	502	18,318,623

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2019

	Wind power *RMB'000*	Solar power *RMB'000*	Hydropower *RMB'000*	Coal-fired power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Unallocated head office *RMB'000*	Total *RMB'000*
Revenue from contracts with customers								
External customers	**7,210,198**	**1,361,585**	**2,697,432**	**6,020,168**	**2,313,250**	**153,411**	**1,211**	**19,757,255**
Intersegment sales	**5,796**	**–**	**5,366**	**–**	**3,509**	**–**	**13,744**	**28,415**
Intersegment adjustments and eliminations	**(5,796)**	**–**	**(5,366)**	**–**	**(3,509)**	**–**	**(13,744)**	**(28,415)**
Total revenue from contracts with customers	**7,210,198**	**1,361,585**	**2,697,432**	**6,020,168**	**2,313,250**	**153,411**	**1,211**	**19,757,255**

For the year ended 31 December 2018

	Wind power *RMB'000*	Solar power *RMB'000*	Hydropower *RMB'000*	Coal-fired power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Unallocated head office *RMB'000*	Total *RMB'000*
Revenue from contracts with customers								
External customers	7,159,084	1,232,070	1,688,374	6,114,617	1,963,550	160,426	502	18,318,623
Intersegment sales	3,681	–	10,491	–	3,962	–	16,395	34,529
Intersegment adjustments and eliminations	(3,681)	–	(10,491)	–	(3,962)	–	(16,395)	(34,529)
Total revenue from contracts with customers	7,159,084	1,232,070	1,688,374	6,114,617	1,963,550	160,426	502	18,318,623

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:

	2019 ***RMB'000***	2018 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Types of goods and services – others	**31,668***	26,286*

* Contract liabilities as at 1 January 2019 amounted to RMB31,668,000 (1 January 2018: RMB26,286,000).

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of electricity and goods (including coal trading)

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 or delivery of the goods to the customers.

Service concession construction revenue

Revenue from the provision of construction services under a service concession construction contract is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Rendering of services

Revenue from the rendering of services is recognised over time by reference to the stage of completion of the transaction based on the progress of work performed.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2019	2018
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**511,649**	74,130
After one year	**246,783**	283,153
	758,432	357,283

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to service concession construction, of which the performance obligations are to be satisfied within two years. All the other amount of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

6. OTHER INCOME AND GAINS

	2019	2018
	RMB'000	*RMB'000*
Government grants *(note (i))*	**211,935**	213,497
Gain on disposal of property, plant and equipment	**91,197**	11,878
Loss on disposal of subsidiaries	**(24,429)**	–
Others	**44,902**	117,428
	323,605	342,803

Note:

(i) For the year ended 31 December 2019, government grants amounting to RMB211,935,000 (2018: RMB213,497,000) were recognised as income for the year necessary to compensate the costs and facilitate the Group's development. There are no unfulfilled conditions or contingencies attached to the grants.

7. FINANCE INCOME AND EXPENSES

	2019 *RMB'000*	2018 *RMB'000*
Interest income	**31,118**	30,889
Dividend income from equity investments at fair value through other comprehensive income	**42,434**	51,036
Finance income	**73,552**	81,925
Interest on bank loans and other borrowings	**3,004,291**	3,200,608
Finance charges on obligations under finance leases	**–**	11,275
Interest on lease liabilities	**29,459**	–
Less: Interest capitalised	**(357,815)**	(181,361)
	2,675,935	3,030,522
Bank charges and others	**19,404**	21,263
Net foreign exchange losses	**2,193**	21,121
Finance expenses	**2,697,532**	3,072,906
Net finance expenses recognised in profit or loss	**(2,623,980)**	(2,990,981)

The borrowing costs have been capitalised at rates of 3.92% to 4.90% per annum for the year ended 31 December 2019 (2018: 3.92% to 4.90%).

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Personnel costs

	2019	2018
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**1,610,501**	1,426,471
Contributions to defined contribution retirement plans	**220,544**	172,967
	1,831,045	1,599,438

(b) Other items

	2019	2018
	RMB'000	*RMB'000*
Amortisation		
– lease prepayments *(note (i))*	**–**	35,433
– intangible assets	**57,182**	44,336
Depreciation		
– property, plant and equipment *(note (i))*	**4,563,382**	4,490,549
– right-of-use assets	**160,774**	–

	2019	2018
	RMB'000	*RMB'000*
Impairment loss provision		
– property, plant and equipment	**483,679**	4,346
– prepayments and other current assets	**90,134**	1,194
– trade receivables	**1,825**	3,474
– other non-current assets	**28,731**	–
Write-down of inventories to net realisable value		
– inventories	**6,506**	–
Auditors' remuneration		
– audit services	**11,355**	10,444
– other services	**3,448**	2,580
Operating lease charges		
– machinery	**6,559**	1,372
– properties	**5,271**	63,729
Cost of inventory	**5,441,658**	6,077,620

Note:

(i) Upon the adoption of IFRS 16, depreciation of finance lease assets was reclassified from "depreciation – property, plant and equipment" to "depreciation – right-of-use assets", and amortisation of lease prepayments was reclassified from "amortisation – lease prepayments" to "depreciation – right-of-use assets".

