大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991

Innovative Progress, High Quality Development

2019 Annual Report

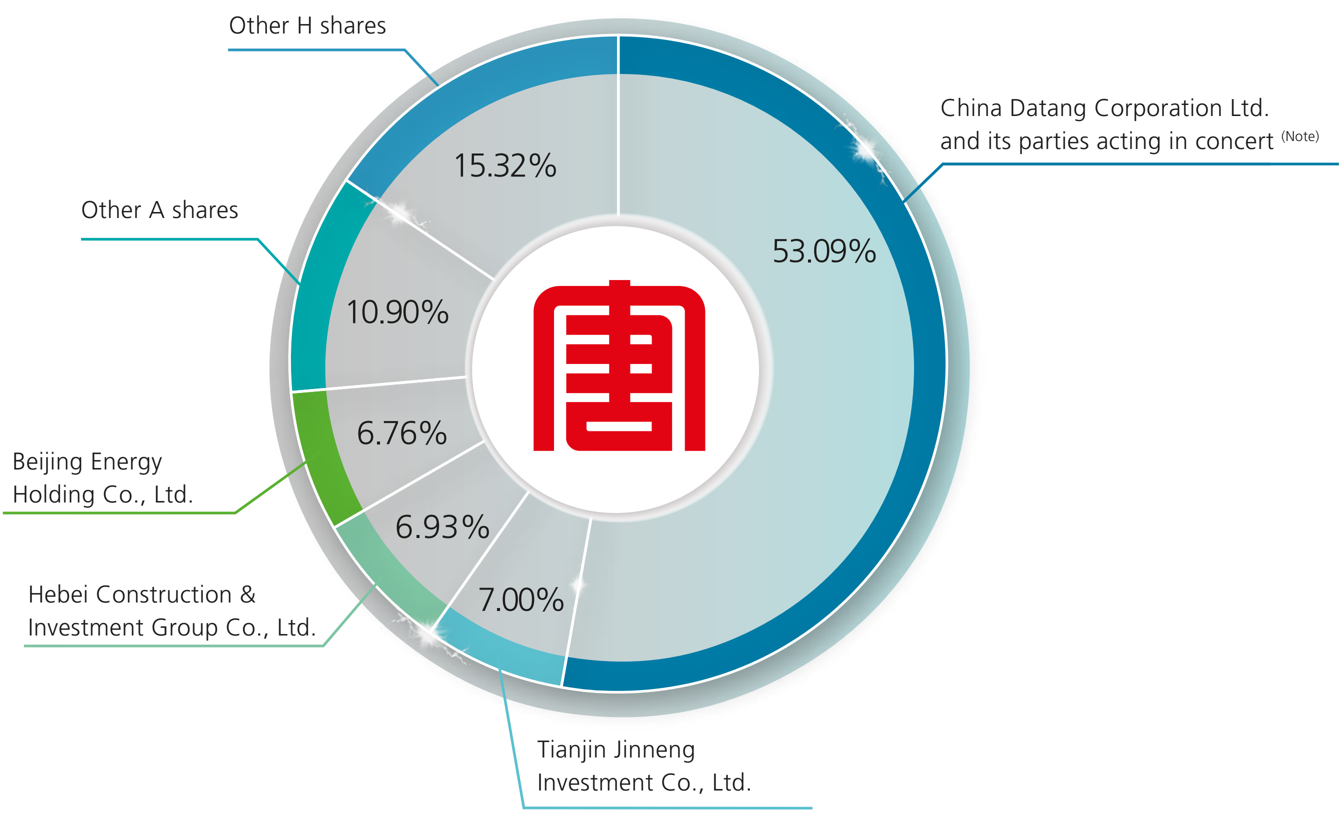
Contents

COMPANY PROFILE

Company overview:

Datang International Power Generation Co., Ltd. ("Datang Power" or the "Company") was registered with the State Administration for Industry and Commerce of the People's Republic of China (the "PRC") on 13 December 1994. Datang Power is one of the largest independent power generation companies in the PRC. As at 31 December 2019, the total consolidated assets of the Company and its subsidiaries amounted to approximately RMB282.415 billion. Total installed capacity under management of the Company amounted to approximately 64,422.60 MW, and the power generation businesses of the Company and its subsidiaries are mainly distributed across 19 provinces (including municipalities and autonomous regions) throughout the country.

EQUITY STRUCTURE AND SHAREHOLDING OF THE COMPANY



Note:

As of 31 December 2019, the total number of shares of the Company was 18,506,710,504 shares, China Datang Corporation Ltd. ("CDC") and its subsidiaries held a total of 9,825,068,940 shares of the Company, accounting for approximately 53.09% of the Company's total issued shares in aggregate, being the controlling shareholder of the Company, of which, CDC held 6,540,706,520 A shares of the Company, accounting for approximately 35.34% of the total share capital of the Company; China Datang Group Finance Company Limited, a wholly-owned subsidiary of CDC, held 8,738,600 A shares of the Company, accounting for approximately 0.05% of the total share capital of the Company; and China Datang Overseas (HK) Co., Limited, a wholly-owned subsidiary of CDC, held 3,275,623,820 H shares of the Company, accounting for approximately 17.70% of the total share capital of the Company.

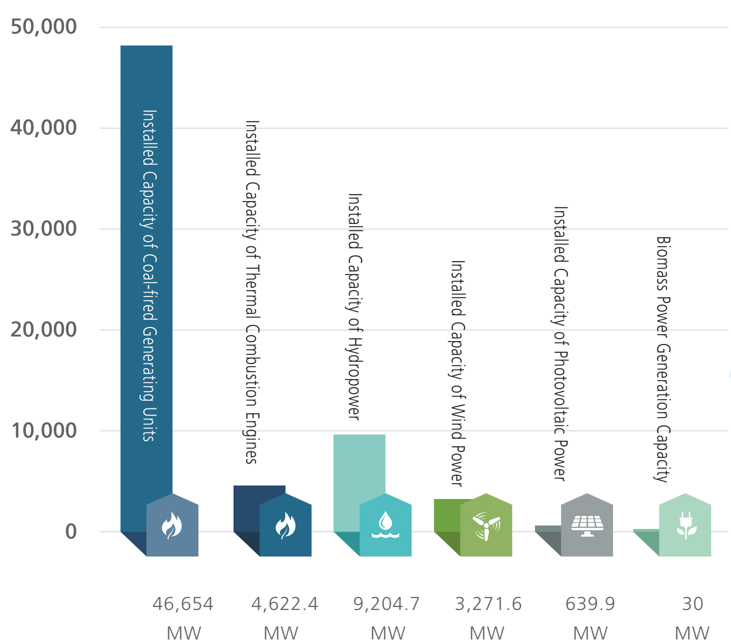
Facilitation of continuous structure optimisation

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

Commitment to continuous improvement of development quality

The Company adhered to the implementation of the new development concept, fully focusing on "wind, light, gas and service" projects, and accelerated the implementation of new energy and clean coal-fired power projects. In active response to the "Belt and Road" initiative, the Company set up overseas business department to start a new journey to tap into the overseas market.

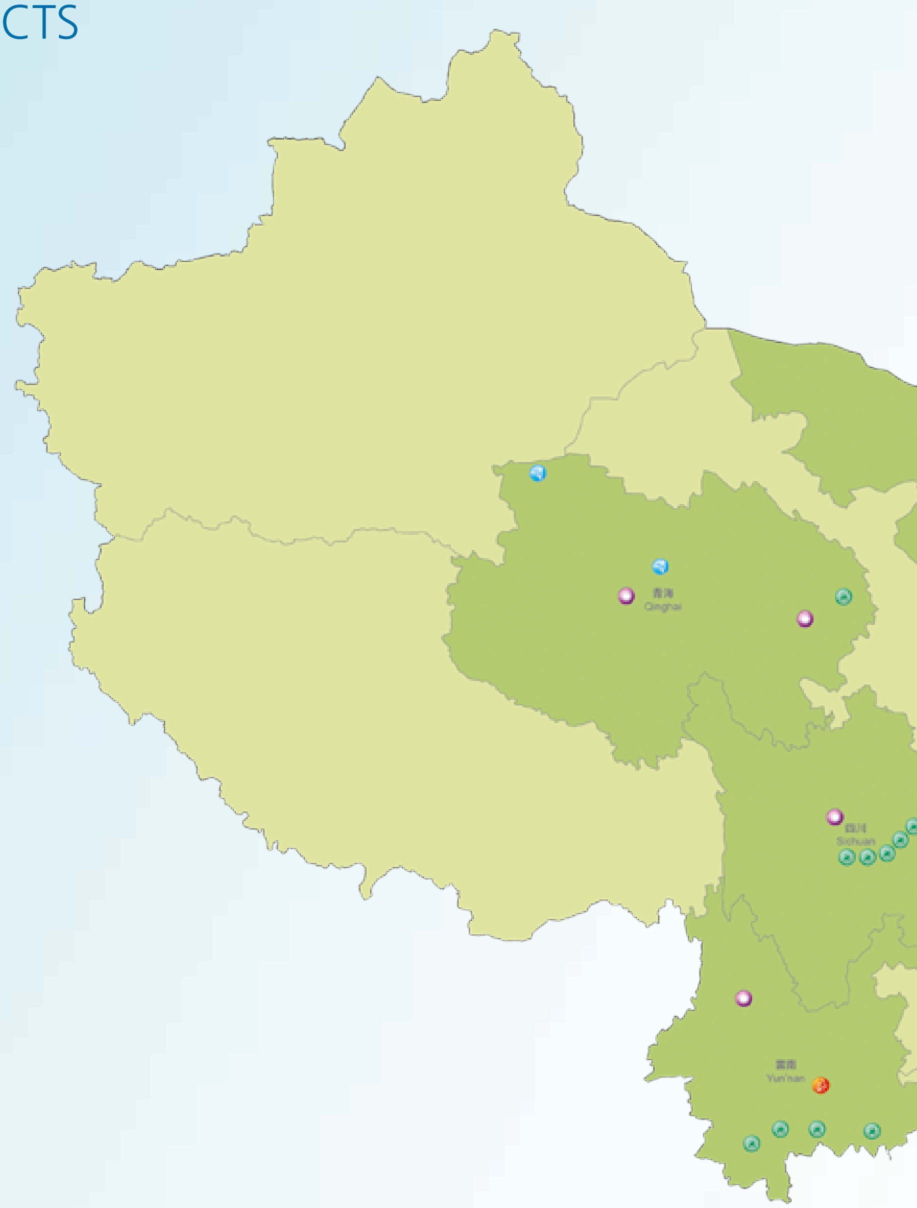
Installed capacity structure of the Company



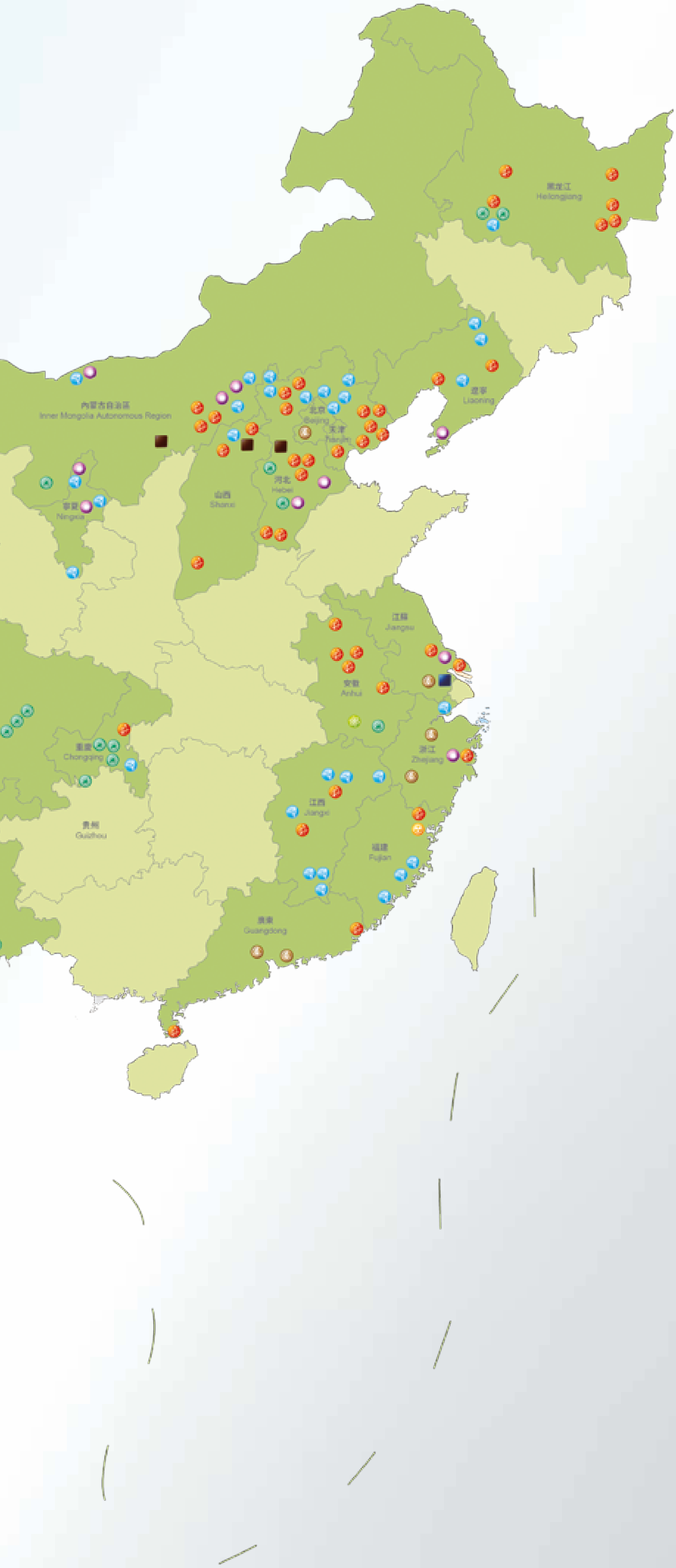
Managed an installed capacity of approximately 64,422.6 MW.

Completed power generation of approximately 265.290 billion kWh.

DISTRIBUTION OF PROJECTS



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


黑龙江
Heilongjiang
辽宁
Liaoning
内蒙古自治区
Inner Mongolia Autonomous Region
北京
Beijing
天津
Tianjin
河北
Hebei
山西
Shanxi
宁夏
Ningxia
江苏
Jiangsu
安徽
Anhui
浙江
Zhejiang
重庆
Chongqing
江西
Jiangxi
贵州
Guizhou
福建
Fujian
广东
Guangdong

FINANCIAL AND OPERATING HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts expressed in millions of RMB)

For the year ended 31 December	2015	2016	2017	2018	**2019**
Operating revenue	80,481	75,829	84,185	93,390	**95,453**
Profit before tax	13,383	10,832	2,858	4,166	**4,619**
Income tax (expense)/credit	(4,051)	237	(677)	(1,379)	**(1,721)**
Profit for the year attributable to:					
– Ordinary shares	7,581	4,954	1,495	1,232	**391**
– Other equity instruments	–	–	–	–	**595**
– Non-controlling interests	1,751	6,115	686	1,555	**1,911**

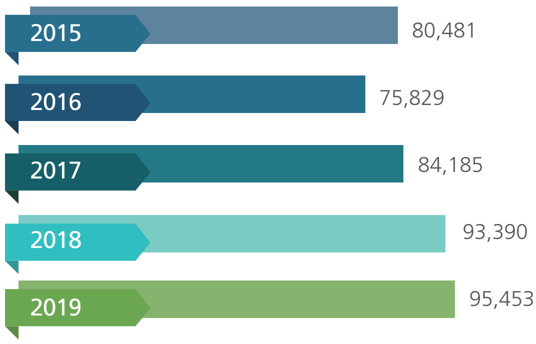
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in millions of RMB)

As at 31 December	2015	2016	2017	2018	**2019**
Total assets	351,527	276,263	279,123	288,250	**282,415**
Total liabilities	276,640	204,768	207,044	217,760	**200,386**
Non-controlling interests	20,075	20,540	19,832	20,015	**16,903**
Equity attributable to owners of the Company	54,812	50,955	52,247	45,475	**42,191**

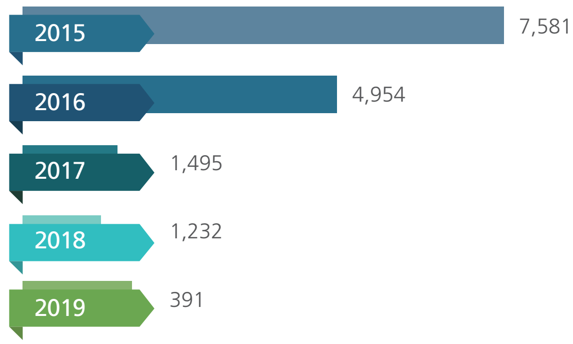
CONSOLIDATED OPERATING REVENUE

(RMB million)



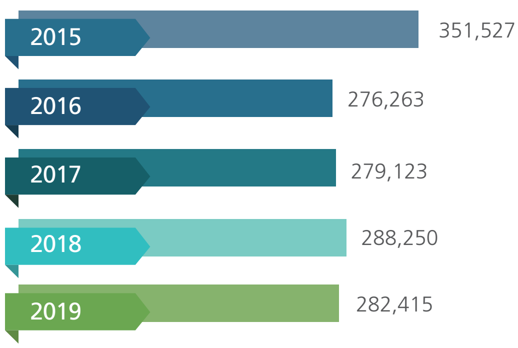
CONSOLIDATED PROFIT ATTRIBUTABLE TO ORDINARY SHARES

(RMB million)



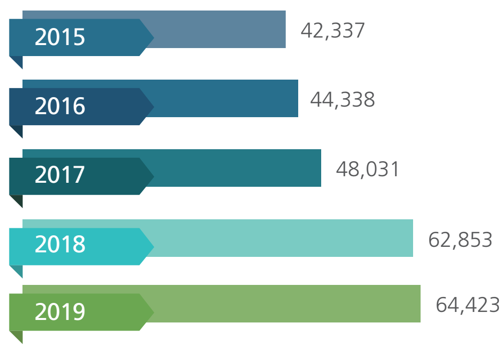
CONSOLIDATED ASSETS

(RMB million)



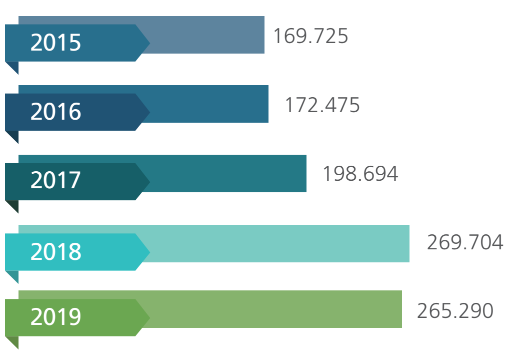
TOTAL INSTALLED CAPACITY

(MW)



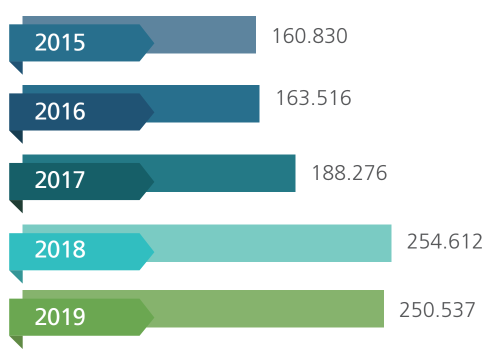
TOTAL POWER GENERATION

(billion kWh)



TOTAL ON-GRID POWER GENERATION

(billion kWh)



CHAIRMAN'S STATEMENT

The year 2019 marked an extraordinary year in the reform and development process of Datang Power. Under the scientific guidance of Xi Jinping's ideology of socialism with Chinese characteristics, we adhered to the new energy security strategy of "four revolutions and one cooperation" to achieve the general goal of "building a world-class energy company". Adhering to the general requirements of "Act with First-class Standard, be the World-class Energy Group", we proactively fulfilled our corporate mission, with an aim to develop into a implementer of national strategy, leader of industry development, provider of clean energy, creator of corporate value and protector of public interests.

We focused on the study and implementation of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era during the year. By organising education themed "staying true to our original aspiration, keeping our mission firmly in mind", we gave priority to political development and made every effort to implement the decisions and plans of the Central Committee of the Party and the State Council. We organised a variety of celebration events for the 70th anniversary of the founding of the PRC, celebrating the remarkable achievements China has made and demonstrating the commitment to braving a new era. We are determined to fulfill our responsibility and mission as a state-owned enterprise, and integrate our corporate development with national strategic arrangement. Focusing on the goal of "build a Datang Power featured with quality, efficiency, vitality, beauty and happiness", we spared no effort to open a new road for the high-quality development in the new era.

We continued to promote development with high quality during the year. We vigorously promoted the high-quality development of new energy by thoroughly implementing the new development concept, constantly strengthening strategic guidance, enhancing the implementation of development responsibility and focusing on "wind, light, gas and service" projects. We stepped up cooperation with strategic partners by enhancing the practical cooperation with all parties in various areas such as investment and development, equipment procurement and technology services. In active response to the "Belt and Road" initiative, we accelerated the implementation of our internationalisation. We implemented the relevant policies and measures for stabilizing growth launched by the central government to effectively cope with the slowdown in the growth rate of electricity consumption amidst economic downturn, and effectively pushed forward the governance of zombie enterprises and loss-making entities by strengthening benchmarking upgrade and broadening income sources and reducing expenditures, with the key techno-economic indicators exceeding our expectation.

We stepped up efforts to fulfill our responsibility as a state-owned enterprise during the year. We comprehensively strengthened management and control over major risks, and kept the overall risk related to debts, finance, investment, overseas business and other key areas under control. We made full efforts to push forward the poverty alleviation program, and provided support to the targeted poverty-stricken villages to lift themselves out of poverty. In addition, we made steady progress in pollution prevention and control and energy consumption reduction, with continuous improvement in energy consumption management and control. We placed great emphasis on the safety and stability of the Company, and fulfilled the tasks of power preservation for significant events such as the 70th anniversary of the founding of the PRC and the "Belt and Road" Summit. We continued to pay close attention and made response to the expectations of all stakeholders, in an effort to create a good development environment.

The year 2020 marks the last year for the goal of building a moderately well-off society and the "13th Five-Year" plan, and is also the year crucial for Datang Power to promote development with high quality. Currently, as the situation of pandemic prevention and control in China continues to improve, we witness accelerated recovery in the economic and social development. However, under a challenging and complex environment due to the rapid and wide spread of the pandemic in overseas countries, the economy is under greater downward pressure, and the energy enterprises are faced with greater challenges in development. We will adhere to our political orientation and established strategy, and continue to take the lead to overcome challenges ahead, in an effort to promote high quality development of Datang Power.

We will always bear the big picture in mind and serve the overall interests of the country. We will continue to take the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, firmly follow and serve the strategic plan for the great rejuvenation of the Chinese nation, and take up our historical mission and important task in the era to promote development of state-owned enterprises, strengthen, improve and grow state-owned capital as well as enhance the competitiveness, innovation strength, control, influence and risk resistance of the state-owned economy.

We will always adhere to the new development concept. We will endeavour to promote business operation and development while focusing on the pandemic prevention and control, and make coordinated efforts to promote quality development on all accounts. We will uphold the operation philosophy that innovative development is the key driving force for leading development, and facilitate coordinated development as the intrinsic requirement for healthy development, promote green development as the requisite condition for sustainable development, push forward open-up and development as the priority for internal and external collaborative development, and share economic development to implement the concept of promoting prosperity for the benefit of the people. By fully following the national strategy and fully leveraging on the Group's resources and listing brand, we will focus on "wind, light, gas and service" projects, promote propelled development in both domestic and overseas markets, adjust and optimise business structure, and improve our weakness in business development, so as to promote the high quality development of Datang Power.

We will always diligently fulfill our responsibility as a state-owned enterprise. An enterprise will stay competitive and vibrant only if it proactively fulfills its social responsibility. Datang Power will proactively fulfill its economic, political and social responsibility as a state-owned enterprise, endeavour to satisfy the expectations of various stakeholders, and integrate the social responsibility concept into its daily production and operation. We will thoroughly implement the poverty alleviation program initiated by the central government, and accomplish the targeted support tasks assigned by the central and local governments. In addition, we will adopt innovative approaches to fulfill our social responsibility, enhance information disclosure, make prompt response to concerns expressed by stakeholders, and promote corporate development in line with social environment, so as to win trust and support from all walks of the society.

There should be new missions and new responsibilities in the new course of a new era. We will continue to uphold Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, and work together with the society to embrace the opportunities and challenges ahead in an era featuring reform and development, so as to promote high quality development of Datang Power in the new era and make contributions to the goal of building a moderately well-off society.

Chen Feihu
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

In 2019, always adhering to the general requirements of "Act with First-class Standard, be the World-class Energy Group", the Company took proactive measures to seize every opportunity and cope with all challenges, continuously pushed forward comprehensive reform and accelerated the promotion of high-quality development, successfully accomplishing all objective tasks for the year.

(I) Overview

The Company is one of the largest independent power generation companies in the People's Republic of China (the "**PRC**"). The power generation businesses of the Company and its subsidiaries cover 19 provinces, municipalities and autonomous regions across the country, whereas coal-fired power generators of the Company are centralised in the Beijing-Tianjin-Hebei and southeast coastal regions. Most of the hydropower projects are located in the southwest region. Wind power and photovoltaic power projects are distributed across the country in areas with abundant resources.

In 2019, always adhering to the general requirements of "Act with First Class Standard, be the World Class Energy Group", the Company took proactive measures to seize every opportunity and cope with all challenges, continuously pushed forward comprehensive reform and accelerated the promotion of high-quality development, successfully accomplishing all objective tasks for the year.

(II) Review on the Operating Results of Principal Businesses

During the Year, the power generation of the Company accumulated to approximately 265.290 billion kWh, representing a year-on-year decrease of approximately 1.64%; the on-grid power generation of the Company accumulated to approximately 250.537 billion kWh, representing a year-on-year decrease of approximately 1.60%.

As of 31 December 2019, the total consolidated assets of the Company amounted to approximately RMB282,415 million, representing a year-on-year decrease of RMB5,835 million; the total consolidated liabilities of the Company amounted to approximately RMB200,386 million, representing a year-on-year decrease of RMB17,374 million.

1. Maintaining the stability of production safety. The Company fulfilled the tasks of power preservation, stable power supply, air quality preservation and heating supply for people's livelihood for significant events such as the 70th anniversary of the founding of the PRC and the "Belt and Road" Summit by continuously optimising its safety management system and paying close attention to safety and stability of the Company. Through carrying out the 100-day Tackling Special Action Plan, we strengthened overall safety risk prevention and control for key areas. Efforts were made to enhance comprehensive management of equipment and facilities, achieving continuous optimisation in the operation condition and energy consumption of the generating units as well as the operation of the environmental protection facilities.

2. Continuous improvement in management and control capability. The Company took the initiative to respond to changes in the markets of electricity and coal, strengthened its benchmarking upgrade, and made great effort to maintain stable coal supply and price, aiming to benchmark against best practices in terms of unit price of standard coal. The Company continued to broaden income source and reduce expenditures, and adopted more scientific and effective cost control measures, resulting in constant decrease in all operation costs. The Company effectively pushed forward the governance of zombie enterprises and loss-making entities, accomplishing its basic governance task as scheduled and achieving overall improvement in asset quality.