9. INCOME TAX

(a) Taxation in profit or loss represents:

	2019 *RMB'000*	2018 *RMB'000*
Current tax		
Provision for the year	**540,733**	254,938
(Overprovision)/underprovision in respect of prior years	**(11,886)**	3,695
	528,847	258,633
Deferred tax		
Origination and reversal of temporary differences	**13,429**	26,436
Total income tax expense	**542,276**	285,069

The current tax provision mainly included the PRC Corporate Income Tax which was made by the Company and its subsidiaries located in the PRC. It is calculated based on a statutory rate of 25% of the assessable profit, except for certain subsidiaries of the Company which were tax-exempted or taxed at preferential rates, as determined in accordance with the relevant PRC income tax rules and regulations for the years ended 31 December 2019 and 2018.

The Company's subsidiary in Hong Kong is subject to income tax at a rate of 16.5% (2018: 16.5%). The Company's subsidiary in Spain is subject to income tax at a rate of 25% (2018: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

(b) A reconciliation between tax expense applicable to accounting profit before taxation at the applicable tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2019	2018
	RMB'000	*RMB'000*
Profit before taxation	**3,233,772**	2,757,785
Applicable tax rate	**25%**	25%
Notional tax on profit before taxation	**808,443**	689,446
Tax effect of non-deductible expenses	**6,248**	1,206
Tax effect of non-taxable income	**(210,746)**	(247,684)
Tax effect of PRC tax concessions *(note (i))*	**(209,393)**	(418,780)
Tax effect of unused tax losses not recognised	**247,822**	266,233
Tax losses utilised from previous periods	**(88,212)**	(9,047)
(Overprovision)/underprovision in respect of prior years	**(11,886)**	3,695
Actual tax expenses	**542,276**	285,069

Note:

(i) Pursuant to CaiShui [2011] No.58, the Company's subsidiaries established in the Western Region of the PRC are entitled to the preferential income tax rate of 15% from 2011 to 2020.

Under the relevant tax regulations, certain subsidiaries of the Company, being enterprises engaged in public infrastructure projects, are entitled to tax holidays of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective years in which their first operating income was derived.

10. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB1,887,424,000 (2018: RMB1,993,237,000) and the weighted average of 8,407,962,000 ordinary shares (2018: 8,407,962,000 ordinary shares) in issue during the year, calculated as follows:

	2019	2018
	RMB'000	*RMB'000*
Profit attributable to equity holders of the Company	**2,415,720**	2,268,468
Less: Profit attributable to the holders of perpetual medium-term notes	**(326,796)**	(130,236)
Profit attributable to the holders of renewable corporate bonds	**(201,500)**	(144,995)
Profit attributable to ordinary equity shareholders of the Company	**1,887,424**	1,993,237

There was no difference between the basic and diluted earnings per share as there were no dilutive potential shares outstanding for the current and prior years presented.

11. TRADE AND BILLS RECEIVABLES

	2019	2018
	RMB'000	*RMB'000*
Amounts due from third parties	**9,519,968**	5,960,434
Amount due from an associate	**8,406**	18,212
Amount due from a joint venture	**729**	–
Amounts due from fellow subsidiaries	**498**	4,360
Less: Allowance for doubtful accounts	**(14,427)**	(13,229)
	9,515,174	5,969,777

	2019	2018
	RMB'000	*RMB'000*
Analysed into:		
Trade receivables		
– at amortised cost	**1,807,317**	1,719,251
– at fair value through other comprehensive income	**7,455,787**	3,948,183
	9,263,104	5,667,434
Bills receivable, at fair value through other comprehensive income	**252,070**	302,343
	9,515,174	5,969,777

Ageing analysis

The ageing analysis of trade and bills receivables (net of loss allowance) of the Group, based on the invoice date, is as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 1 year	**9,467,469**	5,917,678
Between 1 and 2 years	**15,556**	18,278
Between 2 and 3 years	**961**	31,073
Over 3 years	**31,188**	2,748
	9,515,174	5,969,777

The Group's trade receivables are mainly electricity sales receivable from local grid companies for which there was no recent history of default. Generally, the debtors are due within 15 to 30 days from the date of invoice, except for the tariff premium of renewable energy relating to certain renewable energy projects, such as wind power projects and solar power projects. The collection of such tariff premium is subject to the allocation of funds by the relevant government authorities to local grid companies, which consequently takes a relatively long time for settlement.

12. TRADE AND BILLS PAYABLES

	2019	2018
	RMB'000	*RMB'000*
Trade payables to third parties	**947,396**	912,813
Bills payable to third parties	**25,444**	48,000
Trade payables to related parties	**411,300**	117,868
Bills payable to related parties	**65,000**	25,000
	1,449,140	1,103,681

The ageing analysis for the trade and bills payables, based on invoice dates, is as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 1 year	**967,806**	819,214
Between 1 and 2 years	**401,675**	235,471
Between 2 and 3 years	**50,875**	23,534
Over 3 years	**28,784**	25,462
	1,449,140	1,103,681

All of the trade and bills payables are expected to be settled within one year or are repayable on demand and are non-interest-bearing.

13. DIVIDENDS

(i) Dividends payable to equity shareholders attributable to the year

	2019	2018
	RMB'000	*RMB'000*
Final dividend proposed after the end of the reporting period of RMB0.0540 per share (2018: RMB0.0568 per share)	**454,030**	477,572

The Board resolved on 20 March 2020 that RMB0.0540 per share is to be distributed to the shareholders for 2019, subject to approval of the shareholders at the coming annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, declared during the year

	2019	2018
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the year of RMB0.0568 per share (2018: RMB0.0556 per share)	**477,572**	467,483