3. Achieving breakthroughs in high-quality development. The Company adhered to the implementation of the new development concept, and accelerated and upgraded the development of new energy by strengthening strategic guidance and fully focusing on "wind, light, gas and service" projects. During the year, new energy projects with a capacity of 1,077.8MW were implemented, among which projects with a capacity of 620.5MW have commenced operation. The Company accelerated the implementation of clean and efficient

coal-fired power projects, with Leizhou No.1 Generator, Weixian No.2 Generator and Beijiao No.1 Generator being put into operation. In active response to the "Belt and Road" initiative, the Company set up overseas business department to accelerate the implementation of its internationalisation strategy and comprehensively start a new journey to tap into the overseas market. During the reporting period, power generation projects of the Company with a total capacity of 1,569.1MW were approved, including coal power projects with a capacity of 350MW, wind power projects with a capacity of 801.1MW and photovoltaic projects with a capacity of 418MW.

4. Continuous optimisation in energy conservation and emission reduction. During the reporting period, coal consumption of the Company for power supply accumulated to 296.23g/kWh, representing a decrease of 3.48g/kWh as compared to 2018. The combined electricity consumption rate of power plants of the Company was 5.61%. In 2019, the accumulated emission performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.07g/kWh, 0.13g/kWh, 0.01g/kWh and 23.69g/kWh respectively, representing a decrease of 0.04g/kWh, 0.03g/kWh, 0.015g/kWh and 11.31g/kWh as compared to those recorded in 2018, respectively. The Company completed ultra-low emission transformation projects on 107 coal-fired power generating units with capacity of 46,854MW in total.

(III) Major Financial Indicators and Analysis

1. Operating Revenue

During the Year, the Company realized a consolidated operating revenue of approximately RMB95,453 million, representing an increase of approximately 2.21% compared with the Previous Year, which was mainly attributable to the year-on-year increase of 1.14% in revenue from power generation segment.

2. Operating Costs

During the Year, total operating costs of the Company amounted to approximately RMB85,914 million, representing an increase of approximately RMB1,893 million or approximately 2.25% compared with the Previous Year, which was mainly attributable to provision for fixed-asset impairment of RMB1,293 million for the shutdown of alumina workshop of Inner Mongolia Datang International Renewable Energy Resource Development Company Limited and the year-on-year increase in operating costs due to the impact of the newly commissioned generating units.

3. Net Finance Costs

During the Year, finance costs of the Company amounted to approximately RMB7,215 million, representing a decrease of approximately RMB432 million or approximately 5.65% over the Previous Year. The decrease was primarily due to the narrowing of the scale of financing resulting in the reduced interest expense.

4. Total Profit

During the Year, the Company reported a total profit before tax from continuing operations amounting to approximately RMB4,619 million, representing a year-on-year increase of approximately 10.87% compared with the Previous Year. Net profit attributable to holders of equity instruments of the Company amounted to approximately RMB986 million, while net profit attributable to holders of equity instruments of the Company for the year of 2018 amounted to approximately RMB1,232 million.

Power generation segment of the Company realized a total profit before tax from continuing operations of approximately RMB5,262 million, representing a year-on-year increase of approximately RMB803 million.

5. Financial Position

As of 31 December 2019, total assets of the Company amounted to approximately RMB282,415 million, representing a decrease of approximately RMB5,835 million over the Previous Year. The decrease in total assets was mainly due to the impact of principal repayment of borrowings and the depreciation of fixed assets.

Total liabilities of the Company amounted to approximately RMB200,386 million, representing a decrease of approximately RMB17,374 million compared with the Previous Year. The decrease in total liabilities was mainly due to the impact of principal repayment of borrowings.

Net profit attributable to holders of equity instruments of the Company amounted to approximately RMB986 million, representing a decrease of approximately RMB246 million compared with the Previous Year. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB2.28, representing a decrease of approximately RMB0.45 per share compared with the Previous Year.

6. Liquidity

As at 31 December 2019, the assets-to-liabilities ratio of the Company was approximately 70.95%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 182.83%.

As at 31 December 2019, cash and cash equivalents of the Company amounted to approximately RMB8,136 million, among which deposits that were equivalent to approximately RMB94 million were foreign currency deposits. The Company had no entrusted deposits and overdue fixed deposits during the Year.

As at 31 December 2019, short-term loans of the Company amounted to approximately RMB34,855 million, bearing annual interest rates ranging from 3.05% to 7%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB99,491 million and long-term loans repayable within one year amounted to approximately RMB14,331 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.20% to 6.8%. The Company paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

7. Welfare Policy

As at 31 December 2019, the staff of the Company totaled 32,976. The Company has adopted the basic salary system on the basis of position-points salary distribution, and implemented a variety of incentive mechanisms so as to attract and retain talents. By leveraging on implementing policies such as providing allowance for employees who work in remote and underdeveloped areas, plateau regions, high-temperature conditions, as well as allowance for team leaders, the Company persisted in distributing total salaries in favour of enterprises in underdeveloped, remote areas and plateau regions with good performance and high efficiency, while it also adhered to the value orientation in distribution of internal income in favour of employees in front-line production and key positions. By establishing and enhancing the performance assessment and appraisal system for employees, the Company strives to strengthen the performance-based salary system by fully utilising remuneration as incentives.

(IV) Outlook for 2020

In 2020, the Company will thoroughly implement its new development concept with determination. Focusing on its goal to promote high-quality development, the Company will accelerate the development of new energy, speed up the process of "Going Global" and expedite quality upgrade of existing assets, with an aim to achieve major breakthrough in exploration of new energy and new breakthrough in overseas business, so as to ensure the fulfillment of the "13th Five-Year Plan" and develop itself into an outstanding listed company.

1. Striving to ensure safety. Upholding the people-oriented principle and the deep-rooted concept of "macro-safety", the Company will reinforce accountability towards safe production at all levels to ensure production safety. Adhering to "systematic management and revealing ins and outs by style (制度管總、作風兜底)", the Company will always maintain an intensive safety production by focusing on the improvement and execution of safety management mechanism and system and strengthening overall safety management of production sites. In addition, the Company will continue to improve production quality, increase efforts in facility management, enhance technical supervision and promote quality of repair and maintenance and technological transformation, so as to fully improve the level of safety and reliability of generating units.

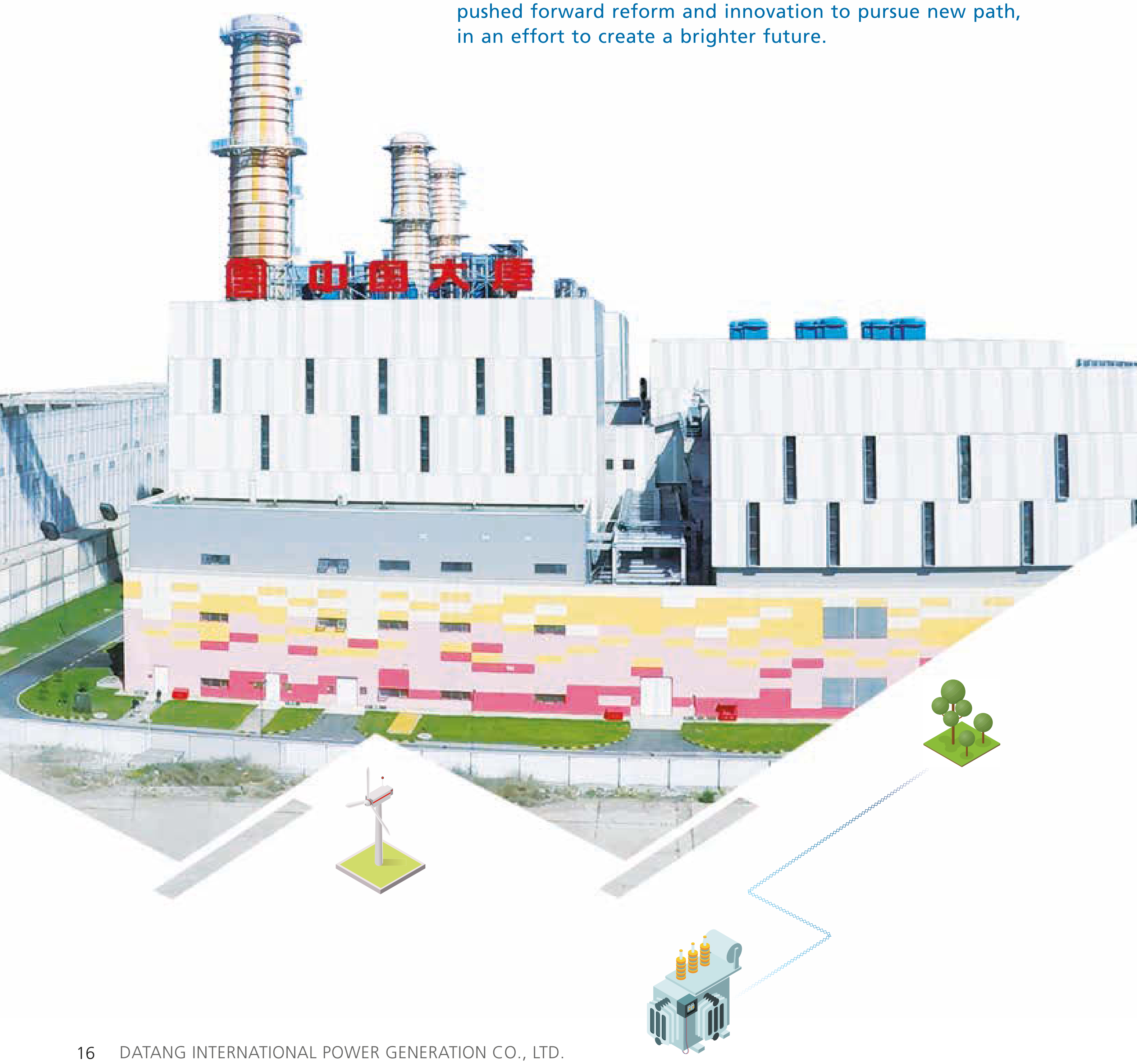
2. Making efforts to improve profitability. The Company will coordinate and plan overall production and operation, and strengthen and optimise its power marketing system so as to improve its comprehensive competitiveness in the electricity market. The Company will step up efforts in the development of fuel supply chain and market research and judgement work, so as to timely adjust inventory procurement and fully improve fuel management. The Company will carry out benchmarking for key indicators, explore new equity financing approaches and conduct in-depth study on preferential policies, with an aim to enhance cost control and strive for policy support.

3. Dedicated to promoting business development. The Company will accelerate the development of construction of new energy by focusing on key regions and seizing strategic opportunities. The Company will adopt an active and prudent approach to develop clean and effective coal-fired power, thermal power and thermal power grid projects with regard to local conditions. In addition, the Company will make strenuous efforts to expand its overseas business, strive to make breakthrough in the development of overseas business and actively explore overseas business modes, so as to expand its existing business.

4. Improving governance through compliance with laws and regulations. The Company will continue to enhance the compliance awareness of all employees and strengthen its internal control, so as to improve corporate governance capability. Furthermore, the Company will further improve its compliance system, strengthen its compliance with laws, and prevent and defuse legal risks in advance, with an aim to improve its corporate governance in accordance with laws and regulations. Continuing to leverage on the platform function of the capital market, it will improve the deployment of resources, assets, capital and funds, maximise the energy of listed companies, increase market value and enhance market image.

FULFILLMENT OF SOCIAL RESPONSIBILITIES

2019 marked an extraordinary year in the reform and development of Datang Power. Under the scientific guidance of Xi Jinping's ideology of socialism with Chinese characteristics in the new era, we thoroughly implemented the new development concept, enhanced strategic guidance, comprehensively promoted high-quality development, and pushed forward reform and innovation to pursue new path, in an effort to create a brighter future.



I. Our responsibility

2019 marked an extraordinary year in the reform and development of Datang Power. Under the scientific guidance of Xi Jinping's ideology of socialism with Chinese characteristics in the new era, we thoroughly implemented the new energy security strategy of "four revolutions and one cooperation (四個革命、一個合作)", adhered to the main goal of "building a world-class energy company" and fulfilled our corporate mission, achieving improvement in our efficiency and making steady progress in promoting high-quality development.

Insisting on quality development to lay a solid foundation for business growth.

Promotion of high-quality development is essential in addressing changes in the principal social contradictions in China and achieving the goal of building a moderately prosperous society in an all-round way. Upholding the principle of "taking quality as the top mission and keeping efficiency as the priority", Datang Power constantly optimised its power generation structure, improved asset quality and gradually expanded into overseas energy market, with an aim to achieve development with better quality, optimised structure and higher efficiency. In 2019, the Company recorded the total installed capacity of 64,423 MW.

Promoting happiness to create a harmonious society.

People's hope for a better life is what we are striving for. Upholding the developmental concept of taking people as our top priority and always remaining true to its original aspiration and mission, Datang Power cared for its employees and improved the well-being of its employees, in a hope to contribute to the development of society and develop a better life for the people. Datang Power carried out 44 poverty alleviation projects, with a donation of RMB24.437 million to all poverty alleviation targets, and helped 820 families and 1,761 people that were on the records of the poor households.

Pursuing beauty vision to build a green China.

A healthy ecosystem can provide enormous economic value and create recurring general benefits, supporting the economic and social sustainability development. Datang Power promoted green development by persistently strengthening its environmental management, carrying out carbon management and implementing technology improvement to achieve ultra-low emission, in an effort to create a harmonious relationship between enterprises and nature. In 2019, all thermal power enterprises under the Company inspected their working requirements according to the national standards on carbon emission.

Enhancing operation efficiency to create greater value.

Promoting efficiency reform is key to the achievement of high-quality development of the Company. Always bearing in mind the concept of safe development, Datang Power stepped up efforts to promote transformation and upgrading of energy production and consumption, and continued to optimise its compliant operation, facilitating stable improvement in the overall operation efficiency of the Company. In 2019, the Company's 6 generating units won the title of "National Reliable Power Generation Units – Gold Medal (A-class)".

Nurturing vitality to stimulate innovative growth momentum.

Technology innovation is an important measure to create growth momentum for an enterprise. Datang Power placed great emphasis on technology innovation and drove corporate development with innovations by expanding its technology talent reserve, facilitating the application of innovation achievements and making great efforts to promote the construction of innovation-driven companies, so as to promote the economic and social development. In 2019, the Company invested RMB143.75 million in technology, representing a year-on-year increase of 45.3%.

II. Stakeholder management

We maintained active communication with stakeholders such as the government, shareholders, staff, customers and community by listening to voices from all stakeholders and responding to their aspirations via diversified communication mechanisms and communication channels to achieve mutual benefit and a win-win result.

Stakeholders	Concerns	Communication Methods	Performance Indicators	Main practices in 2019
Government	• National policies and energy security • Power and heat supply • Legal compliance • Tax • Structural optimization of energy • Increasing employment • Management and technical innovation	• Laws, regulations and policies • Relevant meetings • Work reports • Statistical statements • Information submission • High-level meetings	• Power generation capacity • Total Profit and tax • Jobs provided • Innovation results	• As the draft unit, the Company has done a good job in revising the market rules on peaking adjustment auxiliary services in the Northern China region which was highly recognised by Northern China Energy Supervision Bureau (華北能監局) and grid companies. • Zhejiang Branch Company accelerated the establishment of a clean, low-carbon, safe and efficient energy system, playing an active role in developing Zhejiang province as a clean energy demonstration province in the country.
Shareholders	• Profit level • Standardised operations	• General meetings • Temporary announcements • Periodic reports • Contracts and agreements	• Shareholder dividends • Shareholder rights and interests • Sales income • Company profit	• The Company proactively made information disclosure, publishing a total of approximately over 260 Chinese and English announcements at home and abroad in 2019. • The Company took measures to improve the management of the general meetings, the board of the directors and the supervisory committee. The Company convened 3 general meetings and 11 board meetings in 2019.
Staff	• Democratic rights • Health and safety • Salary and wellbeing • Personal development • Education and training	• Staff representative • Reasonable suggestions • Interview • Collective contracts • Labor contracts • Openness of company affairs	• Work environment • Accident rate • Labor union membership rate • Collective contract coverage ratio • Salary levels • Investment in staff training • Staff turnover rate	• Inner Mongolia Tuoketuo Power Generation Company organised the "modular" special training which covered safety training, simulation training and maintenance skill training. • Hebei Douhe Power Plant organised the Staff Aerobics Competition with the theme of "Celebrating the foundation of the PRC and Dancing for a Happy Golden Autumn (禮贊祖國、舞悦金秋)".
Community	• Harmonious community • Public welfare cause • Safety and environmental protection	• Collaborative construction • Public welfare activities • Safety and environmental protection publicity	• Investments in community building • Public welfare investment • Number of pollution complaint	• The Company organised the "13th Enterprises Open Day" event. • Hebei Douhe Power Plant visited Luanzhou Guma primary school (灤州古馬小學) and held the "Datang Enlightenment Class (大唐啟明星課堂)" for the sixth consecutive year.

Stakeholders	Concerns	Communication Methods	Performance Indicators	Main practices in 2019
Client	• Safe and stable supply • Electricity price and heat price	• Contracts and agreements • Power and heat products • Relevant technical services	• Client satisfaction level	• Hebei Douhe Power Plant constantly maintained strict safety management and improved the overall safety management and control mode, achieving a long period of consecutive 15 years for safe production.
Partner	• Honesty and legal compliance • Long-term cooperation	• Contracts and agreements • Products and services	• Honesty level • Contract completion rate • Period of cooperation • Responsible purchasing • Profit	• The Company cooperated with Tsinghua University Law School to jointly hold the 2019 Datang Power Legal Training Course (大唐發電法律培訓班), so as to improve the capability of the legal affair staff in performing their duties. • Datang Power organised and convened the energy business promotion fair for overseas expansion, and joined hands with over 30 agencies and companies to develop a new model for overseas business development.
Environment	• Energy conservation and emission reduction • Biodiversity protection • Green operation	• Environmental information disclosure • Publicity of energy conservation and emission reduction promotion • Environmental impact assessment	• Installed capacity scale • Ultra-low emission transformation of units • Proportion of clean energy and renewable energy • Energy conservation indicators • Emission reduction indicators	• Hebei Tangshan Thermal Power Company implemented technical water-saving improvement, saving recycled water of 1.7 million tons with a reuse rate of 97% for the year. • Hebei Zhangjiakou Power Plant organised the World Environment Day campaign to call upon the public to implement the concept of environmental protection.
Social Organization	• Contributions to social organizations • Impact on sustainable development	• Meetings • Activities	• Frequency and depth of participation in activities • Membership fee amount	• Chongqing Keyuan Energy Company (重慶科源能源公司) cooperated with Chongqing Three Gorges University to jointly launch the intelligent fire alert response system.

COMPANY HISTORY

Datang International Power Generation Co., Ltd. was founded in December 1994, with its headquarters in Beijing. In 1997, Datang Power was listed on the Hong Kong Stock Exchange (SEHK) and London Stock Exchange (LSE). In 2006, the Company was listed on the Shanghai Stock Exchange (SSE), making it the first Chinese company listed on the SEHK, LSE and SSE. Over the past 25 years, we have subsidiaries and ongoing projects in 19 provinces across the country. With power generation as the major business, we

1994

Datang Power founded; installed capacity 2,850MW.

1997

Datang Power was listed on the SEHK and LSE, making it the first Chinese power company to be listed on the SEHK and the first Chinese company to be listed on the LSE.

2006

Datang Power was listed on the SSE, making it the first power company to be listed on the LSE, SEHK and SSE; installed capacity exceeded 20,000MW.

2009

Datang Power was for the first time included in the Fortune Global 500 and received the "Corporate Gold Award" from The Asset; installed capacity exceeded 30,000MW.

2011

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

cover various sectors and industries including coal, transportation, circular economy and electricity sales. We have transformed from a thermal power generation company to an integrated energy enterprise with operations in different sectors and industries. In 2019, Datang Power strengthened its confidence in high-quality development and started a new journey to build itself as a world-class energy company.

2013

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

2014

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

2015

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

2016

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

2017

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

2018

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

2019

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

HUMAN RESOURCES OVERVIEW

1. Composition of employees (specialty, educational background)

Total number of employees: 32,976. By major: Management: 6,846; professional technicians: 5,535; production personnel: 18,161; other staff: 2,434. By educational background: Ph.D. graduate: 5; Postgraduate: 850; Undergraduate: 16,968; College graduate: 8,221; Secondary technical: 3,501; High-school graduate or below: 3,431.

2. Staff management

In 2019, on the human resources management front, by focusing on core tasks of the enterprise, we continued to implement the talent-based strong corporation strategy by strengthening the construction of leadership bodies at all level and cadre team, optimizing human resource deployment, reinforcing the remuneration incentives, improving the performance appraisal system, enhancing staff training, pushing forward various reform measures of the Company and continuing to explore an efficient and coordinated integrated human resource management system, successfully accomplishing all tasks for the year.

3. Staff training

The Company coordinated and pushed forward the construction of three talent teams, and considered training for all staff as an important means to improve the comprehensive quality of its workforce and strengthen the core competitiveness of the Company. We fully implemented training plans, organized targeted professional trainings, and established long-term talent cultivation mechanism. We increased investments in staff training and promoted the implementation of career training for the staff, attracting various types of talents to join the Company and building up talent reserve for the sustainable and healthy development of the Company. In 2019, the Company organized systematic trainings for 671,453 staff, including trainings for management personnel and professional technicians with 189,652 participants, trainings for production personnel with 457,743 participants and other trainings with 24,058 participants. A total of 1,005 employees of the Company passed intermediate or above professional and technical qualification assessments during the year, of whom 77 obtained senior engineer specialized technique qualification, 210 obtained senior specialized technique qualification and 718 obtained intermediate specialized technique qualification.

4. Implementing measures

(1) Continuing to push forward the organizational reform at the head office of the Company to create a head office with strong capability. We have successfully completed the organizational reform at the head office of the Company. The number of functional departments at the head office was adjusted from 10 to 14 with 41 division units. In addition, we have reshuffled the team of middle-class cadres at various departments and took measures to enhance communication among the cadres, so as to further optimize the structure of cadre team at the head office. Through such reform, we have achieved organization system that features well-structured architecture, smooth duty performance, clearer interfaces and more clarified responsibilities, which will help to improve management efficiency.

(2) Continuing to strengthen the construction of leadership bodies and cadre team. Adhering to the organizational route of the Party in the new era and the principle of the Party supervising the performance of officials, we placed emphasis on the selection, cultivation, promotion, supervision and retention of cadres, so as to promote the construction of the cadre talent team. Upholding the "good cadre" standards and always following the relevant rules and regulations and procedures for

selection and promotion of cadres, we enhanced cadre pre-job management and cadre appraisal management, implemented diverse trainings for the leaders and continued to promote the implementation of multi-layer temporary position practice by the cadres, so as to accelerate the improvement of their political competence and management capability. We also strengthened the daily management of the cadre team, complied with the relevant requirements on the reporting of the relevant matters of the leaders by reiterating the rules and regulations on the reporting of the relevant personal matters.

(3) Optimizing human resource deployment to regulate employment management. The Company organized unified fresh-graduate special recruitment fair at the company level, and arranged coordinated staff deployment to address issues such as difficulties in recruiting graduates majoring in financial and other management. The Company completed the development of the Three-year Rotation Plan (2020-2022), 2020 Staff Employment Plan and 2020 Fresh-graduate Recruitment Plan.

(4) Strengthening performance appraisal and reinforcing remuneration, incentives. By taking into consideration of the characteristics of various types of enterprises, the Company improved its three-tier distribution system of total amount of enterprise remuneration so as to achieve the unity of benefit-oriented and maintenance-fairness. The Company also improved its performance appraisal system to cover all the person-in-charge and staff of the head office and subordinate enterprises, so as to establish a position-based and performance-linked income distribution mechanism. In addition, the Company continued to enhance performance appraisal on a monthly basis, and meanwhile linked individual wages with working efficiency, establishing a timely and benefit-oriented salary system.

(5) Establishing the multi-channel employee growth mechanism to bring out full potential of our staff. Through ample pilot programs and in-depth research and analysis, the Company developed guidelines for the promotion of multi-channel employee career development by the enterprises within the system, which has been widely implemented in the enterprises within the system. Based on our existing position management system, and providing channels for training of professional skills and technique, we accelerated the establishment and improvement of talent management mechanism that accommodates with the development needs of the Company and took measures to broaden talents' development channels, with an aim to build a quality professional workforce.

(6) Improving the quality of workforce by adopting innovative training modes and enhancing employee performance appraisal. The Company implemented its 2019 training, competition, intensive training, examination and "certificate-for-the-job" program. The Company organized 10 exams prior to commencement of work, with 346 employees sitting in these exams. Furthermore, the Company pushed forward the comprehensive implementation of its training programs, enhanced the management and control over the entire training process, developed and applied the training and examination management system of Company, and made continuous efforts to enrich the Online Study Database, so as to improve the training effect.

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

Chen Feihu
Chairman and Non-executive Director

Mr. Chen, aged 58, is a senior accountant with a bachelor's degree. He participated in work since August 1981 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He was the Deputy Chief of the Electric Enterprise Division of Economic Regulation Bureau of Ministry of Energy; the Deputy Chief of Finance Department of China Electricity Council; the Chief and Deputy Director of the Economic Regulation Division of Economic Regulation Bureau of the Ministry of Electric Power; the Deputy Head of Financial and Economic Department, Deputy Head of the General Manager Service Department (office) and the Head of the Office for Structural Reform, Head of the General Manager Department (office), and the Chief Economist of State Power Corporation; the Deputy General Manager and a member of the Party Committee, the Director, the President and the Deputy Party Committee Secretary of China Huadian Corporation; the Chairman of GD Power Development Co., Ltd. (600795.SH); the Director, General Manager and the Deputy Party Committee Secretary of CDC. He is currently the Chairman and the Secretary of the Party Committee of CDC; and concurrently serves as the Chairman of China Datang Corporation Renewable Power Co., Limited*（中國大唐集團新能源股份有限公司）(1798.HK).

Wang Sen
Vice Chairman and Non-executive Director

Mr. Wang, aged 57, is a senior postgraduate engineer with a postgraduate degree and he is entitled to special government allowances by the State Council. He participated in work since July 1986 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He was the Deputy Director, the Director of the Office of Qinshan Nuclear Power Co., Ltd.; the Assistant to General Manager, Deputy General Manager, Deputy Party Committee Secretary (in charge of the work of the Party), Deputy General Manager (in charge of the administrative work), General Manager and Party Secretary of Qinshan No.3 Nuclear Power Co., Ltd.; a Party Committee Member and the Head of the party discipline inspection committee of China National Nuclear Corporation; a member of the Party Committee, the Deputy General Manager, Director and the Deputy Party Committee Secretary of CDC. He is currently the Director and the Deputy Party Committee Secretary of China Huaneng Group Co., Ltd.; and concurrently serves as the Chairman of Guangxi Guiguan Electric Power Company Limited (600236.SH).

Wang Xin
Executive Director

Mr. Wang, aged 59, is a senior engineer with postgraduate qualifications. He participated in work since August 1979 in Tianjin First Power Plant and has been a director of the tenth session of the Board of the Company since 1 July 2019. He was once the Plant Manager, and Secretary of the Party Committee of Tianjin First Power Plant. He also served as the Head of the Power Generation Department and the Head of Heat Supply Division and deputy chief engineer of Tianjin Electric Power Company and was concurrently the General Manager and Secretary of the Party Committee of Sanyuan Power Group Co., Limited. Mr. Wang was the Deputy Head of the Production Safety Department of CDC, Secretary of the Party Committee and General Manager of Datang Heilongjiang Power Generation Co., Ltd., Head of the General Manager Office (International Cooperation Department) and Assistant of the General Manager and Head of the Office (Policy and Legal Department and International Cooperation Department) of CDC, the General Manager and the Party Committee Secretary of the Compnay.

Liang Yongpan
Executive Director, General Manager

Mr. Liang, aged 53, is a senior engineer with a bachelor's degree. He participated in work in Lanzhou No. 2 Thermal Power Factory since August 1988 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He was once the General Manager of Lanzhou Xigu Thermal Power Co. Ltd., Member of Party Committee, Deputy General Manager and Chairman of the Labour Union of Datang Gansu Power Generation Co., Ltd., Deputy Head of Planning, Investment and Financing Department of CDC, as well as the Secretary of Party Committee and General Manager of Datang Gansu Power Generation Co., Ltd., the Head of Planning and Marketing Department of CDC, the Director of Safety Production Department of CDC, the Assistant of the General Manager of CDC and the Chairman and the Party Secretary of Datang Beijing-Tianjin-Hebei Energy Development Co., Ltd. and the Head of Beijing-Tianjin-Hebei Branch Company of Datang International Power Generation Co. Ltd. He is currently the Director, General Manager and Deputy Party Committee Secretary of the Company.

Ying Xuejun

Non-executive Director

Mr. Ying, aged 53, is a senior engineer with a bachelor's degree. He participated in work in Douhe Power Plant since July 1985 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He was once the Deputy General Manager of Douhe Power Plant, the Deputy General Manager of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited. He served as the Chief of the Integrated Planning Department, the Deputy Chief Economist and the Chief of the Integrated Planning Department, Chief Economist and the Chief of the Securities and Capital Department, Deputy General Manager, Party Committee Member and the Chief of the Securities and Capital Department of the Company, Deputy General Manager, Party Committee Member, Secretary to the Board, Chairman of the Labour Union of the Company. He is currently a Director of the Company and the General Manager of Guangdong Branch Company.

Zhu Shaowen

Non-executive Director

Mr. Zhu, aged 54, is a master's degree holder and a senior engineer with postgraduate qualifications and has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Zhu has successively served as an Engineer and the Deputy Head of Specialty Department at Tianjin Electric Power Science Research Institute, Head of Planning and Design Department of State Grid Tianjin Electric Power Company, Deputy Head of Project Department, Vice-manager (Person-in-Charge), Manager and Manager of Project Development Department of Tianjin Jinneng Investment Co., Ltd., General Manager (concurrent) of Tianjin Jinneng Wind Power Co., Ltd. He is currently the Manager of Electric Power Department of Tianjin Energy Investment Group Limited.

Cao Xin
Non-executive Director

Mr. Cao, aged 48, is a principal senior economist and a doctoral candidate from Renmin University of China. Mr. Cao started to work at Hebei Construction Investment Company in July 1992 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He served as the Project Manager and Assistant to Manager of the Industrial Branch Office of Hebei Construction Investment Company, Assistant to Manager and Deputy Manager of the Asset Management Branch Company of Hebei Construction Investment Company, Manager of Public Utilities Second Department of Hebei Construction Investment Company cum General Manager of Hebei Construction Investment New Energy Co., Ltd., Assistant to General Manager of Hebei Construction Investment Company cum Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd., a standing member of the Party Committee of Hebei Construction Investment Company and Secretary of Party Committee and President of China Suntien Green Energy Corporation Ltd. (0956.HK), Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd. He is currently a member of the standing committee of Party Committee and Deputy General Manager of Hebei Construction & Investment Group Co., Ltd. and the Chairman of China Suntien Green Energy Corporation Ltd. (0956.HK).

Zhao Xianguo
Non-executive Director

Mr. Zhao, aged 50, is a senior engineer with a postgraduate degree. Mr. Zhao started his career in the electric branch of Xingtai Power Generation Plant in 1990 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He has been the Engineer Head of the Office of the Electric Repair Branch of Xingtai Power Generation Plant, an Assistant to the Head of the Electric Repair Branch and an Assistant to the Head, Deputy Head and Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy Chief Economist and the Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy General Manager of Hebei Construction & Investment Xuanhua Thermal Power Company Limited. He is currently the Deputy General Manager of the Appraisal and Evaluation Department of Hebei Construction & Investment Group Co., Ltd.

Zhang Ping

Non-executive Director

Mr. Zhang, aged 52, is a Senior Economist as well as a Senior Political Officer with a postgraduate degree and a doctorate degree in management and has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Zhang was the Secretary of the Party Committee of Inner Mongolia Electricity Bureau and the Office of Diversification of Operation and Management Bureau, the Manager of Political Affairs of Inner Mongolia Mengxi Silicon & Electricity Enterprise Corporation, the Deputy Director of Party-masses Work Department, the Director of General Manager Work Department and an Assistant to the General Manager of Inner Mongolia Daihai Electric Power Generation Co., Ltd., as well as the Secretary of the Communist Party Discipline Supervisory Committee and the Chairman of the Labor Union of Inner Mongolia Daihai Electric Power Generation Co., Ltd. He also served as the Manager of the Comprehensive Management Department and the Vice President of Beijing Jingneng International Energy Co., Ltd., the Secretary of the Communist Party and the Manager of Inner Mongolia Daihai Electric Power Generation Co., Ltd. and the General Manager of Beijing Jingneng Thermal Power Co., Ltd. He has been the Deputy Chairman, the Secretary of the Party General Branch and the General Manager of Beijing Jingneng Power Co., Ltd. (600578.SH), and the Director and General Manager of Beijing Jingneng Coal & Electricity Asset Management Co., Ltd. He is currently the Assistant to the General Manager, Secretary to the Board and Group Office Director of Beijing Energy Holding Co., Ltd.

Jin Shengxiang

Non-executive Director

Mr. Jin, aged 45, a principal senior engineer with a postgraduate degree and a master degree of engineering and has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Jin was a cadre of Turbine Research Institute of Beijing Electric Power Research Institute, a cadre of Turbine Research Institute of North China Electric Power Research Institute Co., Ltd., the Manager of the Infrastructure Commissioning Project of Turbine Research Institute and the Deputy Head of Turbine Research Institute. He served as the Manager of the Production Safety Department and the Vice President of Beijing Jingneng International Energy Co., Ltd. and the Deputy Director and the Director of Electricity Production and Operation Department and the Director of the Production Management Department of Beijing Energy Investment Holding Co., Ltd. He has been the Director of the Production Management Department of Beijing Energy Holding Co., Ltd. and the Director of Beijing Jingneng Clean Energy Co., Limited (0579.HK). He is currently the Deputy Party Committee Secretary, Director and the General Manager of Beijing Jingneng Power Co., Ltd. (600578.SH).

Liu Jizhen

Independent Non-executive Director

Mr. Liu, aged 68, is a professor, a tutor of doctoral students and an academician of the Chinese Academy of Engineering and has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Liu has successively served as the Head of the Faculty of Power of North China Power College; served as the Vice Dean of the North China Power College, the Vice Principal of the North China Electric Power University and the Principal of Baoding Campus; served as the Principal of the School of Water Resources and Hydropower Engineering, Wuhan University; and served as the Principal of the North China Electric Power University. He currently serves as the Head of the State Key Laboratory of Alternate Electrical Power System with Renewable Energy Sources, the chief scientist of the "973 Programme" and Independent Director of Huaneng Power International Inc. (600011.SH, 00902. HK). He concurrently serves as the Vice President of Chinese Society for Electrical Engineering, a Fellow of the Institution of Engineering and Technology (FIET) and the Vice President of the China Association for Public Safety.

Feng Genfu

Independent Non-executive Director

Mr. Feng, aged 62, a professor and a doctoral supervisor who holds a doctorate degree in Economics and has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Feng served as the Director and Chief Editor of the Journal Editorial Department, and the dean, doctoral supervisor and professor of Business School of Shaanxi University of Finance and Economics. He served as the dean, doctoral supervisor and professor of the School of Finance and Economics of Xi'an Jiaotong University. Dr. Feng served as an Independent Director of AVIC Aircraft Co., Ltd. (000768.SZ), China Non-ferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (000758.SH), Shaanxi Broadcast & TV Network Intermediary Co., Ltd. (600831.SH), Shaanxi Aerospace Power Hi-Tech. Co., Ltd. (600343.SH) and Shaanxi Fenghuo Electronics Co., Ltd (000561. SZ), and Bode Energy Equipment Co., Ltd. (300023.SH), an Independent Director of Hubei Biocause Pharmaceutical Co., Ltd. (000627.SZ), Executive Vice President of China Industry Economic Research Institute and the Vice President of Chinese Institute of Business Administration. He currently serves as a professor and a doctoral supervisor of the School of Finance and Economics of Xi'an Jiaotong University, and an Independent Director of Changchai Co., Ltd. (000570.SZ) and CSC Financial Co., Ltd. (601066.SH, 6066.HK), an Independent Director of Huaren Pharmaceutical Co.,Ltd. (300110.SZ), an Independent Director of Xi'an Shaangu Power Co., Ltd.(601369.SH).

Luo Zhongwei

Independent Non-executive Director

Mr. Luo, aged 64, holds a doctorate degree in Economics. He has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Luo served as an Independent Director of Zhejiang China Commodities City Group Co., Ltd. (600415.SH) and Sichuan Langsha Holding Ltd. (600137.SH). Mr. Luo is currently a researcher of the Institute of Industrial Economics of Chinese Academy of Social Sciences, a professor and doctoral supervisor of the Graduate School of Chinese Academy of Social Sciences. He concurrently serves as a Councilor of Chinese Society of Technology Economics and Investment Advisory Committee of the Investment Association of China, a member of the Management Modernisation Working Committee of China Enterprise Confederation, an Independent Director of Greatwall Wealth Asset Management Co., Ltd., and a Director of Beijing Red Date Technology Co., Ltd.

Liu Huangsong

Independent Non-executive Director

Mr. Liu, aged 51, is a Master of Science and holds a doctorate degree in Economics from Fudan University. He has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Liu served as Deputy Section Chief and Officer of Shanghai Municipal Bureau of Statistics and Director of the Bureau's Statistics and Industry Development Center, the General Manager of the investment planning department, the General Manager of the development and research department and a Supervisor of China Worldbest Group, the Deputy General Manager of a listed company under the group and the assistant to the group president, the director, researching professor and Doctoral Supervisor of Research Centre for Economic Prosperity of Shanghai Academy of Social Sciences, as well as the Independent Director of Hengdeli Holdings Limited, Shanghai Prime Machinery Company Limited (02345. HK), Jingwei Textile Machinery Co., Ltd. (00350. HK), Changan Fund Management Co., Ltd., Changan International Trust Co., Ltd. and Shanghai Xinhua Media Co., Ltd. (600825.SH). Mr. Liu is currently the Chief Economist of Hengdeli Holdings Limited, the Deputy Director of the Center for Securities Studies of Fudan University (concurrent), Vice President of Shanghai Finance Society, as well as the Independent Director of Shanghai Zijiang Enterprise Group Co., Ltd. (600210.SH).

Jiang Fuxiu
Independent Non-executive Director

Mr. Jiang, aged 50, has a doctorate degree in Economics and is Postdoctoral Scholar in Management (Accounting). He has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Jiang served as the Independent Director of Lancy Co., Ltd. (002612.SZ) and Northcom Group Co., Ltd. (002359.SZ). He is currently the professor and Doctoral Supervisor of the Finance Department of the School of Business of Renmin University of China, the Independent Director of Yantai Longyuan Power Technology Co., Ltd. (300105.SZ), Beijing UTour International Travel Service Co., Ltd. (002707.SZ) and Zhejiang Unifull Industrial Fibre Co., Ltd. (002427.SZ).

Song Bo
Chairman of the Supervisory Committee

Mr. Song, aged 47, is a bachelor's degree holder and senior economist. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 16 August 2019. Since 1999, he has successively served as the Deputy Director of the Planning Department, the Head of Operational Audit Department and the Deputy Chief Economist of Shandong Huangdao Power Generation Plant, a member of the Party Committee and the Deputy General Manager of Shandong Huangdao Electric Power Group Company* (山東黃島電力集團公司), the Director of Jinan Representative Office of Datang Shandong Power Generation Co., Ltd.* (大唐山東發電有限公司), the General Manager and the Party Committee Secretary of Datang Shandong Power Fuel Co., Ltd.* (大唐山東電力燃料有限公司), the Secretary of the leading party members' group, the Director of General Manager's Office and the Director of Human Resources Department of Datang Shandong Power Generation Co., Ltd.* (大唐山東發電有限公司), a member of the Party Committee and the Secretary of Committee for Discipline Inspection of China National Water Resources & Electric Power Materials & Equipment Group Co. Ltd., and a Party Committee member and the Secretary of Committee for Discipline Inspection of Datang Jingjinji Power Development Company Limited, a Party Committee member, the Secretary of Committee for Discipline Inspection and the Chairman of Labour Union of the Company. He is currently the Chairman of the Supervisory Committee of the Company, and the Party Committee Secretary of Chongqing Branch of the Company.

Zhang Xiaoxu

Vice Chairman of the Supervisory Committee

Mr. Zhang, aged 56, is a senior accountant with a bachelor degree. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 1 July 2019. Mr. Zhang commenced his career in Liaoning Fushun First Construction Company in 1982. He served as an accountant in Liaoning Fushun First Construction Company, Accountant and Chief Accountant of Financial Department of Liaoning Power Plant; and Deputy Head and Head of Finance Department, Deputy Chief Accountant, Chief Accountant of Liaoning Nenggang Power Generation Co., Ltd. and the Vice Manager and Manager of Financial Department of Tianjin Jinneng Investment Co., Ltd., the Manager of the settlement center of Tianjin Energy Investment Group Co., Ltd. He currently serves as the General Manager of Tianjin Energy Investment Group Limited.

Liu Quancheng

Member of the Supervisory Committee

Mr. Liu, aged 56, is a senior accountant with university education. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 1 July 2019. He started his career as the Chief Accountant of Xinxiang Coalfired Plant in August 1983. He served the Chief Accountant of Luoyang Shouyangshan Electricity Plant; the Head of the supervisory audit department, the Deputy Chief Accountant and the Head of financial and asset management department and the Chief Accountant of Henan Branch of CDC; the Deputy Head of financial management department of CDC; the Chief Accountant of the Company. He currently serves as the Head of financial management department of CDC, a Director of Datang Huayin Electric Power Co., Ltd. (600744.SH).

Liu Genle

Member of the Supervisory Committee

Mr. Liu, aged 48, is a bachelor's degree holder and senior economist. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 16 August 2019. Since 2005, he successively served as the Director of Corporate Planning Department and Human Resource Department of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, the Assistant to the General Manager of Shanxi Zhongqiang Economic and Trade Co., Ltd.* (山西中強經貿有限公司), the Director of the Preparatory Office of Shanxi Datang International Fushan Coal Chemical Project* (山西大唐國際浮山煤化工項目籌備處), the Head of the Compensation Insurance Division of Human Resource Department, the Head of Compensation and Performance Assessment Division and the Deputy Director of Human Resources Department of the Company, and the Deputy Director of Human Resources Department of Datang Jingjinji Power Development Company Limited, the Deputy Director of Human Resources Department of the Company. He currently serves as the Director of Human Resources Department of the Company.

Wang Qiying

Deputy General Manager

Mr.Wang, aged 58, is a senior engineer and senior political engineer (高級政工師) with a bachelor's degree. He has been a member of the senior management of the Company since 30 October 2019. Since 1996, he has served as the Deputy General Manager and General Manager of Baoding Heat Power Plant (保定熱電廠); a Party Committee member and the Deputy General Manager of Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司); the General Manager and Party Committee Secretary of Datang Xinjiang Power Generation Co., Ltd. (大唐新疆發電有限公司); the Chief of the planning and development department of China Datang Corporation Ltd.; the Chief of the planning and development department of China Datang Corporation Ltd. and the General Manager and Party Committee Secretary of the Tibet Branch Company of China Datang Corporation Ltd. (中國大唐集團有限公司西藏分公司). He is currently the Party Committee Member and the Deputy General Manager of the Company.

Jiang Jinming

Chief Accountant, Joint Company Secretary

Mr. Jiang, aged 56, is a senior accountant with a bachelor's degree. He has been a member of the senior management of the Company since 6 August 2018. Mr. Jiang served as the Deputy General Manager of Datong First Power Plant (大同第一熱電廠); Deputy General Manager of Jinneng Datong Energy Development Company (晉能大同能源發展公司); Deputy General Manager and Chief Accountant of Shanxi Datang Pingwang Heat and Power Co., Ltd. (山西大唐平旺熱電有限責任公司); Deputy General Manager and Chief Accountant of Shanxi Datang Yungang Heat and Power Co., Ltd. (山西大唐雲岡熱電有限責任公司); Deputy Chief Accountant and Chief Accountant of Datang Shaanxi Power Generation Co., Ltd. (大唐陝西發電有限公司); a Party member, Deputy General Manager and Chief Accountant of Datang Shandong Power Generation Co., Ltd. (大唐山東發電有限公司); Deputy General Manager and a Party member, the Party Secretary and Deputy General Manager, the General Manager and Party Secretary of China Datang Finance Co., Ltd. He is currently a member of the Party Committee, Chief Accountant and the Secretary to the Board of the Company.

Chang Zheng

Deputy General Manager

Mr. Chang, aged 55, is a senior engineer with university qualifications.He has been a member of the senior management of the Company since 20 December 2019. Since 1997, he has served as the head of the production and technology department, deputy chief engineer and deputy dean of Heilongjiang Electricity Science Research Institute, the chief of the production safety department, deputy chief engineer, Party Committee member and deputy general manager of Datang Heilongjiang Power Generation Co., Ltd., the Party Committee secretary and deputy dean, dean and deputy Party Committee secretary of China Datang Corporation Science and Technology Research Institute Co., Ltd., as well as the chief of the information technology department and chief of the technology innovation department of China Datang Corporation Ltd. He is currently the Party Committee Member and the Deputy General Manager of the Company.

Guo Hong
Deputy General Manager

Ms. Guo, aged 50, is a senior economist with a postgraduate degree. She has been a member of the senior management of the Company since 30 August 2019. Since 2003, she has successively served as the deputy officer of the human resources department, the officer of the human resources department, deputy Economist and Manager of Import and Export Company of China National Water Resources & Electric Power Materials & Equipment Co., Ltd., the department head of the senior management personnel office of the human resources department of CDC, the officer of the human resources department of Datang International Power Generation Co., Ltd. and the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of Datang International.She is currently the Party Committee Member, the Deputy General Manager and Chairman of Labour Union of the Company.

Bai Fugui
Deputy General Manager

Mr. Bai, aged 58, is a senior economist with a bachelor's degree. He has been a member of the senior management of the Company since 30 August 2019. Since 2002, he has successively serves as the assistant of the General Manager of Beijing Guohua Logistics Co., Ltd.*(北京國華物流有限公司), the Deputy General Manager of Safety Production Department of Datang International, the Manager of Fuel Management Department of Datang International (concurrently the General Manager of Beijing Datang Fuel Company Limited), the General Manager of Wangtan Power Generation of Datang International, the Head of Fuel Management Department of Datang International, and the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of Datang International. He is currently the Party Committee Member and the Deputy General Manager of the Company.

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

(1) Due to the work adjustment, as considered and approved at general meeting of the Company, Mr. Chen Jinhang who was Chairman and non-executive Director of the Company and Mr. Liu Chuandong who was a non-executive Director of the Company resigned on 28 March 2019 respectively.

(2) As elected by the Congress of Employee and Workers of the Company, Ms. Yu Meiping who was Chairman of the Supervisory Committee and a staff representative supervisor and Ms. Guo Hong who was a staff representative supervisor resigned on 16 August 2019, and ceased to be a staff representative supervisor of the Company respectively.

(3) As considered and approved by the Board of the Company, Mr. Wang Xin ceased to be the general manager of the Company from 30 August 2019, Mr.Ying Xuejun has served as non-executive director of the Company from 30 August 2019, and ceased to be the executive director, the deputy general manager of the Company and secretary to the Board, Mr. Zhao Jianjun ceased to be the Deputy General Manager of the Company since 20 December 2019.

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

Chen Jinhang: aged 64, is a professor-grade senior engineer with postgraduate qualifications. Mr. Chen had been the Chairman and a Non-executive Director of the Company. He started to work at First Power Plant in Heze, Shandong in December 1972, and has successively served as a Director and General Manager of Shandong Electric Power Group Corporation, Party Secretary and General Manager of Shanxi Electric Power Corporation, Party Committee Member and Deputy General Manager of State Grid Corporation of China as well as Chairman and Party Secretary of CDC.

Liu Chuandong: aged 57, holder of a postgraduate degree, is a senior accountant. Mr. Liu had been a Non-executive Director of the Company. Mr. Liu started to work in Shandong Jining Power Plant in July 1981. He worked as the General Manager and Deputy Party Committee Secretary of CPI Financial Co., Ltd., Director of Fund Settlement Management Center of CPI Group, General Manager and Party Committee Secretary of China Datang Finance Company Limited as well as Party Committee Secretary of China Datang Corporation Capital Holding Company, Director of the Financial Management Department of CDC as well as Party Committee Secretary of China Datang Corporation Capital Holding Company, Chief Accountant and Party Committee Member of CDC and Director of Datang Environment Industry Group Co., Ltd.* (大唐環境產業集團股份有限公司(1272.HK)).

Yu Meiping: aged 57, has a bachelor degree. She is a senior economist as well as a senior political officer. She was the former Chairman of the Supervisory Committee. Ms. Yu started her career in the economic research centre of Xi'an Municipal Government in September 1984. She has been the Deputy Director of the fourth unit of the first discipline and inspection office and the Director of the corporate guidance division of the first discipline, inspection and supervision office of the Central Commission for Discipline Inspection, the Deputy Chief of the corporate supervision bureau of the CDC and Deputy Director (Person-in-Charge) of the department of corporate supervision (office of discipline and inspection division of the Party Committee) of CDC, a Party Committee Member, Head of the disciplinary inspection committee and the Chairman of Labour Union of the Company, a member of the Party Committee and the Secretary of Committee for Discipline Inspection of the Company.

Guo Hong: aged 50, is a senior economist with a postgraduate master degree. She was a former supervisor of the Company. Ms. Guo started his career in China National Water Resources & Electric Power Materials & Equipment Co., Ltd. in July 1991. She served as Deputy Manager of the development department, Deputy Officer and then officer of the human resources department, Deputy Chief economist of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. and concurrently as the Manager of the Import and Export Company of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. She acted as the department head of the senior management personnel office of the human resources department of CDC, and has been an officer of the human resources department of the Company, the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of the Company. She is currently worked as a member of the Party Committee, the Deputy General Manager and the Chairman of Labour Union.

Wang Xin: aged 59, is a senior engineer with postgraduate qualifications. He was the former Director and General Manager of the Company. He participated in work since August 1979 in Tianjin First Power Plant. He was once the Plant Manager, and Secretary of the Party Committee of Tianjin First Power Plant. He also served as the Head of the Power Generation Department and the Head of Heat Supply Division and deputy chief engineer of Tianjin Electric Power Company and was concurrently the General Manager and Secretary of the Party Committee of Sanyuan Power Group Co., Limited. Mr. Wang was the Deputy Head of the Production Safety Department of CDC, Secretary of the Party Committee and General Manager of Datang Heilongjiang Power Generation Co., Ltd., Head of the General Manager Office (International Cooperation Department) and Assistant of the General Manager and Head of the Office (Policy and Legal Department and International Cooperation Department) of CDC, the General Manager and the Party Secretary of the Compnay. He is currently a Director of the Company.

Ying Xuejun: aged 53, is a senior engineer with a bachelor's degree. He was the former Executive Director, Deputy General Manager and Secretary to the Board of Company. He participated in work in Douhe Power Plant since July 1985. He was once the Deputy General Manager of Douhe Power Plant, the Deputy General Manager of Tuoketuo Power Generation Company Limited. He was a member of Party Committee and Deputy General Manager of Datang Inner Mongolia Branch Company and General Manager of Tuoketuo Power Generation Company Limited. He served as the Chief of the Integrated Planning Department, the Deputy Chief Economist and the Chief of the Integrated Planning Department, Chief Economist and the Chief of the Securities and Capital Department, Deputy General Manager, Party Committee Member and the Chief of the Securities and Capital Department of the Company, Deputy General Manager, Party Committee Member, Secretary to the Board, Chairman of the Labour Union of the Company. He is currently a non-executive Director of the Company and the General Manager of Guangdong Branch.

Zhao Jianjun: aged 50, a senior engineer with a bachelor's degree. He was the former Deputy General Manager of the Company. Since 2004, he has successively served as the Deputy Chief Engineer, Chief Engineer, Vice Plant Manager of Xiahuayuan Power Plant of Datang International Power Generation Co., Ltd., the Officer of the Preparatory Office under Fushan Coal Gangue Power Plant under Datang International, the Officer of the Preparatory Office of Linfen Hexi Thermal Power Plant under Datang International, the Party Secretary-cum-Deputy General Manager, and the General Manager of Linfen Thermal Power Plant under Datang International, the General Manger of Wushashan Power Generation of Datang International, the Head of Planning and Marketing Department of Datang International, the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of Datang International, and a Party Committee Member and Deputy General Manager of Datang International Power Generation Co., Ltd.

The resignations of the abovementioned Directors, supervisors and senior management were all in compliance with the Listing Rules and the relevant procedures and relevant regulations of the Hong Kong Stock Exchange.

MANAGEMENT OF INVESTOR RELATIONS

The philosophy of Datang Power's investor relations practice hinges on integrity as the basis and communication as the means. In order to maintain smooth communication with investors, a special office has been set up and specialised personnel have been assigned to be responsible for the management of investor relations work, and various channels have been set up to enable investors to establish contact with the Company. During 2019, the Company conducted active and sincere communication with investors and analysts by various channels including results presentations, domestic and overseas roadshows, reverse roadshow, investor forums, company visits and telephone conferences as well as through answering enquiry phone calls and replying to emails, of which, the Company met 213 analysts and fund managers through results presentations, domestic and overseas roadshows and reverse roadshow, 152 analysts and fund managers at investor forums, and 327 analysts and fund managers through company visits and telephone conferences.

Major investor relations activities conducted in 2019

Time	Information on investor relations activities	Speaker at the conference	Number of one-to-one or one-to-many meetings	Number of people met
February	GF Securities Annual Investment Strategic Conference	No	3	11
March	Changjiang Securities Annual Investment Strategic Conference	No	2	13
April	Annual Results Presentation (Shanghai)	Yes	–	21
	Annual Results Presentation (Hong Kong)	Yes		49
	Annual Results Hong Kong Roadshow	No	9	20
May	Company's First Quarter Results Telephone Conference	No	–	67
	JP Morgan China Investors Forum	No	5	17
	Macquarie Greater China Annual Meeting (A-Share)	No	4	11
	Essence Securities 2019 Interim Investment Strategic Conference	No	3	19
September	Company's 2019 Interim Results Presentation and Roadshow (Shanghai)	Yes	–	56
November	Citibank Annual Investment Strategic Conference	No	5	17
	Haitong Securities Annual Investment Strategic Conference	No	2	25
	Essence Securities Annual Investment Strategic Conference	No	1	15
December	Huatai Securities Annual Investment Strategic Conference	No	2	9
	Sinolink Securities Annual Investment Strategic Conference	No	2	15

1. What is the Company's view on the trend of nationwide supply and demand of electricity in 2020?

(I) The power consumption will maintain steady growth

Against the background of following the general principle of seeking progress while keeping stable performance and counter-cyclical adjustment of national macro policies, the power consumption in the whole society will continue to grow smoothly in 2020. In the absence of widespread extreme temperature effects, it is expected that the power consumption in the whole society in 2020 will increase by 4%-5% compared with that in 2019.

(II) The proportion of installed capacity of non-petrochemical energy power generation will continue to increase

It is estimated that the newly-installed generating capacity of infrastructure throughout the country for 2020 will be approximately 120 million kW, of which, the commissioning of generating capacity of non-petrochemical energy will be approximately 87 million kW. It is estimated that as at the year end of 2020, the installed generating capacity throughout the country will be approximately 2,130 million kW, representing an increase of approximately 6%; the installed generating capacity of non-petrochemical energy will be approximately 930 million kW in total, and the proportion of it in the total installed capacity will be increased to 43.6%, which is approximately 1.7 percentage points higher than the end of 2019.

(III) The supply and demand of electricity nationwide will remain in a general balance

It is expected that the national supply and demand of electricity will remain in a general balance. While in terms of regions, it is expected that the North China and Central China will meet temporary tight supply and demand of electricity; the supply and demand of electricity in East China and southern regions will remain in a general balance; and the supply capacity of electricity in northeast and northwestern regions will be fairly abundant.

2. What are the Company's utilisation hours in each type of energy on full operational basis in 2019?

Type/Item of Energy	Utilisation hours in 2019	Utilisation hours in 2018	Over the corresponding period last year (hour)
Full operational basis	4,209	4,392	-183
Coal-fired	4,515	4,728	-213
Including: coal-fired generator	4,648	4,842	-194
combustion engine	3,143	3,069	+74
Hydropower	3,343	3,459	-116
Wind power	2,165	2,171	-6
Photovoltaic power	1,415	1,535	-120

3. What progress did the Company make in obtaining approval for its projects and project operation in 2019?

For the year of 2019, the Company has obtained 22 official approvals for power generation projects with an approved capacity of 1569.1MW, including 1 coal power projects with a total approved capacity of 350MW; 10 wind power projects with approved capacity of 801.1MW; 11 photovoltaic projects with approved capacity of 418MW. From the perspective of regional division, the approved capacity in Beijing-Tianjin-Hebei region was 560MW, the approved capacity in Heilongjiang province was 150MW, the approved capacity in Inner Mongolia Autonomous Region was 499MW, the approved capacity in Chongqing was 56.1MW, the approved capacity in Jiangxi province was 56MW, the approved capacity in Anhui province was 10MW, the approved capacity in Guangdong province was 75MW, the approved capacity in Zhejiang province was 33MW, the approved capacity in Ningxia Autonomous Region was 50MW, the approved capacity in Jiangsu province was 100MW.

Details were as follows:

Coal power projects: the second generating unit of Phase IX of Baoding (350 MW);

Wind power projects: Heilongjiang Suibin wind power phase III project (150MW); Datang ultra-high voltage transmission lines (Shanghai temple-Shandong) Alxa Base wind power project (大唐上海廟至山東特高壓外送通道阿拉善基地風電項目) (400MW); Laoye Ling wind power phase II project (老爺嶺二期風電項目) (49.5MW); Tongliao Kailu Jieji Ershuangxing wind power project (通遼開魯街基二雙興風電項目) (49.5MW); Tianjin Xiqing Wangwenzhuang wind power project (30MW); Wulong Siyanping wind power phase II project (56.1MW); Lushan Shaling distributed wind power phase II project (廬山市沙嶺二期分散式風電項目) (20MW); Ruichang Wugong Mountain distributed wind power phase II project (瑞昌市蜈蚣山二期分散式風電項目) (20MW); Guangchang Jinhua Mountain distributed wind power phase II project (16MW); Anhui Zongyang distributed wind power project (10MW).

Photovoltaic projects: Hebei Zanhuang bidding photovoltaic project (50MW); Tianjin Panshan Power Plant bidding photovoltaic projects (10MW); Hebei Zanhuang parity photovoltaic project (河北贊皇平價光伏項目) (50MW); Hebei Quyang Wangkuai parity photovoltaic project (河北曲陽王快平價光伏項目) (50MW); Guangdong Shaoguan Renhua photovoltaic agriculture complementary project (廣東韶關仁化農光互補項目) (75MW); Zhejiang Wencheng Eryuan Town forest complementary photovoltaic project (浙江文成二源鎮林光互補光伏項目) (23MW); Zhejiang Wushashan Power Generation Company factory area coal shed photovoltaic power generation project (浙江烏沙山發電公司廠區煤棚頂光伏發電項目) (8MW); Zhejiang Jiangbin Thermal Power Company Limited rooftop photovoltaic project (浙江江濱熱電有限責任公司屋頂光伏項目) (1MW); Zhejiang Jiangshan Xincheng Thermal Power rooftop photovoltaic project (浙江江山新城熱電屋頂光伏發電項目) (1MW); Ningxia Hongsibao Mahuanggou bidding photovoltaic project (50MW); Lvsigang photovoltaic grid parity trial project (100MW).

4. What are the Company's performance of capital expenditure for 2019 and capital expenditure plans and structures for 2020?

The Company's capital expenditure on a consolidated basis actually incurred in 2019 was approximately RMB10,180 million, and the plan of capital expenditure on a consolidated basis to be incurred in 2020 is expected to be approximately RMB10,900 million. Details of the structure are set out in the table below.

Table of the plan on capital expenditure of the Company in 2019-2020 (RMB billion)

Investment Sector/Time	Completed investment in 2019	Investment plan for 2020
Total of Datang Power	10.18	10.9
Coal-fired power	3.15	1.42
Including: coal-fired generator	2.46	0.63
combustion engine	0.69	0.79
Hydropower	0.54	0.46
Wind power	5.28	7.32
Photovoltaic power	0.48	0.62
Others	0.73	1.08

CORPORATE GOVERNANCE REPORT

The Company was incorporated in December 1994. Its H shares were listed in both Hong Kong and London in March 1997, while its A shares were listed on the Shanghai Stock Exchange in December 2006. Since its incorporation, the Company has established a standardised and sound corporate governance structure under the "Company Law", "Securities Law" and the "Articles of Association" of the Company. General meeting is the highest authority of the Company; the Board is the business decision-making body of the Company; and the Supervisory Committee is the supervisory body of the Company. The Board and the Supervisory Committee are accountable to general meetings and execute the resolutions made at general meetings. The management is specifically responsible for conducting day-to-day production and business activities of the Company, and implementing the decision schemes of the Board. Over the years, the general meetings, the Board, the Supervisory Committee and the management have been operating according to the laws and protecting the interests of shareholders, having received high recognition from the capital market.

Compliance with the Corporate Governance Code

In 2019, the actual situation of corporate governance of the Company did not deviate substantially from the rules and requirements under the China Securities Regulatory Commission (the "CSRC") and other relevant regulatory authorities. None of the Company, the Board or the Directors of the Company was subject to the inspection, administrative punishment or criticism by means of circular by the CSRC, or punishment by other regulatory authorities and condemnation from stock exchanges.

The Company has adopted and has been in full compliance with all the code provisions under the Corporate Governance Code (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the period from 1 January 2019 to 31 December 2019 (the "Year"), with the exception of the following:

During the Year, the legal action which the Directors may face is covered in the internal risk management and control of the Company. As the Company considers that no additional risk exists, insurance arrangements for Directors have not been made as required under code provision A.1.8 of the Code.

During the Year, the Nomination Committee, the Remuneration and Appraisal Committee, the Audit Committee as well as the Strategic Development and Risk Control Committee set up by the Company carried out their work in accordance with their respective terms of reference. Their terms of reference have covered the responsibilities to be performed as required by the code provisions A.5.2, B.1.2 and C.3.3 of the Code. The only discrepancies that existed were the expressions or sequence between such terms of reference and the aforesaid code provisions.

The Company places great importance on fulfilling its corporate responsibilities. The Directors and the staff of the Company are fully dedicated to discharging their duties in ways to ensure that the Company is operating in compliance with the principle of maintaining fairness and impartiality as well as safeguarding the interests of all shareholders.

Corporate governance organization and its operation

1. Shareholders and General Meeting

Over the years, apart from committing itself to the operation and expansion of its businesses in order to attain appropriate returns for shareholders, the Company also provides details on the Company's operations management and relevant information to shareholders in a timely and accurate manner through a variety of channels and methods, including: convening and holding general meetings in strict compliance with the Articles of Association, the Listing Rules and relevant regulations stipulated by the Securities and Futures Commission (the "SFC") in Hong Kong, and timely announcing relevant information to shareholders on an irregular basis according to the requirements of the Listing Rules.

During the year, the Company held a total of three general meetings, considering and approving 13 ordinary resolutions and 2 special resolutions, and a professional lawyer was invited to each general meeting as a witness to ensure all shareholders were treated equally and exercised their rights adequately. The matters considered at the general meetings of the Company in 2019 mainly included work reports of the Board (Supervisory Committee) of the Company for the year 2019, changes in directors of the Company, financing budget plan, final annual accounts, finance guarantees, re-election of the Board and the supervisory committee, major connected transactions, general mandate to issue shares, profit distribution.

As of the year end of 2019, the implementation of the resolutions in the general meetings are as follows:

1. The guarantees: Provision of guarantees by the parent company of Datang International in 2019, amounting to RMB236 million in total, to its subsidiaries, companies invested by it and its associated companies, based on their actual needs for the construction of projects.

2. Financing: In terms of debt financing in 2019, the Company issued super short-term debentures of RMB14 billion in total, and raising bank loan of approximately RMB18.4 billion. In terms of equity financing, the Company issued placement debt financing instruments in an aggregate amount of RMB18 billion.

3. Completion of the change of directors of the Company and the re-election of the Board and the supervisory committee of the Company.

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

5. Completion of the profit distribution of RMB0.1 per share for the year 2018.

6. Appointment of ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as certified public accountants for carrying out the domestic and overseas audits of financial statements for the year 2019.

For details about the resolutions passed at general meetings for the year 2019, please refer to the announcements on such resolutions published by the Company on the Hong Kong Stock Exchange's website.

CDC, the controlling shareholder of the Company, adhering to the principle of not competing with the Company directly or indirectly, has made relevant undertakings at the initial public offering of A shares by the Company in 2006 and in October 2010, respectively, so as to address the issue of business competition. CDC has provided supplementation and improvement to the above-mentioned undertakings in June 2014, May 2015 and September 2015, respectively. As at 31 December 2019, CDC has strictly and actively complied with the relevant undertakings. For details, please refer to the announcements of the Company dated 27 June 2014, 1 June 2015 and 13 October 2015.

For the year 2019, the Company placed particular emphasis on shareholders' relations, maintaining communication with shareholders through various channels to facilitate mutual understanding between the Company and its shareholders. In particular, the Company has established a division and assigned designated staff to receive visitors, making its contact numbers publicly available and to answer telephone enquiries at any time. In addition, the Company's website was set up to present the latest updates and past results of the Company as well as the management body of the Company, so as to facilitate shareholders' and investors' comprehensive understanding of the Company.

For details about the Company's communication with shareholders and investors for the year 2019, please refer to the "Management of Investor Relations" section of this annual report.

2. Directors and the Board

The Company has established a Board with members coming from diverse backgrounds. The Board members possess remarkable professional characteristics. In the overall composition of the Board, the knowledge mix and the area of expertise of each of the Directors are both specialised and complementary, thus ensuring that the Board can make decisions in a scientific manner. Pursuant to the Articles of Association, the Board of the Company currently comprises fifteen members, including five Independent Non-executive Directors (the "Independent Directors"). The Directors have extensive experiences in various areas such as macroeconomic management, power industry management and financial accounting management, thus ensuring that major decisions made by the Company are effective and scientific.

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

Chen Feihu, Wang Sen, Wang Xin, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Zhang Ping, Jin Shengxiang, Liu Jizhen*, Feng Genfu*, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu*

(* Independent non-executive Directors)

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

The Directors fully understood their responsibilities, powers and obligations, and were able to discharge their duties with truthfulness, integrity and diligence. In order to enhance the decisionmaking mechanism, increase the scientific nature of decision-making and improve the quality of substantial decisions, the Board has established four specialised committees, namely the Nomination Committee, the Audit Committee, the Strategic Development and Risk Control Committee and the Remuneration and Appraisal Committee, with detailed work rules devised for the respective committees. The chairmen of the four specialised committees are all Independent Directors. In particular, Independent Directors make up a majority in the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee.

The Board formulated the "Rules of Proceedings for Board Meetings", which, amongst others, clarified matters to be decided by the Board, its scope of power and the rules of proceedings. During the Year, the Board held 11 meetings. The convening and voting procedures of the meetings were in compliance with the requirements under the Articles of Association and the "Rules of Proceedings for Board Meetings" of the Company. Major particulars of the resolutions made at the Board meetings include:

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

   (1) the 2018 work report of the Board and work report of president of the Company;

   (2) the 2018 internal control evaluation and internal control audit report of the Company;

   (3) 2018 Social Responsibility Report of the Company.

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

   (1) the 2018 final accounting report and 2019 annual budget plan of the Company;

   (2) 2019 First Quarterly, Interim and Third Quarterly Report of the Company;

   (3) the 2018 profit distribution plan of the Company.

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

   (1) investment in the establishment of North China Electric Power Operation Company (華北電力運營公司), Liaoning Zhuanghe Nuclear Power Company (遼寧莊河核電公司), Chongqing Energy Marketing Co,. Ltd., (重慶能源行銷公司) engagement in the shareholding reform of power trading centers in various provinces, and entering into the Investment Agreement for Chongqing Baima Hydropower and Navigation Project;

(2) repurchase of equities of certain new energy companies and acquisition of equity interest in Hohhot Thermal Power Generation Company held by CDC;

(3) investment in the development of wind power projects with a capacity of 936MW in total including Ningxia Xinzhuangjixiang wind power project (寧夏新莊集鄉風電) and Guangdong Nan'ao offshore wind power project, photovoltaic projects with a capacity of 243MW in total including Ningxia Hongsibao photovoltaic project, and Guangdong Foshan gas-thermal power project;

(4) merger of Hohhot Thermal Power Generation Company by Renewable Resources Company, merger of nuclear power company by the parent company of Datang International, liquidation and cancellation of certain subsidiaries;

(5) licensed disposal of the assets of retired units of Gao Jing Thermal Power Plant and Matou Thermal Power Plant, the eighth unit and land of Anhui Huaibei Power Plant (安徽淮北電廠), and certain idle real estate.

4. Consideration of guarantee and financing plans:

(1) financing budget plan of the Company for 2019 and 2020;

(2) provision of entrusted loans and guarantee to finance for certain enterprises.

5. Consideration of related financial matters:

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

(2) provision for impairment for certain enterprises. retirement of assets and write-off of preliminary project expenses:

(3) deposit and utilisation of proceeds;

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

6. Consideration of connected transactions:

(1) confirmation of connected transactions of the Company for the year 2018 and the first half of 2019;

(2) entering into Factoring Business Cooperation Agreement, Financial Business Cooperation Agreement and Financial Services Agreement with related parties.

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

(1) changes in directors of the Company, where Mr. Chen Feihu and Mr. Wang Sen were proposed to serves as the director of the ninth session of the Board of the Company in replacement of Mr. Chen Jinhang and Mr. Liu Chuandong respectively;

(2) changes in the chairman and vice chairman of the Company, where Mr. Chen Feihu was appointed as the chairman of the ninth session of the Board of the Company, Mr. Wang Sen was appointed as the vice chairman of the ninth session of the Board of the Company, Mr. Chen Jinhang ceased to be the chairman of the ninth session of the Board of the Company, Mr. Wang Xin ceased to be the vice chairman of the ninth session of the Board of the Company;

(3) re-election of the Board of the Company, the proposed nomination of (i) Mr. Wang Xin and Mr. Ying Xuejun as candidates for executive Directors of the tenth session of the Board; (ii) Mr. Chen Feihu, Mr. Wang Sen, Mr. Liang Yongpan, Mr. Zhu Shaowen, Mr. Cao Xin, Mr. Zhao Xianguo, Mr. Zhang Ping and Mr. Jin Shengxiang as the candidates for non-executive Directors of the tenth session of the Board; and (iii) Mr. Liu Jizhen, Mr. Feng Genfu, Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu as the candidates for independent none-xecutive Directors of the tenth session of the Board;

(4) changes in the roles and functions of the Company's certain directors, where Mr. Liang Yongpan serves as the executive director of the Company and Mr. Ying Xuejun serves as the non-executive director of the Company;

(5) changes in senior management of the Company, where Mr. Liang Yongpan serves as the general manager of the Company, where Mr. Wang Qiying, Mr. Chang Zheng, Ms. Guo Hong and Mr. Bai Fugui serve as the deputy general manager of the Company, Mr. Jiang Jinming serves as the secretary to the Board (the company secretary); Mr. Wang Xin no longer assumed the position as the general manager of the Company, Mr. Ying Xuejun ceased to be the deputy general manager of the Company and the secretary to the Board (the company secretary);

(6) making adjustment to the composition of members of the specialised committees under the Board according to the changes in the Directors of the Company;

8. Engagement of the Company's accountants for the year 2019:

(1) engaged ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as domestic and overseas auditors of financial report for the year 2019 of the Company;

(2) engaged ShineWing Certified Public Accountants (Special General Partnership) as auditor of internal control for the year 2019 of the Company.

The Board of the Company reviewed the 2019 Internal Control Evaluation Report and confirmed that the existing internal control management system of the Company was in compliance with the requirements of relevant state laws and regulations and regulatory authorities. The Board confirmed that there were no non-operational funds of the listed companies utilised by substantial shareholders.

For the year 2019, the Board members of the Company attended all the meetings either in person or by authorising proxies to attend the meetings on their behalf.

Eleven Board meetings were held in 2019, of which four were on-site meetings and seven were meetings held through various ways of communication.

	Attendance at general meetings	Attendance at Board meetings	
Executive Directors	**Attendance rate (%)**	**Attendance rate (%)**	**Attendance rate (in person) (%)**
Wang Xin	100	100	91
Liang Yongpan	33	100	82
Non-executive Directors	**Attendance rate (%)**	**Attendance rate (%)**	**Attendance rate (in person) (%)**
Chen Feihu (Chairman)*	33	100	67
Wang Sen (Vice Chairman)*	67	100	89
Ying Xuejun	100	100	100
Zhu Shaowen	100	100	100
Cao Xin	100	100	100
Zhao Xianguo	100	100	100
Zhang Ping	33	100	82
Jin Shengxiang	67	100	91
Chen Jinhang*	/	100	100
Liu Chuandong*	/	100	100
Independent Non-executive Directors	**Attendance rate (%)**	**Attendance rate (%)**	**Attendance rate (in person) (%)**
Liu Jizhen	33	100	73
Feng Genfu	100	100	91
Luo Zhongwei	100	100	100
Liu Huangsong	33	100	82
Jiang Fuxiu	100	100	91

* Mr. Chen Feihu and Mr. Wang Sen were appointed as the directors of the Company as approved at the general meeting, with effect from 28 March 2019;

* Mr. Chen Jinhang and Mr. Liu Chuandong no longer assumed the positions as the directors of the Company as approved at the general meeting, with effect from 28 March 2019.

3. Supervisors and the Supervisory Committee

Pursuant to the Articles of Association, the Company's Supervisory Committee comprises four members, of whom two are supervisors representing the staff. The membership and composition of the Supervisory Committee are in compliance with the requirements of the laws and regulations in the PRC. Supervisory Committee members shall exercise their supervisory duties as mandated by the laws, regulations, the Articles of Association and the rights granted by the general meeting, and shall be accountable to the general meeting in order to ensure that the shareholders' rights, the Company's interests and the staff's lawful interests are not violated. During the reporting period, the Supervisory Committee held 8 meetings, and attended all Board meetings and Audit Committee meetings. Through various channels and methods, the Supervisory Committee carried out regular inspections on the Company's finances and substantial matters, as well as supervising the lawfulness and compliance of the Directors, the President and other senior members in discharging their duties.

The contents of the previous resolutions of the supervisory committee mainly include changes in the member of the supervisory committee:

(1) the re-election of the supervisory committee of the Company, where Mr. Liu Quancheng and Mr. Zhang Xiaoxu were nominated as candidates for the shareholders' representative supervisors of the tenth session of the supervisory committee of the Company, and formed the tenth session of the supervisory committee of the Company with Ms. Yu Meiping and Ms. Guo Hong, both are employees' representative supervisors; and

(2) changes in the chairman of the supervisory committee of the Company, where Mr. Song Bo served as the chairman of the supervisory committee of the Company, Ms. Yu Meiping ceased to be the chairlady of the supervisory committee of the Company.

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

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

Shareholders' representatives	Attendance rate (%)	Attendance rate (in person) (%)
Zhang Xiaoxu (Vice Chairman of the Supervisory Committee)	100	88
Liu Quancheng	100	75
Employees' representatives	**Attendance rate (%)**	**Attendance rate (in person) (%)**
Song Bo* (Chairman of the Supervisory Committee)	100	100
Liu Genle*	100	100
Yu Meiping* (Chairman of the Supervisory Committee)	100	100
Guo Hong*	100	100

* Mr. Song Bo and Mr. Liu Genle were elected as staff representative supervisors of the Company at the staff representative meeting of the Company, with effect from 16 August 2019;

* Ms. Yu Meiping and Ms. Guo Hong ceased to be staff representative supervisors of the Company, with effect from 16 August 2019.

4. Non-executive Directors and Independent Directors

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

Pursuant to the rules of the CSRC, the Company has formulated a "Work System for Independent Directors" and an "Annual Report Work System for Independent Directors" to govern a number of areas such as the requirements and procedures for the appointment of Independent Directors, the principles for exercising their functions and powers, the rights to which they are entitled and their corresponding responsibilities and obligations. The system contains explicit rules specifying the duties, responsibilities and other aspects of Independent Directors in respect of the preparation and review of the Company's annual reports.

The Independent Directors of the Company discharged the relevant duties faithfully with integrity and diligence towards the Company and all shareholders (especially small and medium shareholders). During the year, the Independent Directors actively attended the general meetings, board meetings and relevant meetings of the specialised committees; discharged their duties conscientiously; offered positive recommendations on the business development and operational management of the Company by making full use of their expertise and experience in financial, corporate management and other aspects; and conducted cautious review and presented independent opinions on the material connected transactions, external guarantees and other matters of the Company. During the preparation of the 2019 Annual Report, the Independent Directors played an active role in the Company as they supervised and inspected carefully details of the Company's annual production and operations which are in strict compliance with the requirements of the securities regulatory authorities and the "Annual Report Work System for Independent Directors"; maintained communication with the accountants for the annual audit to acquire a comprehensive understanding of, supervised and inspected the Company's annual audit arrangements and process; bringing into full play of their responsibility as Independent Directors.

5. Chairman and Chief Executive Officer (President)

The positions of Chairman (chairman of the Board) and President of the Company are held by two different persons. The responsibilities and authorities of the Chairman and the President are expressly provided in the Articles of Association. The main duties of the Chairman include presiding over the general meetings, convening and presiding over Board meetings and reviewing the status of the implementation of the Board's resolutions. The main duties of the President include: (1) to take charge of the production and operation management of the Company, and coordinate the implementation of the Board resolutions and report to the Board; (2) to coordinate the implementation of the Company's annual operation plans and investment proposals; (3) to formulate the plan for establishing the Company's internal management institutions; (4) to lay down the Company's fundamental management system; (5) to formulate the fundamental constitution of the Company; (6) to propose the appointments or dismissals of the Vice President and the person in charge of finance; and (7) to appoint or dismiss other officers who are not appointed or dismissed by the Board.

Pursuant to the Articles of Association, the President of the Company shall draft a special "Work Report of President" on details of the implementation of the Board resolutions and the operation of the Company, and shall present the same to the Board for consideration; the Chairman (Chairman of the Board) shall draft a special "Work Report of the Board" on behalf of the Board regarding the details of the Board's work and present it to the Company's annual general meeting for consideration.

Training of Directors

As stipulated by the Listing Rules, Directors are required to understand their respective responsibilities. In order to provide better assistance to Directors for discharging their duties, the Company will, pursuant to the requirements of the regulators, actively arrange Directors to participate in various training programmes such as the business of a listed company and corporate governance. Moreover, the Company will irregularly provide the Directors with written specific policies and regulations issued by the regulators so as to enable them to comprehend relevant laws, regulations and policies instantly during the process of discharging their respective duties, thereby assisting the Directors to better set the Company's production and business objectives. After the newly appointed Directors assume the position, the Company will provide them with written information which covers laws, regulations and other details related to the Directors' duties to enable them to clearly understand their duties as required by laws and regulations, and to discharge related duties accordingly. Directors will be invited to conduct on-site inspections on the Company's projects in response to the Company's development, and to make reasonable suggestions and comments to the Company based on their respective areas of expertise.

Details of the trainings attended by the Directors in 2019 are set out below:

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

* As considered and approved at general meeting of the Company, Mr. Chen Jinhang and Mr. Liu Chuandong no longer served as the directors of the Company, with effect from 28 March 2019. Mr. Chen Feihu and Mr. Wang Sen were appointed as the non-executive directors of the Company with effect from the same day.

Remuneration of directors, supervisors and senior management

As of 31 December 2019, the annual remuneration of the Company's senior management (excluding Directors and Supervisors) by band are as follows:

RMB0 to RMB300,000	2 persons
RMB300,001 to RMB600,000	1 person
RMB600,001 and above	3 persons

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

Details of remuneration of Directors, Supervisors and senior management in 2019 are set out in Notes 14 and 15(c) to the Financial Statements from page 160 to page 165.

Duties and operation of specialised committees under the Board

1. Strategic Development and Risk Control Committee

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

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

Chairman: Chen Feihu

Vice Chairman: Luo Zhongwei (Independent Director)

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

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

(3) Major Duties:

(i) to conduct research and make recommendations on the Company's long-term strategic development plan;

(ii) to conduct research and make recommendations on major investment and financing plans which are subject to the Board's approval according to the Articles of Association;

(iii) to conduct research and make recommendations on major capital operations and asset management projects which are subject to the Board's approval according to the Articles of Association;

(iv) to conduct research and make recommendations on other significant matters that may have an impact on the development of the Company;

(v) to conduct prior risk assessments and discussions on matters set out in (i) to (iv) above, and recommend corresponding control and spread out;

(vi) to conduct risk assessment and make recommendations on the sectors or industries in which the Company intends to operate;

(vii) to inspect the execution of the above matters, and to conduct follow-up research on the risk factors that may exist or occur during the execution process, and to make recommendations accordingly;

(viii) the Committee is accountable to the Board. Any proposals made by the Committee shall be submitted to the Board for consideration and decision.

(4) Meetings:

In 2019, one meeting was held to consider the Accomplishment of the Development Plan for the Year 2018 of Datang International and its Work Plan for the Year 2019.

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

* Some members of the Committee were changed on 28 March 2019, among which Mr. Chen Feihu, a director, was elected as a member of the Strategic Development and Risk Control Committee, and Chen Jinhang, a director, ceased to be a member of the Strategic Development and Risk Control Committee.

2. Nomination Committee

(1) Composition: The Board has established a Nomination Committee comprising five Directors, with Independent Directors making up more than half of the committee. The Committee has a chairman selected and appointed by the Board. The chairman is an Independent Director of the Company who is in charge of the work of the committee.

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

Chairman: Feng Genfu (Independent Director)

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

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

(3) Major Duties:

(i) to make recommendations to the Board with respect to the scale, constitution and composition (including skills, knowledge and experience) of the Board with reference to the operating activities, asset scale and shareholding structure of the Company;

(ii) to examine the selection criteria and procedures of directors and managers to make recommendations to the Board;

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

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

(v) to assess the independence of independent directors;

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

(4) Meetings:

Six meetings were held during 2019, at which changes to Directors and senior management of the Company were considered, and resolutions were passed and approved to be submitted to the Board for consideration and approval.

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

(5) Policy for the Diversification of Board Membership

Since an appropriate balance in the diversification of skills, experience and specialisation of the members of the Board will be conducive to enhancing the effective functioning of the Board and to maintaining high standards of corporate governance, the Nomination Committee has adopted a board diversity policy during the shortlisting of qualified Directors' candidates.

Particulars of the policy: candidates for Directors shall be shortlisted on the basis of diversification, with reference to the Company's business model and specific requirements, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and service term.

Supervision and responsibility: the Nomination Committee shall hold discussions on the structure, size and composition of the Board annually and propose, in due course, recommendations on any improvement to the Board based on the actual situation of the Company.

The Board shall hold discussions on the policy and revise the policy when necessary in accordance with the relevant rules, and disclose its policy or policy summary in the annual Corporate Governance Report of the Company.

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

Age group					
41 to 45	46 to 50	51 to 55	56 to 60	61 to 65	66 to 70
6.7%	20%	33.3%	20%	13.2%	6.7%

Cultural and educational background	
Bachelor's degree holder	Postgraduate degree holder
20%	80%

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

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

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

(b) Strategic planning;

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

(d) Legal and compliance; and

(e) Familiarity with the business environment of China

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

3. Audit Committee

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

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

Chairman: Jiang Fuxiu
(Independent Director)

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

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

(3) Major Duties:

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

(ii) to make recommendations on the appointment and replacement of external audit firms;

(iii) to supervise the Company's internal audit system and its implementation;

(iv) to be responsible for the communication between internal and external auditors;

(v) to review the Company's financial information and its disclosures;

(vi) to complement with the Supervisory Committee and the supervisors in reviewing the Company's financial matters;

(vii) to review the establishment of the comprehensive internal control system;

(viii) to review the "Internal Control Evaluation Report" and "the Internal Control Audit Report";

(ix) to inspect the establishment and improvement of the comprehensive internal control system;

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

(4) Meetings:

The Audit Committee under the Board held three meetings in 2019 to review the Company's results, the 2018 Internal Control Report, the 2018 Audit Report, and the Special Report on Deposit and Actual Utilization of Proceeds.

Committee Members	Attendance rate (%)
Jiang Fuxiu (Independent Director)	100
Luo Zhongwei (Independent Director)	100
Feng Genfu (Independent Director)	67
Jin Shengxiang	100
* Wang Sen	100
* Liu Chuandong	0

* Some members of the Committee were changed during 2019, among which Wang Sen, a director, was elected as a member of the Audit Committee, and Liu Chuandong, a director, ceased to be a member of the Audit Committee.

4. Remuneration and Appraisal Committee

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

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

Chairman: Feng Genfu
(Independent Director)

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

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

(3) Major Duties:

(i) to be accountable to the Board, and the proposals submitted by the committee will be submitted to the Board for consideration and decision;

(ii) to make remuneration plan or proposal according to the major scopes of work, duties and significance of the directors, supervisors and senior management positions as well as the remuneration levels of comparable positions in other comparable companies; remuneration plan or proposal include but not limited to performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty plans and systems;

(iii) to review the fulfillment of the responsibilities of the Company's directors, supervisors and senior management and to conduct annual performance appraisal thereon;

(iv) to supervise the implementation of the remuneration system of the Company's directors, supervisors and senior management;

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

(4) Meeting:

One meeting was held in 2019 to review the remuneration packages of the Directors, Supervisors and senior management of the Company for 2018 and the remuneration proposal for 2019.

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

Corporate Governance Responsibilities

The Board is responsible for establishing and facilitating the implementation of corporate governance functions and for ensuring that the established effective management structure continues to improve the relevant requirements for corporate governance in the changing operating environment as well as under relevant systems.

The duties of the Board in corporate governance primarily include:

- to formulate and inspect the Company's corporate governance policies and practices, and make recommendations;
- to organise and inspect the training of Directors and senior management;
- to supervise and monitor the Company's compliance with policies and practices under laws, regulations and regulatory requirements;
- to formulate, inspect and monitor the compliance with the conduct code by the employees and Directors of the Company;
- to inspect the Company's compliance with the Corporate Governance Code in Appendix 14 to the Listing Rules and the Company's disclosures in the Corporate Governance Report.

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

- The terms of reference of the Board
- Rules of proceedings for the Board, the Supervisory Committee and general meetings
- The establishment of specialised committees under the Board and their duties
- Work system for Independent Directors
- The terms of reference of the President
- Information disclosure system
- Registration System for Informed Parties with Access to Inside Information
- Management System for Connected Transactions
- Management System for Investor Relations
- Management system governing the changes in the Company's shares held by Directors, Supervisors and senior management , etc.

The Audit Committee under the Board has been delegated the corporate governance functions by the Board to supervise and facilitate the Company's compliance with the internal corporate governance code. A specialised office has been set up within the Company to assist the Audit Committee to review the Company's corporate governance structure on an ongoing basis and advise on the latest requirements of corporate governance and day-to-day operation of the Company's corporate governance office. The "2019 Internal Control Evaluation Report" compiled by the Company pursuant to the requirements of the Chinese domestic regulators has been reviewed by the Audit Committee, considered by the Board and audited by the accountants. For details of the Company's internal control, please refer to the "Establishment of the Company's Internal Control System" section.

Joint Company Secretaries

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

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

During the reporting period, Mr. Jiang Jinming and Mr. Mok Chung Kwan, Stephen have taken no less than 15 hours of relevant professional training in accordance with Rule 3.29 of Hong Kong Listing Rules.

Establishment of the Company's Internal Control System

Improving and effectively implementing the internal control is an ongoing responsibility of the Board and the management of the Company. The objectives of the Company's internal control are to provide reasonable assurances that the Company's operation management is lawful and compliant, the assets are safe, the financial statements and related information are truthful and complete, and operational efficiency and effectiveness are enhanced, thereby promoting the achievement of the development strategy of the Company. Since its incorporation, the Company has been continuously building and improving the internal control system to safeguard its sustainable, rapid, healthy, stable and orderly development, and to protect the interests of its shareholders pursuant to the requirements of the "Company Law of the People's Republic of China", the "Law of the People's Republic of China on Securities", the "Governance Standards for Listed Companies", the "Basic Standards for Internal Control of Enterprises", the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange", and "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" as well as other relevant laws, regulations, rules and normative documents, and in line with any changes in the internal and external environments. The Board has conducted an assessment of the internal control pursuant to the requirements of the "Basic Standards for Internal Control of Enterprises" and considered that it was effective as of 31 December 2019 (being the benchmark date).

1. Establishment of Internal Control System

In 2019, the Company continued to push forward the construction of its internal control system, and gradually established an internal control system that features good internal environment, scientific decision-making procedures, clarified power and responsibilities, standard management and effective risk control. Firstly, the Company strengthened organization and leadership by making prompt adjustment to the steering body responsible for internal risk control according to the actual situation of the Company. Secondly, the Company stepped up efforts in the construction of its internal control system by continuing to revise and perfect its internal control system in light of business expansion and adjustment to the organization structure and optimize its internal control processes with a focus on future development and innovative thinking. Thirdly, the Company integrated internal control system with its daily operation, so as to prevent and rectify issues identified through internal control from the source by taking the pre-operation and in-process control as the main means. Fourthly, the Company enhanced the application of internal control assessment results by carrying out internal control assessment and risk assessment, reinforcing the rectification of the deficiencies in internal control, formulating list of deficiencies and coming up with solutions by learning lessons and drawing inferences from these mistakes, so as to constantly follow up the effect of rectification.

2. Internal Control Work Plan

In 2020, the Company will keep improving various internal control systems, and establishing an internal control system that is mutually integrated and collaborative and efficient to advance the level of internal control work on an ongoing concern. Firstly, the Company will further optimise internal control system and strengthen internal control supervision with reference to both internal and external environments and risk changes; Secondly, the Company will include the information-based management for risk and internal control into the overall plan for construction of information system to improve information coverage of key areas and key links; thirdly, the Company will enhance the learning and training of internal control and put efforts on the implementation of responsibilities to ensure the effective operation of internal control system; forthly, the Company will maintain the assessment of internal control effectiveness to identify any defects in internal control system, and if any, strengthen the rectification of the defects, so as to improve the closed-loop mechanism of internal control evaluation.

Risk Management and Internal Control

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

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

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

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

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

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

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

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

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

Inside Information

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

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

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

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

The statement of the auditor in relation to their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on pages 89 to 233.

Company's Auditors

In 2019, the Company engaged ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as its domestic and international auditors respectively, which are responsible for providing impartial and objective opinion on the Company's financial statements. The Company's Audit Committee has confirmed the independence and objectivity of the auditors. In 2019, the fee payable by the Company to ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited for the provision of audit service amounted to RMB14.02 million. No fee was paid by the Company in respect of non-statutory audit services. RMB1.8 million was paid by the Company to ShineWing Certified Public Accountants (Special General Partnership) as internal control review fees. No fee was paid by the Company in respect of non-audit services.

Communication with Shareholders and the Rights of Shareholders

Shareholders can convene an extraordinary general meeting or share class meeting

Pursuant to the Articles of Association, two or more shareholders collectively holding more than 10% of the voting shares of the Company can sign one or more copies of a written request with the same format and content to be submitted to the Board requesting for convening an extraordinary general meeting or share class meeting and setting out the meeting agenda. The Board shall convene an extraordinary general meeting or share class meeting as soon as possible upon receipt of the aforesaid written request. If the Board fails to issue notice convening such meeting within 30 days upon receipt of such written request, the shareholders who made the request can convene a meeting by themselves within four months upon the Board's receipt of the request. The procedures for convening the meeting shall be the same as those procedures of the Board for convening a shareholders' general meeting as much as possible.

A written proposal made by shareholders holding more than 5% of the voting shares of the Company should be considered at a shareholders' general meeting of the Company.

Procedures for shareholders to inquire information

Pursuant to the Articles of Association, shareholders can inquire about the following information:

(1) the Articles of Association will be available upon payment of costs by shareholders;

(2) the shareholders have the right to inspect and make copies of the register of all classes of shareholders upon payment of a reasonable fee;

(3) the personal data of the Company's Directors, Supervisors, managers and other senior management;

(4) the status of the Company's share capital;

(5) the total nominal value, the number as well as the highest and lowest prices of the shares of each class repurchased by the Company since the previous fiscal year, and a report on the Company's payment of all the relevant fees;

(6) the minutes of the general meetings;

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

(8) the resolutions made at Board meetings;

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

(10) financial and accounting reports, etc.

Shareholders can access information through the following means

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

(1) served by hand;

(2) served by mail;

(3) served by fax or e-mail;

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

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

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

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

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

For putting forward any enquiries or proposals at shareholders' meeting to the Board, shareholders may send written enquiries (by post, fax or email) to the following address, fax number or email address of the Company:

No. 9 Guangningbo Street, Xicheng District, Beijing, People's Republic of China
Fax: 86 (10) 8800 8264
E-mail: shijiang@dtpower.com

Dividend Policy

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

The directors are pleased to present the audited results of the Company for the year ended 31 December 2019.

Company results

During the Year, operating revenue from operations of the Company was approximately RMB95,453 million, representing an increase of approximately 2.21% as compared to the Previous Year. Profit before tax amounted to approximately RMB4,619 million, representing an increase of approximately 10.87% as compared to the Previous Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0211, while the basic earnings per share attributable to equity holders of the Company for the year 2018 amounted to approximately RMB0.0716. Net profit attributable to equity holders of the Company amounted to approximately RMB986 million, while the net profit attributable to equity holders of the Company for the year 2018 amounted to approximately RMB1,232 million. Please refer to the "Management Discussion and Analysis" section for details of the Company's results.

The Board recommended the distribution of cash dividend for 2019 of RMB0.065 per share (tax inclusive), and such distribution of dividend is subject to the consideration and approval by the shareholders of the Company at the forthcoming general meeting of the Company.

Issue and listings of shares

The Company's H shares have been listed on the Stock Exchange of Hong Kong Limited and the London Stock Exchange Limited since 21 March 1997. On 9 September 2003, the Company issued 5-year United States Dollar convertible bonds of US$153.8 million, which have been listed in Luxembourg, at 0.75% interest rate and a conversion premium of 30%. The Company's A shares have been listed on the Shanghai Stock Exchange since 20 December 2006. Pursuant to the resolution passed at the 2006 general meeting, the Company implemented the share capital expansion proposal by utilising its capital reserve fund to issue 10 bonus shares for every 10 shares held by the shareholders of the Company in 2007. The Company completed the non-public issuance of A shares in March 2010, with newly issued A shares of 530,000,000 shares. Further, the Company had non-public issuance of A shares in May 2011, with newly-issued A shares of 1,000,000,000 shares. The Company completed the non-public issuance of A shares and H shares in March 2018, with newly issued A shares and H shares of 2,401,729,106 shares and 2,794,943,820 shares, respectively. Due to above-mentioned changes, as at the date of this annual report, the total number of shares of the Company was 18,506,710,504 shares. Apart from that, the Company did not issue any new shares.

Use of proceeds

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

1. Use of proceeds from the A-Share Issuance as at 31 December 2019

Details of the use of proceeds from the A-Share Issuance as at 31 December 2019 are as follows:

	Intended use of the proceeds *Approximately RMB0'000*	Utilisation of proceeds during the year ended 31 December 2019 *Approximately RMB0'000*	Remaining balance of un-utilised proceeds as at 31 December 2019 *Approximately RMB0'000*
Investments in power plant projects	278,400	219,351	59,049
(i) Investment in "Replacing Small Units with Larger Units" Newly-constructed Project of Liaoning Datang International Huludao Thermal Power Plant (遼寧大唐國際葫蘆島熱電廠「上大壓小」新建工程項目) (the "Huludao Project")	108,200	107,733	467
(ii) Investment in Jiangsu Datang International Jintan Gas Turbine Thermal Power Cogeneration Project (江蘇大唐國際金壇燃機熱電聯產項目) (the "Jiangsu Project")	92,200	45,288	46,912
(iii) Investment in Guangdong Datang International Gaoyao Jintao Heating, Power and Cooling Supply Co-generation Project (廣東大唐國際高要金淘熱電冷聯產項目) (the "Guangdong Project")	78,000	66,330	11,670
Repayment of borrowings for project infrastructure	555,000	555,000	–
Total	833,400	774,351	59,049

The following table sets out the breakdown of the un-utilised proceeds from the A-Share Issuance as at 31 December 2019:

Intended use of the proceeds not yet utilised	Expected amount *Approximately RMB0'000*	Expected timeline
Further investments in power plant projects		
(i) Investment in the Huludao Project	467	Before end of December 2020
(ii) Investment in the Jiangsu Project	46,912	Before end of December 2021
(iii) Investment in the Guangdong Project	11,670	Before end of December 2021

During the year ended 31 December 2019, the proceeds raised by the Company from the A-Share Issuance were utilised, or were proposed to be utilised, according to the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

2. Use of proceeds from the H-Share Issuance as at 31 December 2019

Details of the use of proceeds from the H-Share Issuance as at 31 December 2019 are as follows:

	Intended use of the proceeds *Approximately RMB0'000*	Utilisation of proceeds during the year ended 31 December 2019 *Approximately RMB0'000*	Remaining balance of un-utilised proceeds as at 31 December 2019 *Approximately RMB0'000*
General corporate purposes (including loan and bond payment)	502,272	501,932	340

The following table sets out the details of the un-utilised proceeds from the H-Share Issuance as at 31 December 2019:

Intended use of the proceeds not yet utilised	Expected amount *Approximately RMB0'000*	Expected timeline
General corporate purposes (including loan and bond payment)	340	Before end of December 2020

During the year ended 31 December 2019, the proceeds raised by the Company from the H-Share Issuance were utilised, or were proposed to be utilised, according to the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

Performance of the Company's A shares and H shares during 2019 (No adjustment)

Performance of the Company's H shares during 2019:

Closing price of H shares as at 31 December 2019	HK$1.49 per share
Highest trading price between 1 January and 31 December 2019	HK$2.30 per share
Lowest trading price between 1 January and 31 December 2019	HK$1.40 per share
Total number of trading between 1 January and 31 December 2019	1.235 billion shares

Performance of the Company's A shares during 2019:

Closing price of A shares as at 31 December 2019	RMB2.45 per share
Highest trading price between 1 January and 31 December 2019	RMB3.68 per share
Lowest trading price between 1 January and 31 December 2019	RMB2.36 per share
Total number of trading between 1 January and 31 December 2019	2.999 billion shares

Public float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, i.e. 28 April 2020, and as at 31 December 2019, the Company confirms that the public float of the Company's H shares and A shares has complied with the requirements under the Listing Rules.

Accounts

The Company and its subsidiaries' audited results for the year ended 31 December 2019 are set out in the Consolidated Statement of Profit or Loss and Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 95 to page 96. The financial position of the Company and its subsidiaries as at 31 December 2019 is set out in the Consolidated Statement of Financial Position on page 97 to page 98.

The Company and its subsidiaries' consolidated cash flows for the year ended 31 December 2019 are set out in the Consolidated Statement of Cash Flows on page 101 to page 102.

Principal businesses and business review

The Company is principally engaged in the development and operation of power plants, the sale of electricity and thermal power, the repair and testing of power equipment, power related technical services, and the development and sale of coal.

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

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

Environmental policies and performances

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

Compliance with laws and regulations

In 2019, the Company has strictly complied with relevant laws, regulations and practices of the industry which have material impact on the operation of the Company.

Major suppliers and customers

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

	2019	2018
Purchases		
The largest supplier	**18.93%**	18.47%
Top five suppliers	**30.41%**	29.77%
Sales		
The largest customer	**12.53%**	9.71%
Top five customers	**36.98%**	35.55%

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

Subsidiaries, joint ventures and associates

Details of subsidiaries, joint ventures and associates of the Company are set out in Note 49 to the Financial Statements from page 219 to page 230, Note 22 to the Financial Statements from page 180 to page 183 and Note 21 to the Financial Statements from page 172 to page 180 respectively.

Dividend and earnings per share

The Board recommended the distribution of cash dividend for 2019 of RMB0.065 per share (tax inclusive).

Details of dividends and earnings per share are set out in Notes 16 and 17 to the Financial Statements on page 166.

Relationship with employees

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

Relationship with suppliers and customers

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

Reserves

Movements in reserves during the Year are set out in Note 31(b) to the Financial Statements on page 193, among which distributable reserves attributable to the shareholders amounted to approximately RMB1.215 billion.

Property, plant and equipment

Details of movements in property, plant and equipment during the Year are set out in Note 18 to the Financial Statements from page 167 to page 168.

Pledge of Assets

Details on pledge of assets as at the end of the year was set out in Note 47 to the financial statements on page 212.

Donation

During the Year, the Company and its subsidiaries have made charitable and relief donations of approximately RMB22,349,000.

Share capital

As at 31 December 2019, total share capital of the Company amounted to 18,506,710,504 shares, divided into 18,506,710,504 shares of a nominal value of RMB1 each.

Share capital structure

As at 31 December 2019, total number of shares in issue of the Company was 18,506,710,504 shares. The Company's shareholders were China Datang Corporation Ltd., Tianjin Jinneng Investment Co., Ltd., Hebei Construction & Investment Group Co., Ltd., Beijing Energy Holding Co., Ltd., and other holders of A shares and H shares, holding 6,540,706,520 A shares, 1,295,792,600 A shares, 1,281,872,927 A shares, 1,251,690,023 A shares, 2,026,027,036 A shares and 6,110,621,398 H shares, respectively, representing 35.34%, 7.00%, 6.93%, 6.76%, 10.95% and 33.02%, respectively, of the total share capital of the Company.

As at the date of this annual report, China Datang Corporation Limited and its subsidiaries held a total of 9,825,068,940 shares, representing 53.09% of the total share capital of the Company.

Pledge of H-shares by controlling shareholder

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

Number of shareholders

Details of the shareholders as recorded in the register of members of the Company as at 31 December 2019 were as follows:

Total number of shareholders	189,840
Holders of domestic shares	189,325
Holders of H shares	515

Substantial shareholders of the Company

So far as the Directors of the Company are aware, as at 31 December 2019, the interests or short positions of the persons (other than Directors, supervisors or chief executive of the Company) in the shares or underlying shares of the Company as required to be disclosed under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong), were as follows:

Name of Shareholder	Class of Shares	No. of Shares Held	Approximate Percentage to Total Issued Share Capital of the Company (%)	Approximate Percentage to Total Issued A Shares of the Company (%)	Approximate Percentage to Total Issued H Shares of the Company (%)
CDC (Note 1)	A shares	6,540,706,520	35.34	52.76	/
	A shares	8,738,600	0.05	0.07	/
	H shares	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Tianjin Jinneng Investment Co., Ltd. (Note 2)	A shares	1,295,792,600	7	10.45	/
Hebei Construction & Investment Group Co., Ltd. (Note 3)	A shares	1,281,872,927	6.93	10.34	/
Beijing Energy Investment Holding Co., Ltd. (Note 4)	A shares	1,251,690,023	6.76	10.10	/

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

Notes:

(1) Mr. Chen Feihu and Mr. Wang Sen, who are currently non-executive Directors, are employees of CDC.

(2) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Co., Ltd..

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

(4) Mr. Zhang Ping and Mr. Jin Shengxiang, who were both non-executive Directors, are employees of Beijing Energy Investment Holding Co., Ltd..

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

As of 31 December 2019, save as disclosed below, so far as is known to the Board, none of the Directors, supervisors and chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in the SFO (Chapter 571 of the Law of Hong Kong)) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 of the SFO or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

Name of Director	Class of Share	Capacity/ Nature of Interest	No. of A Shares Held	Approximate Percentage of the Total Issued Share Capital of the Company
Mr. Liu Jizhen	A shares	Beneficial interest	9,100 (L)	0.000049% (L)

(L) = Long Position

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

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

Name of Director	Details of Change
Mr. Wang Sen	He ceased to be the director and the deputy party committee secretary of CDC, and has served as the director and the deputy party committee secretary of China Huaneng Group Co., Ltd. since March 2020
Mr. Liu Jizhen	He ceased to be the vice president of Chinese Society of Power Engineering
Mr. Feng Genfu	He has served as an independent director of Xi'an Shaangu Power Co., Ltd. (601369.SH) since December 2019

Name of Supervisor	Details of Change
Mr. Zhang Xiaoxu	He ceased to be the manager of the settlement center of Tianjin Energy Investment Group Co., Ltd.

Directors' and supervisors' service contracts

As at 31 December 2019, the Company has not entered into any service contracts with its Directors and supervisors. Therefore, none of the Directors and supervisors has or proposed to have any service contracts with the Company which are not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors and supervisors

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

Interests of Directors and supervisors in contracts

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

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

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

Interests of substantial shareholders in contracts

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

Equity-linked agreement

The Company did not enter into any equity-linked agreement for the year ended 31 December 2019.

Highest paid individuals

During the Year, the Group ran a basic salary system on the basis of position-points salary distribution for the Company's Directors, supervisors and members of senior management, and conducted appraisal in accordance with the appraisal management method of "overall accountability management and all staff performance appraisal". The Remuneration and Appraisal Committee reviewed the work performance and remuneration level of each individual.

All of the highest paid individuals of the Company during the Year were Directors or senior management. Details of their remunerations are set out in Notes 14 and 15(c) to the Financial Statements from page 160 to page 165.

Purchase, sale or redemption of the Company's listed securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or its subsidiaries during the Year.

Bank borrowings, overdrafts and other borrowings

Apart from the loans from China Datang Group Finance Company Limited, short-term bank loans, other short-term loans, long-term bank loans, other long-term loans, short-term bonds and long-term bonds set out in Note 41, Note 34, Note 42 and Note 35 to the Financial Statements from page 208 to page 209, page 197 to page 199, page 209 and page 200, respectively, there were no other loans of the Company and its subsidiaries as at 31 December 2019.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Articles of Association and applicable PRC laws that require the Company to offer new shares to the existing shareholders in proportion to their shareholdings.

Connected transactions

During the Year, the Company or its subsidiaries carried out the following material continuing connected transactions (as defined in Chapter 14A of the Listing Rules) with its connected persons as defined under the Listing Rules, and such transactions were in compliance with the requirements on connected transactions under Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange:

Currency: RMB Unit: '00 million

No.	Terms of Transaction	Annual Caps	Actual Amount
I.	Transactions under the Comprehensive Product and Service Framework Agreement between Datang International and CDC		
	(I) Products and services provided by CDC to Datang International		
	1 Procurement of production and infrastructure materials and relevant auxiliary services	35	23.02
	2 Coal supply	400	75.98
	3 Technological transformation, operations management and repair and maintenance	12	3.70
	4 Technical supervision and technical services	3.5	2.71
	5 Infrastructure EPC contracting	18	7.39
	6 Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	15	0.11
	7 Alternative power generation	1	0.13
	8 Franchising of flue gas environmental protection facilities	25.6	22.46
	9 Research and development in technological projects	0.8	0.02
	10 Information system development	1	0.69
	11 Property rights brokerage services	0.3	0
	12 Property management and other logistical services	0.45	0.45
	(II) Products and services provided by Datang International to CDC		
	1 Coal supply and coal transportation	100	24.82
	2 Sale of electricity	5	1.46
	3 Alternative power generation	6	0.03
	4 Operations management and repair and maintenance	1.6	0.36
	5 Franchising of flue gas environmental protection facilities, water and electricity supply	6.4	5.68

No.	Terms of Transaction	Annual Caps	Actual Amount
II.	Transaction under the Financial Services Agreement with China Datang Group Finance Company		
	1 Loan from China Datang Group Finance Company and entrusted loans through China Datang Group Finance Company	240	112.36
	2 The daily balance of the deposits of China Datang Group Finance Company	150	71.01
III.	Transaction under the Financial Cooperation Agreement with Datang Financial Lease Company		
	1 Lease payments with Datang Financial Lease Company	50	7.34
IV.	Transaction under the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company		
	1 Lease payments with Shanghai Datang Financial Lease Company	100	10.18
V.	Transaction under the Factoring Business Cooperation Agreement entered into with Datang Commercial Factoring Company Limited		
	1 Factoring business with Datang Factoring Company	20	3.69
VI.	Transaction under the Coal and Materials Purchase and Sale Framework Agreement with CDC		
	1 Provision of procurement of production and infrastructure materials and relevant auxiliary services to Datang International by CDC	20	0.21
	2 Supply of coal to Datang International by CDC	23	22.53
	3 Provision of coal supply and coal transportation service to CDC by Datang International	23	4.94

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

I. Continuing connected transactions in 2019

1. On 18 January 2019, the Company entered into the Coal and Materials Purchase and Sale Framework Agreement with CDC. CDC Group agreed to provide products and services relating to (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services; and (ii) Coal Supply to the Group during the term of the Coal and Materials Purchase and Sale Framework Agreement. The Group agreed to provide products and services relating to Coal Supply and Coal Transportation to CDC Group during the term of the Coal and Materials Purchase and Sale Framework Agreement. The transactions can ensure that the Company is able to obtain reliable and guaranteed supply of coal and materials, give full play to the professional advantages of both parties in the purchase and sale of coal and the advantages of coal resources trade, reduce its operation risks and costs and enhance work efficiency, for the purpose to ensure the normal development of the Company's operations. The annual caps for the transaction amounts for the term ended 31 March 2019 are set out as follows:

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

Unit: '000 Currency: RMB

No.	Transactions	Annual Caps	Actual Amount
1	Procurement of production and infrastructure materials and relevant auxiliary services	2,000,000	21,000
2	Coal supply	2,300,000	2,253,000

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

Unit: '000 Currency: RMB

No.	Transaction	Annual Caps	Actual Amount
1	Coal supply and coal transportation	2,300,000	494,000

During the term of the agreement, all of the aforesaid transaction amounts did not exceed the annual caps as set out in the agreement. For details of the transactions, please refer to the announcement of the Company dated 18 January 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

2. On 23 January 2019, the Company entered into the Comprehensive Product and Service Framework Agreement with CDC. CDC Group agreed to provide products and services (including (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Technological Transformation, Operations Management and Repair and Maintenance, (iv) Technical Supervision and Technical Services, (v) Infrastructure EPC Contracting, (vi) Sale of Electricity (including sale of water, gas and other resources) and Electricity Entrustment Agency, (vii) Alternative Power Generation, (viii) Flue Gas Environmental Protection Facilities Franchising, (ix) Research and Development in Technological Projects, (x) Information System Development, (xi) Property Rights Brokerage Services and (xii) Property Management and Other Logistical Services) to the Group during the term of the Comprehensive Product and Service Framework Agreement. The Group agreed to provide products and services (including (i) Coal Supply and Coal Transportation, (ii) Alternative Power Generation, (iii) Sale of Electricity, (iv) Operations Management and Repair and Maintenance and (v) the supply of water, electricity and gas in respect of Flue Gas Environmental Protection Facilities Franchising) to CDC Group during the term of the Comprehensive Product and Service Framework Agreement. The transactions can ensure the Company in obtaining reliable and guaranteed comprehensive products and services, such as coal, materials and services, reducing its operating risks and costs as well as improving work efficiency, which is conductive to the normal commencement of the production and operation of the Company. For the year ended 31 December 2019, the annual caps and actual aggregate transaction amounts are as follows:

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

Unit: '000 Currency: RMB

No.	Transactions	Annual Caps	Actual Amount
1	Procurement of production and infrastructure materials and relevant auxiliary services	3,500,000	2,302,000
2	Coal supply	40,000,000	7,598,000
3	Technological transformation, operations management and repair and maintenance	1,200,000	370,000
4	Technical supervision and technical services	350,000	271,000
5	Infrastructure EPC contracting	1,800,000	739,000
6	Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	1,500,000	11,000
7	Alternative power generation	100,000	13,000
8	Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	2,560,000	2,246,000
9	Research and development in technological projects	80,000	2,000
10	Information system development	100,000	69,000
11	Property rights brokerage service	30,000	–
12	Property management and other logistical services	45,000	45,000

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

Unit: '000 Currency: RMB

No.	Transactions	Annual Caps	Actual Amount
1	Coal supply and coal transportation	10,000,000	2,482,000
2	Sale of electricity	500,000	146,000
3	Alternative power generation	600,000	3,000
4	Operations management and repair and maintenance	160,000	36,000
5	Water, electricity and gas fee in respect of Flue Gas Environmental Protection Facilities Franchising	640,000	568,000

During the term of the agreement, all of the aforesaid transaction amounts did not exceed the annual caps as set out in the agreement. For details of the transactions, please refer to the announcement of the Company dated 23 January 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

3. On 27 May 2019, the Company entered into the Factoring Business Cooperation Agreement with Datang Factoring Company, pursuant to which, Datang Factoring Company will provide factoring business support in an aggregate value of not more than RMB2 billion to the Company and its subsidiaries for a term of 12 months from the effective date of the agreement. For the year ended 31 December 2019, actual aggregate annual transaction amounts was approximately RMB369 million and did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 27 May 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

4. On 1 September 2016, the Company entered into the Financial Cooperation Agreement with Datang Lease Company. Pursuant to the agreement, the Company and its subsidiaries shall conduct certain financial leasing arrangements with a transaction amount not exceeding RMB5.0 billion for every 12 months from the effective date of the agreement. The term of the agreement commenced from 1 September 2016 to 31 August 2019. On 25 July 2019, the Company entered into the Financial Business Cooperation Agreement with Datang Lease Company. Pursuant to the agreement, Datang Lease Company shall provide financial services (including financial leasing, accounts receivable factoring and entrustment loan services) to the Company and its subsidiaries for an aggregate value of not exceeding RMB10 billion for every 12 months from the effective date of the agreement. The term of the agreement commenced from 20 December 2019 to 31 August 2022. In 2019, the financing amount entered between the Company and Datang Lease Company was RMB734 million and did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 25 July 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

5. On 11 November 2016, the Company and Datang Finance Company entered into the Financial Services Agreement. Pursuant to the agreement, Datang Finance Company agreed to provide the Company and its subsidiaries with deposit businesses, loan businesses and other financial businesses, and the daily balance of the deposits of the Company and its subsidiaries with Datang Finance Company should not exceed RMB15,000 million. The term of the agreement commenced from 1 January 2017 to 31 December 2019. As of 31 December 2019, the daily balance of the deposits of the Company and its subsidiaries with Datang Finance Company was RMB7,101 million and did not exceed the annual cap as set out in the agreement, which complied with the relevant provisions of the agreement. For details please refer to the annoucement of the Company dated 11 November 2016 in respect of daily connected transaction.

6. On 4 July 2018, the Company entered into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company, a controlled subsidiary of CDC, pursuant to which, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries with a principal of not exceeding RMB10.0 billion for every 12 months from the effective date of the agreement for a term of 36 months commencing from the effective date of the agreement. In 2019, the financing amount entered between the Company and Shanghai Datang Financial Lease Company was RMB1,018 million and did not exceed the annual cap as set out in the agreement. For details of the agreement, please refer to the announcement of the Company dated 4 July 2018. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

II. Other connected transactions in 2019

1. On 30 August 2019, the Company entered into (i) the Liaoning Transfer Agreement, (ii) the Hebei Equity Transfer Agreement, (iii) the Inner Mongolia Equity Transfer Agreement, (iv) the Fujian Equity Transfer Agreement; and (v) the Yunnan Equity Transfer Agreement with Everbright Prestige Capital Asset Management Co., Ltd* (首譽光控資產管理有限公司), pursuant to which the Company conditionally agreed to purchase and Everbright Prestige Capital Asset Management Co., Ltd* conditionally agreed to sell (i) the Liaoning Sale Equity, (ii) the Hebei Sale Equity, (iii) the Inner Mongolia Sale Equity, (iv) the Fujian Sale Equity; and (v) the Yunnan Sale Equity, respectively, at a total consideration of RMB5,343,967,342.41. For details of the transactions, please refer to the announcement of the Company dated 30 September 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

2. On 16 December 2019, the Company entered into the Equity Transfer Agreement with CDC. Pursuant to the Equity Transfer Agreement, the Company agreed to purchase, and CDC agreed to sell the 49% equity interest in Hohhot Thermal Power Generation Company, for a total consideration of approximately RMB17.8203 million. Upon completion of the Acquisition, the Company will directly hold 100% equity interest in Hohhot Thermal Power Generation Company. For details of the transaction, please refer to the announcement of the Company dated 16 December 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

The Company has followed the pricing policies and guidelines as specified in its relevant announcements and/or circulars when determining the price and terms of the continuing connected transactions conducted during the year ended 31 December 2019.

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

The Company's auditor was engaged to report on its continuing connected transactions for the year ended 31 December 2019 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with rule 14A.56 of the Listing Rules, confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the cap. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

Retirement scheme

In accordance with the State's employee retirement scheme, the Company has to pay a basic pension insurance premium on behalf of the employees at a rate of 20% of the staff's salaries whereby the employees will receive a monthly pension payment after retirement. In addition, the Company has also implemented an enterprise annuity plan, whereby employees will make monthly contributions at fixed amounts as individual savings pension insurance funds, while the Company will contribute proportionate amounts of the employees' contributions as supplementary pension insurance funds. The Company may at its discretion provide additional non-recurring individual savings pension insurance funds depending on the operating results of the year. When retired, an employee will receive individual savings pension insurance fund and corporate supplemental savings pension insurance fund by the Company. Apart from such contributions, the Company has no other liabilities towards the staff retirement scheme.

Interest capitalisation

During the Year, the interest capitalised in respect of construction-in-progress amounted to approximately RMB938,185 thousand.

Compliance of the Model Code

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

Independent non-executive directors

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

Auditors

ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited were appointed and elected as the domestic and overseas auditors of the Company for the year 2019, respectively, at the 2018 annual general meeting of the Company, and responsible for auditing the domestic and international financial reports of the Company in 2019 respectively. There has been no change in the auditors of Company in any of the preceding three years.

By order of the Board
Chen Feihu
Chairman

30 March 2020

REPORT OF THE SUPERVISORY COMMITTEE

Dear supervisors,

In 2019, in the spirit of being accountable to all shareholders of Datang International Power Generation Co., Ltd. ("Datang International" or the "Company") and in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Articles of Association of Datang International Power Generation Co., Ltd.(the "Articles of Association"), the Rules of Procedure of the Supervisory Committee Meeting of Datang International Power Generation Co., Ltd. (the "Rules of Procedure of the Supervisory Committee Meeting") and the relevant requirements of the listing rules in the jurisdictions where the Company is listed, members of the Supervisory Committee of the Company dutifully and conscientiously fulfilled their monitoring duties with promotion in lawful and compliant operation of the Company. In 2019, members of the Supervisory Committee attended all general meetings, Board meetings and meetings of the specialised committees under the Board. They also actively participated in the review of the Company's major decisions and examined the Company's operation and financial position from time to time, striving to protect the rights of the shareholders, the benefits of the Company as well as the legal interests of staff within legal limits.The detailed report on the work of the Supervisory Committee for 2019 is as follows:

I. Supervisory Committee Meetings

No	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
1	The 19th meeting of the ninth session of Supervisory Committee	28 March 2019	Onsite meeting	Considered and approved the Work Report of the Supervisory Committee for Year 2018, the Financial Report for the Year 2018, the 2019 Financial Budget Proposal, the Provisions for Asset Impairment of Certain Subsidiaries, Retirement of Assets and Supplies and Write-off of Preliminary Project Expenses, the Special Report on Deposit and Actual Utilization of Proceeds for Year 2018, the 2018 Profit Distribution Proposal, the Evaluation Report on Internal Control and the Audit Report For Year 2018 and the Explanation on the Publication of 2018 Annual Report
2	The 20th meeting of the ninth session of Supervisory Committee	29 April 2019	Meeting by communication means	Considered and approved the Resolution on the 2019 First Quarterly Report
3	The 21th meeting of the ninth session of Supervisory Committee	5 June 2019	Meeting by communication means	Considered and approved the Resolution on Change of Session of Supervisory Committee
4	The first meeting of the tenth session of Supervisory Committee	26 June 2019	Onsite meeting	Considered and approved the Resolution on Election of the Chairman and Vice-chairman of the Tenth Session of Supervisory Committee

No	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
5	The second meeting of the tenth session of Supervisory Committee	30 August 2019	Onsite meeting	Considered and approved the Resolution on Election of the Chairman of the Tenth Session of Supervisory Committee, the Announcement of the 2019 Interim Report, the Provisions for Impairment of Certain Companies, the provision for impairment in respect of Liancheng Power Generation Company and Related Accounting Treatment, Changes in Accounting Policies and the 2019 Interim Special Report on Deposit and Actual Utilization of Proceeds of the Company
6	The third meeting of the tenth session of Supervisory Committee	30 October 2019	Meeting by communication means	Considered and approved the Resolution on 2019 Third Quarterly Report, Retirement of the Fixed Assets of Coal-fired Units of Beijing Gao Jing Thermal Power Plant
7	The fourth meeting of the tenth session of Supervisory Committee	22 November 2019	Meeting by communication means	Considered and approved the Resolution on Retirement of the Fixed Assets of Coal-fired Units Shut Down by Matou Thermal Power Branch
8	The fifth meeting of the tenth session of Supervisory Committee	20 December 2019	Onsite meeting	Considered and approved the Resolution on the Provisions for Asset Impairment in Respect of Datang International as The Parent Company and Renewable Resource Company

II. Independent Opinions of the Supervisory Committee on the Company's Relevant Matters

1. The Company's Operation in Compliance with Laws

During the reporting period, members of the Supervisory Committee acquired understanding of the major operating decision – making process through attending (or attending as observers) the general meetings, Board meetings and major internal integrated or professional meetings of the Company, and inspected and monitored the financial position and the operation of the Company. The Supervisory Committee is of the view that in 2019 the Company's business was regulated and operated in strict compliance with the Company Law and the Articles of Association and other relevant regulations and systems and its operation and decisions were scientific and rational. Meanwhile, the Company has established and continued to enhance its internal management and internal control systems and developed an effective internal control mechanism. In fulfilling their duties, directors and senior management of the Company acted diligently and dutifully, abided by the State laws and regulations and the Articles of Association and systems of the Company and safeguarded the interests of the Company. No act which constituted violation of laws and regulations or contravention of the Company's interests and minority shareholders' lawful interests was discovered.

2. Financial Management of the Company

During the reporting period, the Supervisory Committee conscientiously and carefully examined and reviewed the Company's financial statements and financial information, expressed opinions on asset impairment, changes in accounting policies and retirement of assets, took part in reviewing the auditor's report and provided opinions and recommendations on the auditor's work. The Supervisory Committee is of the view that the preparation of the Company's financial statements complies with the relevant requirements of the Accounting Standards for Business Enterprises and Financial Accounting Systems of the Company, and that the Company's 2019 financial report and the standard unqualified audit report issued by the accountants truthfully reflect the financial position and the operating results of the Company.

3. Use of Proceeds of the Company

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

4. Connected Transactions of the Company

During the reporting period, connected transactions have been considered and approved by the corresponding Board or general meetings of the Company, and during the execution process, the transaction cap for the period from January 2019 to December 2019 did not exceed the maximum limit approved. Major connected transactions conducted by the Company include: 1.connected transactions between the Company and China Datang Corporation Limited (a controlling shareholder) and its subsidiaries in respect of procurement of production or construction materials, sale and purchase of coal, technical transformation projects, technical services, sale of electricity, alternative power generation, franchising of flue gas environmental protection facilities, infrastructure EPC contracting, repair and maintenance, research and development of science and technology projects, development of informatization system, deposit and loan business and financial services; and 2. sale and purchase of fuels and coal transportation conducted between the Company and related subsidiaries.

The Supervisory Committee is of the opinion that the connected transactions of the Company in 2019 were conducted on normal commercial terms and were in compliance with the relevant requirements of the PRC laws and regulations and the Articles of Association; and the Company has fulfilled its approval and disclosure processes as required by the listing rules of Shanghai Stock Exchange and Hong Kong Stock Exchange.

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

The Supervisory Committee of the Company reviewed the Company's 2019 Internal Control Evaluation Report and communicated with the management of the Company and the accounting firm that was responsible for the internal auditing of the Company. The Supervisory Committee believes that the evaluation procedure of the internal control of the Company was in compliance with the Basic Standards of Enterprise Internal Control and other relevant requirements, and the Evaluation Report on Internal Control for 2019 of the Company truthfully and objectively reflected the conditions on the operation and improvement of the internal control system of the Company. The Company has practically complied with the basic principles of internal control, established comprehensive internal control procedures and system, and proactively carried out risk assessment and internal control evaluation. As at the benchmark date of the Evaluation Report on Internal Control, no material defects or important defects of internal control over financial reporting or non-financial reporting were identified by the Company.

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

III. Work Plan for 2020

In 2020, the Supervisory Committee of the Company will continue to follow the Company Law, the Articles of Association, and the Rules of Procedure of the Supervisory Committee Meeting. In the spirit of being accountable to all shareholders and employees of the Company, the Supervisory Committee will continue to exercise effective supervision over the Company's major business decisions through ways such as attending (or attending as observers) Board meetings and relevant important business meetings of the Company, as well as to periodically examine the Company's financial position and internal control, supervise the performance of duties fulfillment of directors and senior management of the Company, and ensure the lawful and compliant operation of the Company. Members of the Supervisory Committee will also continue to improve their political quality and operational capacity by studying relevant laws and regulations, so as to perform their function of supervision more effectively.

Datang International Power Generation Co., Ltd.
Supervisory Committee
30 March 2020

TAXATION IN THE UNITED KINGDOM

The contents below are a general guide only, based on the tax law and practice in force as at the date of this report which may be subject to changes or revisions. They relate only to certain limited aspects of the tax position of shareholders of the Company who are United Kingdom ("UK") residents holding shares in the Company as an investment, and who are not a share dealer or financial trader ("Relevant Shareholders"). This section is not intended to be and should not be construed as legal or tax advice to any particular shareholder. If you are in any doubt as to your tax position you should consult an appropriate professional advisor.

Subject to the statements made below regarding corporate Relevant Shareholders, Relevant Shareholders will generally be subject to UK income tax or corporation tax on the gross amount of dividends paid by the Company (as ascertained for the purposes of the relevant tax), but will normally be entitled to a credit against such UK income tax or corporation tax for any PRC withholding tax charged on the dividend.

Under the current double taxation treaty between the PRC and the UK, following the application to the relevant PRC tax authorities, Relevant Shareholders will generally be entitled to a reduced rate of PRC withholding tax on dividends paid to them by the Company subject to certain requirements being met.

An individual Relevant Shareholder will be subject to income tax on dividends he/she receives above an annual £2,000 tax free dividend allowance. A corporate Relevant Shareholder should generally be exempt from UK corporation tax in respect of dividends paid to them by the Company subject to the relevant conditions being met. Where this is not the case, corporate Relevant Shareholders who control (directly or indirectly) at least 10% of the voting rights of the Company may be entitled to credit against UK corporation tax chargeable in respect of dividends paid to them by the Company for any underlying PRC tax payable by the Company in respect of the profits out of which dividends were paid.

Relevant Shareholders will generally be subject to UK tax on chargeable gains on any gain on a disposal of shares, as computed for the purposes of such tax. There may be exemptions or reliefs available for qualifying Relevant Shareholders.

信永中和
ShineWing

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DATANG INTERNATIONAL POWER GENERATION CO., LTD.
(Incorporated in the People's Republic of China with limited liabilities)

OPINION

We have audited the consolidated financial statements of Datang International Power Generation Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 95 to 231, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (Continued)

Recognition of deferred tax assets

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

The key audit matter	How the matter was addressed in our audit
The carrying amount of the deferred tax assets as at 31 December 2019 is RMB4,059,693,000, of which RMB3,216,741,000 primarily arising from deductible tax losses. Management has concluded that it is probable that the relevant entity in the Group will have sufficient taxable profits to utilise the deductible tax losses based on the profit forecasts prepared by the management of the Group. The profit forecasts were prepared on the basis of the accounting policies consistently adopted by the Group and reasonable and supportable assumptions which require significant management estimation.	Our procedures were designed to review the management's assessment of the recognition of deferred tax assets. The procedures included: – discussed with the Company's tax specialist to determine the basis and calculations of the deductible tax losses; – assessed the assumptions and critical judgement used by the management in preparing the profit forecasts based on our knowledge of the business and industry; and – considered whether the recognition of the deferred tax assets in respect of the tax losses was limited to the extent of the future taxable profits available to utilise the deductible tax losses.

KEY AUDIT MATTERS (Continued)

Impairment of property, plant and equipment

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

The key audit matter	How the matter was addressed in our audit
The carrying amount of property, plant and equipment as at 31 December 2019 is RMB211,471,481,000. Certain subsidiaries of the Group under power generation segment and other segments incurred losses for year ended 31 December 2019. This has increased the risk that the carrying amounts of property, plant and equipment attributable to those cash generating units may be impaired. Management has concluded that impairment losses of approximately RMB1,539,077,000 are required to be made to reduce the carrying amounts of certain property, plant and equipment. The recoverable amounts of the relevant assets have been determined based on a value in use calculation through discounting the estimated future cash flows generated from the relevant assets to the present value. In estimating the aforesaid recoverable amount, management is required to consider all relevant factors with reasonable and supportable assumptions to make significant accounting estimations with inherent level of complexity. The extent of judgement and the size of the property, plant and equipment resulted in this matter being identified as a key audit matter.	Our procedures in relation to management's impairment assessment of property, plant and equipment included: – obtained understanding of the internal control of the Group relating to the identification of the indicators of the impairment of property, plant and equipment and the estimation of their recoverable amounts; – evaluated whether any indicators of impairment existed including physically inspecting the related property, plant and equipment and carried out observation procedures in order to understand any problem relating to lagged technology and long-term idle and the condition of loading rate; – reconciled input data to supporting evidence, such as approved budgets and considered the accuracy of previous budgets; and – assessed the reasonableness of key assumptions used by management in the cash flow projections based on our knowledge of the business and industry.

OTHER INFORMATION

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chui Yiu Cheong.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chui Yiu Cheong
Practising Certificate Number: P07219

Hong Kong
30 March 2020

Consolidated Statement of Profit or Loss

For the Year Ended 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Operating revenue	8	**95,453,055**	93,389,625
Operating costs			
Fuel for power and heat generation		**(47,229,574)**	(48,997,302)
Depreciation	13	**(13,983,474)**	(13,805,078)
Repairs and maintenance		**(2,914,673)**	(2,786,687)
Salaries and staff welfare	13	**(7,476,549)**	(5,707,470)
Local government surcharges		**(1,304,634)**	(1,369,607)
Others		**(13,005,073)**	(11,355,042)
Total operating costs		**(85,913,977)**	(84,021,186)
Operating profit		**9,539,078**	9,368,439
Shares of profits of associates		**1,621,931**	1,754,780
Shares of losses of joint ventures		**(64,555)**	(397,315)
Investment income		**221,383**	162,476
Other gains, net	9	**419,018**	822,183
Interest income		**96,637**	102,262
Finance costs	11	**(7,214,883)**	(7,647,028)
Profit before tax		**4,618,609**	4,165,797
Income tax expenses	12	**(1,721,486)**	(1,378,178)
Profit for the year	13	**2,897,123**	2,787,619
Profit for the year attributable to:			
Holders of equity instruments of the Company			
– Ordinary shares		**390,639**	1,232,240
– Other equity instruments		**595,024**	–
		985,663	1,232,240
– Non-controlling interests		**1,911,460**	1,555,379
		2,897,123	2,787,619
Earnings per share			
Basic and diluted (RMB cent)	17	**2.11**	7.16

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	2019 RMB'000	2018 RMB'000
Profit for the year	**2,897,123**	2,787,619
Other comprehensive income (expenses):		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**6,908**	12,951
Items that will not be reclassified to profit or loss:		
Fair value loss on investments in equity instruments at fair value through other comprehensive income	**(81,858)**	(249,750)
Other comprehensive expenses for the year, net of tax	**(74,950)**	(236,799)
Total comprehensive income for the year	**2,822,173**	2,550,820
Total comprehensive income for the year attributable to:		
Holders of equity instruments of the Company		
– Ordinary shares	**346,556**	994,601
– Other equity instruments	**595,024**	–
	941,580	994,601
– Non-controlling interests	**1,880,593**	1,556,219
	2,822,173	2,550,820

Consolidated Statement of Financial Position

As at 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Non-current assets			
Right-of-use assets	39(i)	**4,255,606**	–
Land use rights	18	–	2,909,576
Property, plant and equipment	18	**211,471,481**	217,426,346
Investment properties	19	**620,612**	647,875
Intangible assets	20	**1,950,663**	2,044,863
Interests in associates	21	**16,866,007**	16,032,194
Interests in joint ventures	22	**673,265**	690,359
Financial instruments at fair value through profit or loss	23	**4,203,692**	4,311,248
Equity instruments at fair value through other comprehensive income	23	**1,096,638**	1,111,779
Long-term entrusted loans to an associate	24	–	122,451
Deferred tax assets	37	**4,059,693**	4,088,785
Other non-current assets	25	**3,643,632**	4,079,406
		248,841,289	253,464,882
Current assets			
Inventories	26	**4,062,916**	4,639,385
Trade and notes receivables	27	**15,895,914**	13,773,055
Prepayments and other receivables	28	**5,347,914**	4,660,941
Tax recoverable		**119,425**	163,805
Current portion of other non-current assets	25	**11,660**	6,509
Cash and cash equivalents and restricted deposits	29	**8,136,055**	11,541,749
		33,573,884	34,785,444
Current liabilities			
Trade payables and accrued liabilities	40	**23,529,082**	26,021,443
Contract liabilities	40	**1,022,615**	1,048,738
Consideration payable		**169,216**	191,216
Taxes payables		**1,518,340**	1,392,003
Dividends payables		**1,497,360**	1,725,614
Short-term loans	41	**34,854,678**	24,771,641
Short-term bonds	42	–	11,000,000
Current portion of non-current liabilities	34,35,38	**17,590,719**	26,007,217
Current portion of lease liabilities	39(ii)	**171,833**	–
		80,353,843	92,157,872
Net current liabilities		**(46,779,959)**	(57,372,428)
		202,061,330	196,092,454

Consolidated Statement of Financial Position

As at 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Capital and reserves			
Share capital	30	**18,506,711**	18,506,711
Reserves	32	**23,684,669**	26,968,351
		42,191,380	45,475,062
Non-controlling interests		**16,902,527**	20,014,759
Other equity instruments	33	**22,935,045**	5,000,000
Total equity		**82,028,952**	70,489,821
Non-current liabilities			
Long-term loans	34	**99,490,886**	105,648,543
Long-term bonds	35	**8,973,801**	8,966,309
Deferred income	36	**2,280,161**	2,564,376
Deferred tax liabilities	37	**715,957**	731,253
Lease liabilities	39(ii)	**734,944**	–
Other non-current liabilities	38	**7,836,629**	7,692,152
		120,032,378	125,602,633
		202,061,330	196,092,454

The consolidated financial statements on pages 95 to 231 were approved and authorised for issue by the board of directors on 30 March 2020 and are signed on its behalf by:

WANG Xin	Liang Yongpan
Director	*Director*

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2019

	Attributable to the owners of the Company													
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Discretionary surplus reserve RMB'000	Restricted reserve RMB'000	Foreign currency translation reserve RMB'000	FVTOCI reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Other equity instruments RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2018	13,310,038	9,602,536	5,163,860	9,551,324	6,839,386	12,290	42,481	(46,197)	642,188	7,427,358	52,545,264	–	19,797,593	72,342,857
Profit for the year	–	–	–	–	–	–	–	–	–	1,232,240	1,232,240	–	1,555,379	2,787,619
Other comprehensive income (expense) for the year:														
– Exchange differences on translating foreign operations	–	–	–	–	–	–	12,111	–	–	–	12,111	–	840	12,951
– Fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	(249,750)	–	–	(249,750)	–	–	(249,750)
Total comprehensive income (expense) for the year	–	–	–	–	–	–	12,111	(249,750)	–	1,232,240	994,601	–	1,556,219	2,550,820
Issue of ordinary shares (Note 30)	5,196,673	8,132,663	–	–	–	–	–	–	–	–	13,329,336	–	–	13,329,336
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	487,537	487,537
Acquisition of non-controlling interest (Note 43b)	–	(1,312,412)	–	–	–	–	–	–	–	–	(1,312,412)	–	1,289,918	(22,494)
Transfer to statutory surplus reserve	–	–	730,418	–	–	–	–	–	–	(730,418)	–	–	–	–
Transfer to discretionary surplus reserve	–	–	–	–	1,128,101	–	–	–	–	(1,128,101)	–	–	–	–
Consolidation for business combination under common control	–	–	–	(18,131,114)	–	–	–	–	–	–	(18,131,114)	–	–	(18,131,114)
Others	–	–	–	–	–	–	–	–	–	(285,009)	(285,009)	–	–	(285,009)
Issue of perpetual bonds	–	–	–	–	–	–	–	–	–	–	–	5,000,000	–	5,000,000
Dividend (Note 16)	–	–	–	–	–	–	–	–	–	(1,665,604)	(1,665,604)	–	(3,116,508)	(4,782,112)
At 31 December 2018	18,506,711	16,422,787	5,894,278	(8,579,790)	7,967,487	12,290	54,592	(295,947)	642,188	4,850,466	45,475,062	5,000,000	20,014,759	70,489,821

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2019

	Attributable to the owners of the Company													
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Discretionary surplus reserve RMB'000	Restricted reserve RMB'000	Foreign currency translation reserve RMB'000	FVTOCI reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Other equity instruments RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2019	18,506,711	16,422,787	5,894,278	(8,579,790)	7,967,487	12,290	54,592	(295,947)	642,188	4,850,466	45,475,062	5,000,000	20,014,759	70,489,821
Profit for the year	-	-	-	-	-	-	-	-	-	390,639	390,639	595,024	1,911,460	2,897,123
Other comprehensive income (expense) for the year:														
– Exchange differences on translating foreign operations	-	-	-	-	-	-	6,908	-	-	-	6,908	-	-	6,908
– Fair value loss on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(50,991)	-	-	(50,991)	-	(30,867)	(81,858)
Total comprehensive income (expense) for the year	-	-	-	-	-	-	6,908	(50,991)	-	390,639	346,556	595,024	1,880,593	2,822,173
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	213,544	213,544
Acquisition of non-controlling interest (Note 43b)	-	(1,938,318)	-	-	-	-	-	-	-	-	(1,938,318)	-	(3,423,469)	(5,361,787)
Transfer to statutory surplus reserve	-	-	240,900	-	-	-	-	-	-	(240,900)	-	-	-	-
Transfer to discretionary surplus reserve	-	-	-	-	1,883,410	-	-	-	-	(1,883,410)	-	-	-	-
Distribution to holders of perpetual bonds	-	-	-	-	-	-	-	-	-	-	-	(595,024)	-	(595,024)
Others	-	4,456	-	-	-	-	-	-	(68,547)	222,841	158,750	-	538,093	696,843
Issue of perpetual bonds	-	-	-	-	-	-	-	-	-	-	-	17,935,045	-	17,935,045
Dividend (Note 16)	-	-	-	-	-	-	-	-	-	(1,850,670)	(1,850,670)	-	(2,320,993)	(4,171,663)
At 31 December 2019	18,506,711	14,488,925	6,135,178	(8,579,790)	9,850,897	12,290	61,500	(346,938)	573,641	1,488,966	42,191,380	22,935,045	16,902,527	82,028,952

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 RMB'000	2018 RMB'000
OPERATING ACTIVITIES			
Cash from operations	43(a)	23,611,701	19,151,861
Income tax paid		(1,530,062)	(908,898)
Interest received		96,637	102,262
Net cash generated from operating activities		22,178,276	18,345,225
INVESTING ACTIVITIES			
Withdrawal of restricted bank balances		–	321,146
Placement of restricted bank balances		(63,607)	–
Proceeds on disposal of non-current assets		292,899	14,699
Additions to property, plant and equipment		(10,876,566)	(12,978,273)
Additions to land use rights		–	(234,516)
Additions to investment properties		(221)	(58,038)
Additions to intangible assets		(58,554)	(55,560)
Increase in investments in associates		(44,000)	(225,288)
Increase in investments in joint ventures		(50,439)	(95,580)
Dividend received from associates		–	714,667
Repayment in respect of entrusted loans to an associate		–	10,935
Dividend received from equity investments		–	160,912
Purchase of equity investments		(118,297)	(132,847)
Disposal of equity investments		53,490	–
Others		–	10,114
Net cash used in investing activities		(10,865,295)	(12,547,629)

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 RMB'000	2018 RMB'000
FINANCING ACTIVITIES			
Acquisition of investment in non-controlling interests		**(5,361,787)**	(22,494)
Capital injections from non-controlling interests		**213,544**	487,537
Proceeds from issue of shares		**–**	13,329,336
Net proceeds from issue of perpetual bonds		**17,935,045**	5,000,000
Raise of new long term loans		**30,004,415**	19,898,474
Repayment of long term loans		**(37,991,937)**	(15,439,949)
Raise of new long term bonds		**–**	19,491
Repayment of long term bonds		**(7,188,785)**	(599,758)
Raise of new short term loans		**10,306,840**	–
Repayment of short term loans		**(223,803)**	(2,912,783)
Raise of new short term bonds		**14,000,000**	11,000,000
Repayment of short term bonds		**(25,000,000)**	–
Repayment for acquisition of subsidiaries under common control		**(22,000)**	(17,939,898)
Dividends paid to owners of the Company		**(1,850,670)**	(1,665,604)
Dividends paid to non-controlling interests		**(2,549,247)**	(1,748,101)
Repayment to obligations under finance leases		**–**	(1,374,325)
Raise of other pledged financing		**3,853,775**	–
Repayment to other pledged financing		**(2,593,941)**	–
Repayment on lease liabilities		**(357,796)**	–
Interest paid		**8,280,532**	(8,513,760)
Government grants received		**313,233**	348,081
Others		**11,364**	(285,009)
Net cash used in financing activities		**(14,782,282)**	(418,762)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(3,469,301)**	5,378,834
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**11,433,550**	6,054,716
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	29	**7,964,249**	11,433,550

1. GENERAL INFORMATION

Datang International Power Generation Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") as a joint stock limited liability company. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") ("H shares") on 21 March 1997, the London Stock Exchange on 21 March 1997, and the Shanghai Stock Exchange ("A shares") on 20 December 2006. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are power generation and power plant development in the PRC. The Group is also engaged in coal trading and other business.

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

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

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

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

At 31 December 2019, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2019, the Group had net current liabilities of approximately RMB46,779,959,000. The Group had significant undrawn borrowing facilities, subject to certain conditions, of not less than RMB150 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these consolidated financial statements on a going concern basis.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

IFRS 16	Leases
IFRIC – Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

The adoption of IFRS 16 resulted in changes in the Groups accounting policies and adjustments to the amounts recognised in the consolidated financial statements as summarised below.

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

Impacts and changes in accounting policies of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 Leases ("IAS 17") and the related interpretations.

Key changes in accounting policies resulting from application of IFRS 16

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating lease and finance lease and requiring the recognition of right-of-use asset and a lease liability. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new accounting policies are described in Note 4. The Group has applied IFRS 16 Leases retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of equity, where appropriate, at 1 January 2019, and has not restated comparatives for the 2018 reporting period as permitted under the specific transitional provisions in the standard.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 17 Leases.

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

Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

Key changes in accounting policies resulting from application of IFRS 16 (Continued)

The Group as lessee

On transition to IFRS 16, the Group had not elected to apply the practical expedient to grandfather the assessment of which arrangements are, or contain, leases.

Transactions accounted for as finance leases under IAS 17 Leases

As at 31 December 2018, the Group's financing arrangements in relation to a number of items of transportation facilities were classified as finance leases under IAS 17. On adoption of IFRS 16, the Group recategorised RMB9,661,569,000 of such financing that were previously included in "finance lease payables" under other non-current liabilities as "other pledged financing" that remained under "other non-current liabilities" as these financing arrangements did not contain a "lease". The remaining finance leases payable of RMB545,459,000 and the carrying amounts of the corresponding leased assets of RM872,705,000 are reclassified to "lease liabilities" and "right-of-use assets" respectively. There is no material impact on the opening balance of equity.

Other leases

On adoption of IFRS 16, the Group recognised lease liabilities (except for lease of low value assets and lease with remaining lease term of twelve months or less) at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5%.

The Group recognises right-of-use asset and measures them at an amount equal to the lease liability.

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

Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

Key changes in accounting policies resulting from application of IFRS 16 (Continued)

The Group as lessee (Continued)

The following table summarises the impact of transition to IFRS 16 at 1 January 2019. Line items that were not affected by the adjustments have not been included.

	Notes	Carrying amount previously reported at 31 December 2018	Impact on adoption of IFRS 16– Reclassification	Impact on adoption of IFRS 16– Remeasurement	Carrying amount as restated at 1 January 2019
		RMB'000	RMB'000	RMB'000	RMB'000
Asset:					
Property, plant and equipment	(b)	217,426,346	(872,705)	–	216,553,641
Land use rights	(c)	2,909,576	(2,909,576)	–	–
Right-of-use assets	(a)–(c)	–	3,782,281	181,225	3,963,506
Liabilities:					
Current portion of non-current liabilities	(b)	26,007,217	(119,270)	–	25,887,947
Other non-current liabilities	(b)	7,692,152	(426,189)	–	7,265,963
Current portion of lease liabilities	(a)&(b)	–	119,270	38,727	157,997
Lease liabilities	(a)&(b)	–	426,189	142,498	568,687

Notes:

(a) As at 1 January 2019, right-of-use assets were measured at an amount equal to the lease liability of approximately RMB181,225,000.

(b) The finance lease payables of approximately RMB545,459,000 as at 31 December 2018 are reclassified to lease liabilities upon adoption of IFRS 16. The carrying amount of the related assets under finance leases amounting to approximately RMB872,705,000 is reclassified to right-of-use assets.

(c) Land use rights of approximately RMB2,909,576,000 which represent the upfront payments for leasehold lands in the PRC as at 31 December 2018 were reclassified to right-of-use assets.

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

Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

Key changes in accounting policies resulting from application of IFRS 16 (Continued)

Differences between operating lease commitments as at 31 December 2018, the date immediately preceding the date of initial application, discounted using the incremental borrowing rate, and the lease liabilities recognised as at 1 January 2019 are as follow:

	RMB'000
Operating lease commitment disclosed as at 31 December 2018	132,963
Less: Leases of low-value assets exempted from recognition	(16,516)
Add: Extension options reasonably certain to be exercised	134,750
Less: Short-term leases and other leases with remaining lease term ended on or before 31 December 2019	(12,693)
	238,504
Discounted using the incremental borrowing rate at 1 January 2019	181,225
Add: Finance lease liabilities recognised under IAS 17 as at 31 December 2018	545,459
Lease liabilities recognised as at 1 January 2019	726,684
Analysed as:	
Current portion	157,997
Non-current portion	568,687
	726,684

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

Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

Practical expedients applied

On the date of initial application of IFRS 16, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous by applying IAS 37 as an alternative to performing an impairment review;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

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

New and revised IFRSs issued but not yet effective

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

IFRS 17	Insurance Contracts[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 3	Definition of a Business[5]
Amendments to IAS 1 and IAS 8	Definition of Material[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[1]
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting[1]

[1] Effective for annual periods beginning on or after 1 January 2020
[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] Effective for annual periods beginning on or after a date to be determined
[5] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

Except as disclosed below, the directors of the Company anticipate that the application of the new and amendments IFRSs will have no material impact on the results and the financial position of the Group.

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

New and revised IFRSs issued but not yet effective (Continued)

Amendments to IAS 1

Amendments to IAS 1 clarify the criteria for determining whether to classify a liability as current or non-current. The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists and clarify the situations that are considered settlement of a liability. The Group expects to adopt the amendments retrospectively from 1 January 2022 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group is in the process of ascertaining the financial impacts on the Group's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Group's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intra-group transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets and liabilities of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

Goodwill

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

Interests in associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting right held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

An interest in an associate are accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates (Continued)

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group has assessed the type of each of its joint arrangement and determined them to all be joint ventures.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of a joint venture's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

i. **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand ("RMB'000"), unless otherwise stated.

ii. **Transactions and balances in each entity's financial statements**

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are measured.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

iii. Translation on consolidation

The results and financial position of all the Group's entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statements of profit or loss during the financial year in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Prior to the adoption of IFRS 16, assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

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

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings and structures under construction and plant and equipment and transportation facilities pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

Upon application of IFRS 16 on 1 January 2019, investment properties include leased properties recognised by the Group as right-of-use asset and leased out under operating lease.

An investment property held by the Group as right-of-use asset is measured initially at cost in accordance with IFRS 16.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight line method to allocate the cost to the residual value over their estimated useful lives of 30 years.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Accounting policy applicable on or after 1 January 2019)

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.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

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

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Accounting policy applicable on or after 1 January 2019) (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under IAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line in the consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within "investment property".

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Accounting policy applicable on or after 1 January 2019) (Continued)

The Group as lessee (Continued)

Right-of-use assets (Continued)

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in "Operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

Allocation of consideration to components of a contract

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

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Lease modification

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Accounting policy applicable on or after 1 January 2019) (Continued)

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

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

Sale and leaseback transactions

The Group acts as a seller-lessee

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For a transfer that does not satisfy the requirements as a sale, the Group accounts for the transfer proceeds as borrowing within the scope of IFRS 9.

Leasing (Accounting policy applicable prior to 1 January 2019)

The Group as lessee

Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Accounting policy applicable prior to 1 January 2019) (Continued)

The Group as lessee (Continued)

Finance leases (Continued)

The corresponding liability to the lessor is included in the consolidated statement of financial position as finance lease payables. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall be deferred and amortised over the lease term.

The Group as lessor

Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Prepaid lease payments on land use right

Prior to 1 January 2019, payment for obtaining land use right is considered as prepaid operating lease payment. Land use rights are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to consolidated statement of profit or loss over the period of the rights or the term of the respective enterprise to which the land use rights are granted, whichever is the shorter, using the straight-line method.

Prepaid lease payments represented land use rights held for use in the production or supply of goods, or for administrative purposes. The gain or loss on disposal of land use rights is the difference between the net sales proceeds and the carrying amount of the land use right, and is recognised in profit or loss.

Upon application of IFRS 16 on 1 January 2019, prepaid lease payments on land use rights are recognised by the Group as right-of-use asset.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets other than goodwill

Intangible assets, other than goodwill, are stated at cost less accumulated amortisation and impairment losses. Amortisation of intangible assets is calculated either at rates appropriate to write off their cost over the estimated useful lives on a straight-line basis or on a systematic and proper method to reflect the pattern in which the asset's future economic benefits are expected to be realised by the Group. Mining rights are amortised based on the units of production method while the principal useful lives of other intangible assets are as follows:

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average basis. Costs of inventories include direct material cost and transportation expenses incurred in bringing them to the working locations. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value expect for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

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

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

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

Financial assets at amortised cost (debt instruments)

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

– the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

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

(i) Amortised cost and effective interest method

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

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

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

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

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

Interest income is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Equity instruments designated as at FVTOCI

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

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

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

Financial assets at FVTPL

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

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

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

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

A financial asset is held for trading if:

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

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

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

The Group always recognises lifetime ECL for trade and note receivables. For all other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

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

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

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

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

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

Definition of default

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

– when there is a breach of financial covenants by the debtor; or

– information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

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

– significant financial difficulty of the issuer or the borrower;

– a breach of contract, such as a default or past due event;

– the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

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

Write-off policy

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

Measurement and recognition of ECL

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases (on or after 1 January 2019) or IAS 17 Leases (prior to 1 January 2019).

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

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

Financial liabilities

The Group's financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

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

Derecognition

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial guarantee contracts

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

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

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

Revenue recognition

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

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

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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

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

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

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

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

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

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

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

(a) Sales of electricity and heat supply

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(b) Sales of coal and other goods

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

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

Employee benefits

i. Pension and other social obligations

The Group contributes to defined contribution schemes including pension and/or other social benefits in accordance with the local conditions and practices in the municipalities and provinces in which it operates. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

ii. Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

iii. Short-term benefits

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Effective from 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

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

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss in "other gains, net" on a straight-line basis over the useful lives of the related assets.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) 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.

Impairment of non-financial asset

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

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

Impairment losses for the CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measureable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgement in applying accounting policies

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

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

Critical judgement in applying accounting policies (Continued)

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the availability of funding from various sources to enable the Group to operate as a going concern and meet its liabilities as they fall due. Details are explained in Note 2 to the consolidated financial statements.

Approval of construction in new power plants

The Group has not received relevant government approvals from the National Development and Reform Commission (the "NDRC") for certain of its power plant construction projects. The ultimate approval from the NDRC on these projects is a critical estimate and judgement of the directors of the Company. Such an estimate and judgement are based on initial approval documents received as well as their understanding of the projects. Based on historical experience, the directors of the Company believe that the Group will receive final approval from the NDRC on the related power plant projects. Deviation from this estimate and judgement could result in material adjustments to the carrying amount of property, plant and equipment.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the projected wear and tear incurred during power generation. This could change significantly as a result of technical renovations on power generators. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or nonstrategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2019 was RMB211,471,481,000 (2018: RMB217,426,346,000).

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

Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment

The Group tests annually whether property, plant and equipment have suffered any impairment in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. An impairment loss is recognised when the carrying amount of property, plant and equipment exceeds their recoverable amount which has been determined based on the higher of its value in use and fair value less cost of disposal. Further details on the impairment assessment are set out in Note 18. These calculations require the use of estimates and judgement (Note 18).

During the year, impairment losses of RMB1,539,077,000 (2018: RMB426,368,000) were recognised in profit or loss.

Impairment of intangible assets including goodwill

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

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

The key assumptions for the discounted cash flow method include the expected production capacity, selling prices, related operating costs and discount rates. These key assumptions are based on expectations with reasonable and appropriate analysis. Changes of assumptions could affect the impairment assessment and recoverable amount of the cash-generating units.

At 31 December 2019, the carrying amount of goodwill was RMB795,525,000 (2018: RMB899,886,000). Impairment loss of RMB104,361,000 (2018: RMB54,232,000) was recognised in profit or loss during the year. No impairment losses was recognised in respect of other intangible assets amounting to RMB1,155,138,000 (2018: RMB1,144,977,000). Details of the impairment assessment are provided in Note 20 to the consolidated financial statements.

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

Key sources of estimation uncertainty (Continued)

Deferred tax assets

The estimates of deferred tax assets require estimates over future taxable profit and corresponding applicable income tax rates of respective years. The change in future income tax rates and timing would affect income tax expense or credit, as well as deferred tax balance. The realisation of deferred tax assets also depends on the realisation of sufficient future taxable profits of the Group. Deviation of future profitability from the estimate could result in material adjustments to the carrying amount of deferred tax assets which would be recognised in profit or loss for the period in which such a reversal take place.

As at 31 December 2019, the carrying amount of deferred tax assets was RMB4,059,693,000 (2018: RMB4,088,785,000).

Allowance for inventories

An allowance is recognised when the net realisable value of inventories is higher than their costs and inventories are obsolete and slow-moving. Determination of allowance for inventories requires the management to obtain conclusive evidence. In making the judgement and estimates, the management also considers the factors such as the purpose of holding the inventories and the effect of the events after the reporting period. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge or write-back in the period in which such estimate has been changed.

As at 31 December 2019, the carrying amount of inventories is RMB4,062,916,000 (2018: RMB4,639,385,000) in which allowance for inventories amounted to RMB9,428,000 (2018: RMB4,786,000) and the reversal of inventories of approximately RMB10,391,000 (2018: RMB313,764,000) have been recognised in profit or loss for the year ended 31 December 2019.

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

Key sources of estimation uncertainty (Continued)

Allowance for trade and note receivables

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

As at 31 December 2019, the carrying amount of trade and note receivables was RMB15,895,914,000 (2018: RMB13,773,055,000), net of loss allowance of RMB855,731,000 (2018: RMB906,948,000). The impairment loss of trade and note receivables amounting to RMB31,576,000 (2018: RMB9,592,000) and the reversal of impairment loss of approximately RMB82,793,000 (2018: RMB63,000) were recognised in profit or loss for the year ended 31 December 2019.

Income taxes

The Group is subject to income taxes in various regions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business, overall assets transfers and corporate restructuring. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

During the year ended 31 December 2019, income tax expenses of RMB1,721,486,000 (2018: RMB1,378,178,000) was charged to profit or loss.

6. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT

Capital risk management

The Group's objective of managing capital is 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 cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new debts or equity instruments or sell assets to reduce debts.

The capital structure of the Group consists of equity attributable of owners of the Company only, comprising share capital and reserves.

The capital structure of the Group consists of debts, which includes short-term bonds, short-term loans, long-term loans, long-term bonds, net of cash and cash equivalents and equity attributable to owners of the Company. The Group's management regularly reviews the capital structure. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

	2019 RMB'000	2018 RMB'000
Short-term loans	**34,854,678**	24,771,641
Short-term bonds	**–**	11,000,000
Long-term borrowings	**113,821,409**	121,808,931
Long-term bonds	**8,973,801**	16,162,586
	157,649,888	173,743,158
Less: Cash and cash equivalents and restricted deposits	**(8,136,055)**	(11,541,749)
Net debt	**149,513,833**	162,201,409
Equity attributable to owners of the Company	**42,191,380**	45,475,062
Debt to equity ratio	**3.54**	3.57

Financial risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

6. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANGEMENT (Continued)

Market risk

Currency risk

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

Other price risk

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

Credit risk

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position, as well as the amount of financial guarantee provided by the Group as disclosed in Note 44. The Group's credit risk is primarily attributable to its bank deposits and trade and notes receivables.

The Group maintains most of its bank deposits in several major government-related financial institutions in the PRC. With strong State support provided to those government-related financial institutions and the holding of directorship in the board of the related party non-bank financial institution, the directors are of the opinion that there is no significant credit risk on such assets being exposed.

With regard to trade receivables arising from power sales and heat supply, most of the power plants of the Group sell electricity and heat supply to their sole customer, the power grid companies or heat supply companies of their respective provinces or regions where the power plants operate. These power plants of the Group communicate with their individual power grid companies periodically and believe that the risk of default is low and no credit loss allowance has been made in the consolidated financial statements. For trade receivables arising from coal sales, the Group assesses the credit quality of the customers, taking into account their financial positions, past experience and other factors. It will also collect advanced payments from their customers. The Group performs periodic credit evaluations of its customers and believes that adequate allowance for doubtful debts has been made in the consolidated financial statements. The impairment assessments are set out in Note 27.

6. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANGEMENT (Continued)

Credit risk (Continued)

At 31 December 2019, trade and notes receivables due from the top five debtors approximately amounted to RMB6,216,499,000 (2018: RMB4,782,750,000), representing 37.3% (2018: 32.58%) of the total trade and notes receivables. Except for trade and notes receivables, the Group has no significant concentrations of credit risk.

In respect of other receivables, management makes periodic collective assessments as well as individual assessment on their recoverability based on historical settlement records and past experience. At 31 December 2019, the Group had made an accumulated lifetime loss allowance on credit-impaired other receivables amounting to RMB1,970,091,000 (2018: RMB1,533,649,000).

For financial guarantee contracts, the Group has provided financial guarantees of approximately RMB6,496,414,000 (2018: RMB14,956,501,000) for loan facilities. The Group has performed impairment assessment, and concluded that the fair value of financial guarantee contracts at initial recognition and the allowance amount at 31 December 2019 are insignificant. Details of the financial guarantee contracts are set out in Note 44.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit facilities.

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

6. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANGEMENT (Continued)

Liquidity risk (Continued)

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

	Less than 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At 31 December 2019						
Long-term loans (including current portion)	18,639,915	21,921,288	50,004,072	88,710,763	179,276,038	113,821,409
Long-term bonds (including current portion)	460,500	3,347,043	6,594,110	–	10,401,653	8,973,801
Other non-current liabilities	3,639,568	2,897,633	4,170,247	1,501,940	12,209,388	11,096,825
Trade payables and accrued liabilities	23,529,082	–	–	–	23,529,082	23,529,082
Consideration payables	169,216	–	–	–	169,216	169,216
Dividends payables	1,497,360	–	–	–	1,497,360	1,497,360
Short-term loans	36,265,088	–	–	–	36,265,088	34,854,678
	84,200,729	28,165,964	60,768,429	90,212,703	263,347,825	193,942,371
Lease liabilities	219,203	327,869	502,505	107,176	1,156,753	906,777
Financial guarantee issued – maximum amount guaranteed (Note)	6,496,414	-	-	-	6,496,414	-
At 31 December 2018						
Long-term loans (including current portion)	22,198,913	24,098,251	47,763,599	61,587,780	155,648,543	121,808,931
Long-term bonds (including current portion)	669,620	7,301,396	4,981,736	5,013,557	17,966,309	16,162,586
Finance lease payables	3,131,142	2,602,177	5,047,926	890,137	11,671,382	10,207,028
Other non-current liabilities, excluding finance lease payables	135,676	–	–	–	135,676	135,676
Trade payables and accrued liabilities	26,021,443	–	–	–	26,021,443	26,021,443
Consideration payables	191,216	–	–	–	191,216	191,216
Dividends payables	1,725,614	–	–	–	1,725,614	1,725,614
Short-term loans	25,790,672	–	–	–	25,790,672	24,771,641
Short-term bonds	11,282,832	–	–	–	11,282,832	11,000,000
	91,147,128	34,001,824	57,793,261	67,491,474	250,433,687	212,024,135
Financial guarantee issued – maximum amount guaranteed (Note)	14,956,501	–	–	–	14,956,501	–

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

6. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANGEMENT (Continued)

Interest rate risk

As the Group has no significant interest-bearing assets except for bank deposits, the Group's operating cash flows are substantially independent of changes in market interest rates.

Most of the bank deposits are maintained in the savings and fixed deposits accounts in the PRC. The interest rates are regulated by the People's Bank of China while the Group closely monitors the fluctuation on such rates periodically. As the average interest rates applied to the deposits are relatively low, the directors are of the opinion that the Group is not exposed to any significant interest rate risk for these assets held as at 31 December 2019 and 2018.

The Group's exposure to interest rate risk arises from its loans. Certain loans bear interests at variable rates varied with the then prevailing market condition, thus exposing the Group to cash flow interest rate risk. The Group analyses interest rate exposures on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing.

Sensitivity analysis

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

At 31 December 2019, if interest rates on RMB and United States dollars ("USD") denominated loans had been 50 basis points (2018: 50 basis points) lower respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB590,561,000 (2018: RMB384,722,000) and RMB2,545,000 (2018: RMB888,000) higher, respectively, arising mainly as a result of lower interest expense on the loans. If interest rates on RMB and USD denominated loans had been 50 basis points (2018: 50 basis points) higher respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB590,561,000 (2018: RMB384,722,000) and RMB2,545,000 (2018: RMB888,000) lower, respectively, arising mainly as a result of higher interest expense on the loans.

6. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANGEMENT (Continued)

Categories of financial instruments

	2019 RMB'000	2018 RMB'000
Financial assets:		
Financial assets at amortised cost	**25,929,773**	26,995,658
Financial instruments at FVTPL	**4,203,692**	4,311,248
Equity instruments at FVTOCI	**1,096,638**	1,111,779
Financial liabilities:		
Financial liabilities at amortised cost	**193,942,371**	210,298,521

Fair values

The carrying amounts of the Group's financial assets and financial liabilities carried at amortised costs as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. FAIR VALUE MEASUREMENTS (Continued)

Disclosures of level in fair value hierarchy at 31 December 2019:

Financial assets	Fair value as at 31 December 2019 RMB'000	31 December 2018 RMB'000	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s) RMB'000
– Financial instruments measured at FVTPL	**4,203,692**	4,311,248	Level 3	Market-comparable approach	Discount for lack of marketability 50%-65%
– Equity instruments measured at FVTOCI	**171,098**	176,315	Level 1	Quoted bid prices in an active market	N/A
	925,540	935,464	Level 3	Market-comparable approach	Discount for lack of marketability 50%-65%

Reconciliation of Level 3 fair value measurements for the year ended 31 December 2019 and 2018:

	Financial instruments at FVTPL RMB'000	Equity instruments at FVTOCI RMB'000
At 1 January 2018	4,028,880	989,614
Purchase	40,221	92,626
Fair value change recognised in profit or loss	242,147	–
Fair value change recognised in other comprehensive income	–	(146,776)
At 31 December 2018 and 1 January 2019	4,311,248	935,464
Purchase	–	112,283
Disposal	(53,490)	–
Fair value change recognised in profit or loss	(54,066)	–
Fair value change recognised in other comprehensive income	–	(122,207)
At 31 December 2019	4,203,692	925,540

8. OPERATING REVENUE

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

	2019 RMB'000	2018 RMB'000
Sales of electricity and heat supply	**88,442,906**	87,442,681
Sales of coal	**3,222,207**	2,300,638
Others	**3,787,942**	3,646,306
Total	**95,453,055**	93,389,625

9. OTHER GAINS, NET

	2019 RMB'000	2018 RMB'000
(Loss) gain on change of fair value of financial instruments at FVTPL	**(54,066)**	242,147
Amortisation of deferred income	**467,595**	546,809
Gain on disposal of non-current assets	**154,586**	231
Loss on deconsolidation of subsidiaries	**(222,778)**	–
Others	**73,681**	32,996
Total	**419,018**	822,183

10. SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the "Senior Management") perform the function as chief operating decision makers. The Senior Management reviews the internal reporting of the Group in order to assess performance and allocate resources. Senior Management has determined the operating segments based on these reports.

Senior Management considers the business from a product perspective. Senior Management primarily assesses the performance of power and heat generation and coal separately. Other operating activities primarily include aluminium smelting products, etc., and are included in "other segments".

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

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

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

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

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

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

10. SEGMENT INFORMATION (Continued)

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

Segment revenues and results

Year ended 31 December 2019

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

Year ended 31 December 2018

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

Segment profits or losses do not include income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

10. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	2019 RMB'000	2018 RMB'000
SEGMENT ASSETS		
Power and heat generation segment	**270,635,319**	275,103,280
Coal segment	**5,139,742**	5,847,132
Other segments	**6,345,267**	6,965,976
Segment assets	**282,120,328**	287,916,388
SEGMENT LIABILITIES		
Power and heat generation segment	**189,261,672**	207,513,497
Coal segment	**3,571,155**	4,505,365
Other segments	**7,534,721**	5,720,987
Segment liabilities	**200,367,548**	217,739,849

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

	2019 RMB'000	2018 RMB'000
Total profit or loss of reportable segments	**4,687,994**	4,168,266
IFRS adjustments	**(69,385)**	(2,469)
Consolidated profit before tax	**4,618,609**	4,165,797

10. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

	2019 RMB'000	2018 RMB'000
Assets		
Total assets of reportable segments	**282,120,328**	287,916,388
IFRS adjustments	**294,845**	333,938
Consolidated total assets	**282,415,173**	288,250,326
Liabilities		
Total liabilities of reportable segments	**200,367,548**	217,739,849
IFRS adjustments	**18,673**	20,656
Consolidated total liabilities	**200,386,221**	217,760,505

10. SEGMENT INFORMATION (Continued)

Other segment information

Year ended 31 December 2019

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
Amounts included in the measurement of segments results or segment assets:				
Additions of non-current assets*	12,146,267	230,675	284,779	12,661,721
Depreciation and amortisation	13,464,386	13,320	551,235	14,028,941
Impairment on non-current assets*	356,847	–	1,287,457	1,644,304
Shares of profits/(losses) of associates and joint ventures	1,046,735	624,647	(114,006)	1,557,376
Interests in associates	6,473,119	4,018,500	6,374,388	16,866,007
Interests in joint ventures	–	428,886	244,379	673,265
Interest expenses	6,544,108	48,138	622,637	7,214,883
Allowance for inventories	–	–	9,428	9,428
Reversal of write-down of inventories	(10,054)	–	(337)	(10,391)
Amounts regularly provided to the CODM but not included in the measurement of segment results:				
Income tax expenses	1,627,852	53,259	40,375	1,721,486

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

10. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

Year ended 31 December 2018

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
Amounts included in the measurement of segments results or segment assets:				
Additions of non-current assets*	15,851,159	336,913	401,741	16,589,813
Depreciation and amortisation	13,383,191	189,622	361,268	13,934,081
Impairment on non-current assets*	461,600	6,540	12,460	480,600
Shares of profits of associates and joint ventures	658,896	442,415	256,154	1,357,465
Interests in associates	7,447,143	3,400,635	5,184,416	16,032,194
Interests in joint ventures	–	674,788	15,571	690,359
Interest expenses	7,435,071	119,136	92,821	7,647,028
Allowance for inventories	–	4,786	–	4,786
Reversal of write-down of inventories	–	(313,764)	–	(313,764)
Amounts regularly provided to the CODM but not included in the measurement of segment results:				
Income tax expenses	1,367,998	(21,753)	31,933	1,378,178

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

10. SEGMENT INFORMATION (Continued)

Geographical information

No geographical information is presented as more than 90% of the Group's revenue during the years ended 31 December 2019 and 2018 and most of their customers and non-current assets as at 31 December 2019 and 2018 were located in the PRC.

Information about major customers

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

	2019 RMB'000	2018 RMB'000
Customer A[1]	**13,097,365**	N/A*

[1] Revenue from sales of electricity

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

11. FINANCE COSTS

	2019 RMB'000	2018 RMB'000
Total interest expense on borrowings	**8,066,691**	8,398,801
Less: amount capitalised in property, plant and equipment	**(938,185)**	(866,732)
	7,128,506	7,532,069
Exchange loss, net	**15,558**	80,495
Others	**70,819**	34,464
	7,214,883	7,647,028

During the years ended 31 December 2019 and 2018, the weighted average capitalisation rate on funds borrowed generally ranged from 4.41% to 4.75% per annum to expenditure on qualifying assets.

12. INCOME TAX EXPENSES

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

	2019 RMB'000	2018 RMB'000
Current tax – PRC Enterprise Income Tax ("EIT"):		
Provision for the year	**1,679,421**	1,410,022
Under (over) provision in prior years	**21,358**	(94,874)
	1,700,779	1,315,148
Deferred tax (Note 37)	**20,707**	63,030
	1,721,486	1,378,178

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

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

	2019 RMB'000	2018 RMB'000
Profit before tax	**4,618,609**	4,165,797
Tax at the PRC EIT rate of 25% (2018: 25%)	**1,154,652**	1,041,449
Tax effect of income that is not taxable	**(561,603)**	(341,448)
Tax effect of expenses that are not deductible	**615,113**	14,686
Tax effect of utilisation of tax losses not previously recognised	**(31,810)**	(20,253)
Tax effect of tax losses not recognised	**570,853**	772,817
Tax effect of temporary differences not recognised	**63,619**	113,807
Tax effect of tax concession	**(173,858)**	(266,621)
Others	**84,520**	63,741
Income tax expense	**1,721,486**	1,378,178

13. PROFIT FOR THE YEAR

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

	2019 RMB'000	2018 RMB'000
Staff costs excluding directors' and supervisors' emoluments		
– Salaries and welfares	**6,153,723**	4,875,316
– Retirement benefits and other benefits	**1,322,826**	832,154
Total staff cost	**7,476,549**	5,707,470
Auditors' remuneration	**13,420**	13,000
Allowance for trade receivables, net of reversal	**(51,217)**	9,529
Allowance for other receivables, net of reversal	**436,442**	96,128
Allowance for inventories (included in operating costs)	**9,428**	4,786
Cost of inventories	**47,229,574**	48,997,302
Reversal of allowance for inventories (included in operating costs)	**(10,391)**	(313,764)
Dividend income from financial instruments at fair value through profit or loss	**(193,470)**	(144,397)
Dividend income from financial instruments at fair value through other comprehensive income	**(25,603)**	(16,515)
Total dividend income from equity investments (included in investment income)	**(219,073)**	(160,912)
Impairment of property, plant and equipment (included in operating costs)	**1,539,077**	426,368
Impairment of goodwill (included in operating costs)	**104,361**	54,232
Rental income generated from investment properties	**(32,640)**	(32,996)
Operating lease rentals in respect of office premises (Note)	**N/A**	80,779
Written-off of property, plant and equipment (included in operating costs)	**1,334,729**	472,907
Depreciation on right-of-use assets	**211,554**	–
Depreciation on property, plant and equipment	**13,744,761**	13,775,115
Depreciation on investment properties	**27,159**	29,963
Total depreciation on non-current assets	**13,983,474**	13,805,078
Amortisation of land use right	**–**	86,635
Amortisation of intangible assets	**45,467**	42,368
Total amortisation on non-current assets	**45,467**	129,003

Note: Operating lease payments in respect of properties for the year ended 31 December 2018 represent payments made and accounted for under IAS 17. Details of the lease payment made for the period ended 31 December 2019 are set out in Note 39.

14. BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS

(a) Directors' emoluments

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

	Emoluments paid or receivable in respect of a person's service as a director and supervisor, whether of the Company or its subsidiary undertaking						
	Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Name of director							
Chen Feihu (i)	–	–	–	–	–	–	–
Wang Sen (i)	–	–	–	–	–	–	–
Chen Jinhang (ii)	–	–	–	–	–	–	–
Wang Xin	–	353	427	780	69	127	976
Liang Yongpan	–	313	496	809	46	127	982
Ying Xuejun	–	290	358	648	47	127	822
Cao Xin	–	–	–	–	–	–	–
Zhao Xianguo	–	–	–	–	–	–	–
Feng Genfu	111	–	–	–	–	–	111
Luo Zhongwei	111	–	–	–	–	–	111
Liu Huangsong	111	–	–	–	–	–	111
Jiang Fuxiu	111	–	–	–	–	–	111
Zhu Shaowen	–	–	–	–	–	–	–
Liu Chuandong (ii)	–	–	–	–	–	–	–
Liu Jizhen	111	–	–	–	–	–	111
Zhang Ping (ii)	–	–	–	–	–	–	–
Jin Shengxiang (ii)	–	–	–	–	–	–	–
	555	956	1,281	2,237	162	381	3,335

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

(a) Directors' emoluments (Continued)

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

	Emoluments paid or receivable in respect of a person's service as a director and supervisor, whether of the Company or its subsidiary undertaking						
	Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Name of supervisor							
Zhang Xiaoxu	–	–	–	–	–	–	–
Wang Qiying (iii)	–	95	–	95	12	42	149
Jiang Jinming (iii)	–	300	180	480	60	127	667
Chang Zheng (iii)	–	48	–	48	6	21	75
Yu Meiping	–	150	358	508	33	64	605
Guo Hong	–	242	439	681	36	126	843
Bai Fugui (iii)	–	243	440	683	42	126	851
Zhao Jianjun (iii)	–	201	446	647	31	106	784
Song Bo (iii)	–	255	182	437	35	123	595
Liu Genle (iii)	–	557	–	557	32	127	716
Liu Quancheng	–	–	–	–	–	–	–
	–	2,091	2,045	4,136	287	862	5,285
Total for 2019	555	3,047	3,326	6,373	449	1,243	8,620

Notes:

(i) Appointed on 28 March 2019

(ii) Resigned on 28 March 2019

(iii) Appointed on 26 June 2019

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

(a) Directors' emoluments (Continued)

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

	Emoluments paid or receivable in respect of a person's service as a director and supervisor, whether of the Company or its subsidiary undertaking						
	Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Name of director							
Wang Xin	–	354	421	775	71	126	972
Liang Yongpan	–	–	–	–	–	–	–
Ying Xuejun	–	301	361	662	59	126	847
Liu Haixia (i)	–	–	–	–	–	–	–
Guan Tiangang (i)	–	–	–	–	–	–	–
Chen Jinhang	–	–	–	–	–	–	–
Cao Xin	–	–	–	–	–	–	–
Zhao Xianguo	–	–	–	–	–	–	–
Feng Genfu	137	–	–	–	–	–	137
Luo Zhongwei	137	–	–	–	–	–	137
Liu Huangsong	137	–	–	–	–	–	137
Jiang Fuxiu	137	–	–	–	–	–	137
Zhu Shaowen	–	–	–	–	–	–	–
Liu Chuandong	–	–	–	–	–	–	–
Liu Jizhen	63	–	–	–	–	–	63
Zhang Ping (ii)	–	–	–	–	–	–	–
Jin Shengxiang (ii)	–	–	–	–	–	–	–
	611	655	782	1,437	130	252	2,430

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

(a) Directors' emoluments (Continued)

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

	Emoluments paid or receivable in respect of a person's service as a director and supervisor, whether of the Company or its subsidiary undertaking						
	Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Name of supervisor							
Zhang Xiaoxu	–	–	–	–	–	–	
Yu Meiping	–	300	349	649	60	126	835
Guo Hong	–	352	–	352	31	125	508
Liu Quancheng	–	–	–	–	–	–	–
	–	652	349	1,001	91	251	1,343
Total for 2018	611	1,307	1,131	2,438	221	503	3,773

Notes:

(i) Resigned on 16 March 2018

(ii) Appointed on 16 March 2018

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

(a) Directors' emoluments (Continued)

Neither any of the directors nor the supervisors waived any remunerations during the year (2018: nil).

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

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

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

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

15. EMPLOYEES' EMOLUMENTS

(a) Retirement benefits schemes

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

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

The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. During the year ended 31 December 2019, the total retirement benefit scheme contributions charged to the consolidated statement of profit or loss amounted to approximately RMB1,323,275,000 (2018: RMB832,375,000).

15. EMPLOYEES' EMOLUMENTS (Continued)

(b) Housing benefits

The Group is required to make contributions to the state-sponsored housing fund. At the same time, the employees are required to make a contribution based on certain percentages. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances. The Group has no further obligations for housing benefits beyond the contributions made above.

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2018: two) director(s) and two (2018: one) supervisor whose emoluments are reflected in the analysis presented in Note 14 (a) to the consolidated financial statements. The emoluments of the remaining nil (2018: two) individuals are set out below:

	2019	2018
	RMB'000	RMB'000
Short-term benefits	–	1,083
Retirement benefits	–	62
	–	1,145

The emoluments fell within the following bands:

	Number of individuals	
	2019	2018
Nil to HK$1,000,000 (equivalent to approximately RMB898,000 (2018: RMB876,000))	–	2

16. DIVIDENDS

Pursuant to the board of Directors' meeting on 30 March 2020, the Directors recommended to declare the final dividends for the year ended 31 December 2019 of RMB0.065 per share totalling approximately RMB1,202,936,000. Such recommendation is to be approved by the shareholders at the annual general meeting. Dividends declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.

During the year ended 31 December 2019, a final dividend of RMB0.1 per share in respect of the year ended 31 December 2018 totalling RMB1,850,670,000 (2018: final dividend of RMB0.09 per share amounting to RMB1,665,604,000 in aggregate) was declared and paid to the owners of the Company.

17. EARNINGS PER SHARE

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

	2019 RMB'000	2018 RMB'000
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share		
Profit for the year attributed to owners of the Company	**390,639**	1,232,240
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**18,506,711**	17,207,542

Note:

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2019 and 2018.

18. PROPERTY, PLANT AND EQUIPMENT/LAND USE RIGHTS

(a) Property, plant and equipment

	Buildings and structures RMB'000	Electricity utility plants RMB'000	Transportation facilities RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost						
At 1 January 2018	118,143,253	194,465,647	3,346,100	6,882,210	25,435,872	348,273,082
Transfer in/(out)	3,042,830	5,297,467	–	–	(8,340,297)	–
Additions	414,231	306,053	31,912	129,880	15,359,623	16,241,699
Written off	(371,376)	(316,588)	(36,479)	(396,846)	–	(1,121,289)
At 31 December 2018	121,228,938	199,752,579	3,341,533	6,615,244	32,455,198	363,393,492
Effect of IFRS 16 (note 39)	–	–	(1,301,440)	–	–	(1,301,440)
At 1 January 2019	**121,228,938**	**199,752,579**	**2,040,093**	**6,615,244**	**32,455,198**	**362,092,052**
Transfer in/(out)	**2,583,632**	**8,659,333**	**37,399**	**239,385**	**(11,519,749)**	**–**
Additions	**94,200**	**141,229**	**28,202**	**192,446**	**11,514,541**	**11,970,618**
Disposals/written off	**(874,523)**	**(4,688,450)**	**(177,400)**	**(173,824)**	**–**	**(5,914,197)**
At 31 December 2019	**123,032,247**	**203,864,691**	**1,928,294**	**6,873,251**	**32,449,990**	**368,148,473**
Accumulated depreciation and impairment losses						
At 1 January 2018	29,605,393	98,241,867	1,817,375	2,687,329	62,081	132,414,045
Charge for the year	3,664,270	9,547,298	190,376	373,171	–	13,775,115
Impairment losses	146,019	6,156	46	182,787	91,360	426,368
Eliminated upon written off	(72,965)	(316,588)	(31,424)	(227,405)	–	(648,382)
At 31 December 2018	33,342,717	107,478,733	1,976,373	3,015,882	153,441	145,967,146
Effect of IFRS 16 (note 39)	–	–	(428,735)	–	–	(428,735)
At 1 January 2019	**33,342,717**	**107,478,733**	**1,547,638**	**3,015,882**	**153,441**	**145,538,411**
Charge for the year	**3,906,354**	**9,245,327**	**165,997**	**427,083**	**–**	**13,744,761**
Impairment losses	**530,843**	**52,923**	**2**	**766,367**	**188,942**	**1,539,077**
Eliminated upon disposals/written off	**(561,829)**	**(3,289,812)**	**(177,400)**	**(116,216)**	**–**	**(4,145,257)**
At 31 December 2019	**37,218,085**	**113,487,171**	**1,536,237**	**4,093,116**	**342,383**	**156,676,992**
Carrying amount						
At 31 December 2019	**85,814,162**	**90,377,520**	**392,057**	**2,780,135**	**32,107,607**	**211,471,481**
At 31 December 2018	87,886,221	92,273,846	1,365,160	3,599,362	32,301,757	217,426,346

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

(a) Property, plant and equipment (Continued)

During the year ended 31 December 2019, the Group made impairment losses of RMB530,843,000, RMB52,923,000, RMB2,000, RMB766,367,000 and RMB188,942,000 on its buildings and structures, electricity utility plants, transportation facilities, others and construction in progress (2018: RMB146,019,000, RMB6,156,000, RMB46,000, RMB182,787,000 and RMB91,360,000 on its buildings and structures, electricity utility plants, transportation facilities, others and construction in progress). In estimating the recoverable amount, the depreciated replacement cost approach is adopted. This approach requires an estimate of the new replacement costs of the buildings and structures of the properties from which deductions are then made to allow for age, conditions, and functional obsolescence. As the Group concluded that these property, plant and equipment will not generate the level of profitability previously estimated, impairment losses were recognised against the carrying amounts of the relevant property, plant and equipment. In addition, the Group had shut down certain production facilities resulting in written off of property, plant and equipment to profit or loss in 2019.

As at 31 December 2018, the Group's financing in relation to a number of items of transportation facilities were classified as finance leases under IAS 17. On adoption of IFRS 16, transportation facilities with carrying amount of approximately RMB872,705,000 were reclassified to right-of-use assets.

(b) Land use rights

	2019 **RMB'000**	2018 RMB'000
Non-current portion	–	2,909,576

19. INVESTMENT PROPERTIES

	RMB'000
Cost	
At 1 January 2018	791,324
Additions	58,038
Disposals	(2,594)
At 31 December 2018	**846,768**
Additions	**221**
Disposals	**(385)**
At 31 December 2019	**846,604**
Accumulated depreciation	
At 1 January 2018	169,531
Charge for the year	29,963
Eliminated upon disposals	(601)
At 31 December 2018	**198,893**
Charge for the year	**27,159**
Eliminated upon disposals	**(60)**
At 31 December 2019	**225,992**
Carrying amount	
At 31 December 2019	**620,612**
At 31 December 2018	647,875

The Group lease out properties under operating leases with monthly rental payable. During the year ended 31 December 2019, the Group had recognised the rental income generated from investment properties for the amount of RMB32,640,000 (2018: RMB32,996,000).

20. INTANGIBLE ASSETS

	Goodwill RMB'000	Mining rights RMB'000	Resource use rights RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2018	954,118	1,017,060	37,847	340,004	17,643	2,366,672
Additions	–	–	–	54,199	1,361	55,560
Disposals	–	–	–	(1,137)	(1,943)	(3,080)
Written off	–	–	–	(15,225)	(250)	(15,475)
At 31 December 2018	954,118	1,017,060	37,847	377,841	16,811	2,403,677
Additions	–	–	–	54,738	3,816	58,554
Disposals	–	–	–	(7,479)	(24)	(7,503)
Written off	–	–	–	(11)	(6)	(17)
At 31 December 2019	954,118	1,017,060	37,847	425,089	20,597	2,454,711
Accumulated amortisation and impairment losses						
At 1 January 2018	–	26,615	36,969	198,222	15,154	276,960
Amortisation for the year	–	7,521	30	34,589	228	42,368
Impairment losses	54,232	–	–	–	–	54,232
Eliminated upon disposals	–	–	–	(249)	–	(249)
Eliminated upon written off	–	–	–	(14,350)	(147)	(14,497)
At 31 December 2018	54,232	34,136	36,999	218,212	15,235	358,814
Amortisation for the year	–	6,197	30	39,016	224	45,467
Impairment losses	104,361	–	–	–	–	104,361
Eliminated upon disposals	–	–	–	(4,564)	(13)	(4,577)
Eliminated upon written off	–	–	–	(11)	(6)	(17)
At 31 December 2019	158,593	40,333	37,029	252,653	15,440	504,048
Carrying amount						
At 31 December 2019	795,525	976,727	818	172,436	5,157	1,950,663
At 31 December 2018	899,886	982,924	848	159,629	1,576	2,044,863

20. INTANGIBLE ASSETS (Continued)

Goodwill

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

	2019 RMB'000	2018 RMB'000
Power and heat generation segment		
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	**273,795**	273,795
Datang International Xinyu Power Generation Company Limited	**–**	104,361
Zhangjiakou Power Plant No. 2 generator	**33,561**	33,561
Yuneng (Group) Company Limited	**18,040**	18,040
Inner Mongolia Datang International Hohhot Thermal Power Generation Company Limited	**902**	902
Yunnan Datang International Deqin Hydropower Development Company Limited	**18**	18
Sichuan Jinkang Electricity Development Company Limited	**130,830**	130,830
Shenzhen Datang Baochang Gas Power Generation Company Limited	**165,995**	165,995
	623,141	727,502
Coal segment		
Inner Mongolia Datang International Zhunge'er Mining Company Limited	**120,177**	120,177
Inner Mongolia Baoli Coal Company Limited	**18,712**	18,712
Erdos Ruidefeng Mining Company Limited	**32,546**	32,546
	171,435	171,435
Other segments		
Datang Tongzhou Technology Company Limited	**949**	949
	795,525	899,886

20. INTANGIBLE ASSETS (Continued)

Goodwill (Continued)

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method for power generation units include the expected tariff rates, demands of electricity in specific regions where these power plants are located and fuel cost. The key assumptions for the discounted cash flow method for coal mining entities include the expected coal price, the estimated remaining coal reserves and the mining plan. These key assumptions are based on past practices and expectations on market development. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years. The Group expects cash flows beyond the respective forecast periods will be similar to that of last year of respective forecast based on existing production capacity.

The pre-tax discount rates used in respective value in use calculations ranged from 8.05% to 10.26% (2018: 7.00% to 12.29%) per annum.

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

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

21. INTERESTS IN ASSOCIATES

	2019 **RMB'000**	2018 RMB'000
Unlisted investments:		
Share of carrying amount of interests	**16,866,007**	16,032,194

21. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's material associates at 31 December 2019 and 2018 are as follows:

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by Group 2019	2018	Principal activities
North China Electric Power Research Institute Company Limited	PRC	124,980	**30%**	30%	Power related technology services
Tongfang Investment Company Limited	PRC	550,000	**36.36%**	36.36%	Project investments and management
Shanxi Zhang Electric Datang Tashan Power Generation Company Limited	PRC	410,000	**40%**	40%	Power generation
Tongmei Datang Tashan Coal Mine Company Limited ("Tashan Coal Company")	PRC	2,072,540	**28%**	28%	Coal mine construction and mining
Tangshan Huaxia Datang Power Fuel Company Limited	PRC	20,000	**30%**	30%	Power fuel trading
China Datang Group Finance Company Limited ("Datang Finance") (i)	PRC	4,869,872	**16.95%**	16.95%	Financial services
Liaoning Diaobingshan Coal Gangue Power Generation Co., Ltd.	PRC	603,400	**40%**	40%	Power generation
Inner Mongolia Xiduo Railway Company Limited ("Xiduo Railway Company")	PRC	Registered capital: 3,540,249; paid-up capital: 3,240,862	**34%**	34%	Railway transportation services
COSCO Datang Shipping Company Limited	PRC	100,000	**45%**	45%	Cargo shipping

21. INTERESTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by Group		Principal activities
			2019	2018	
Datang Wealth Management Co., Ltd. ("Datang Wealth Company") (ii)	PRC	100,000	**15%**	15%	Investment management and advisory
Chongqing Fuling Water Resources Development Company Limited	PRC	120,000	**42.12%**	42.10%	Hydropower technology development
Fujian Baima Harbour Railway Spur Line Company Limited	PRC	316,500	**33%**	33%	Railway transportation
Inner Mongolia Bazhu Railway Co., Ltd. (iii)	PRC	900,980	**9.25%**	20%	Railway transportation
Jinzhou Thermal Power Company Limited	PRC	155,000	**25.81%**	25.81%	Heat supply
Macro Technologies Inc. (Vietnam) Limited	Vietnam	USD150,000	**35%**	35%	Electricity related technical services
Chongqing Guanming Investment Company Limited	PRC	100,000	**49%**	49%	Investment management
Shanxi Datang International Yuncheng Power Generation Company Limited	PRC	264,694	**49%**	49%	Power generation
Inner Mongolia Hutietaihe Logistics Company Limited	PRC	56,700	**49%**	49%	Provision of railway logistics services
Inner Mongolia Datang Tongfang Silicon and Aluminum Technology Company Limited	PRC	10,000	**26%**	26%	Development and production of silicon
Datang Tibet Bodui Hydropower Development Company Limited	PRC	506,090	**20%**	20%	Hydropower construction
Datang Finance Leasing Company Limited ("Datang Leasing Company")	PRC	2,000,000	**20%**	20%	Finance leasing business
Baxin Railway Company Limited ("Baxin Railway Company")	PRC	2,600,000	**20%**	20%	Railway construction
China Datang Corporation Nuclear Power Company Limited	PRC	390,221	**40%**	40%	Nuclear power development, construction and operations

21. INTERESTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by Group 2019	2018	Principal activities
Beijing Shangshan Hengsheng Property Company Limited ("Shangshan Property Company") (iv)	PRC	63,763	**60%**	60%	Property development
Datang Tibet Wangpai Hydropower Development Company Limited	PRC	95,000	**20%**	20%	Hydropower generation
Ningxia Datang International Daba Power Generation Company Limited	PRC	489,691	**50%**	50%	Power generation
Jiangxi Jiangmei Datang Coal Company Limited	PRC	20,000	**35%**	35%	Sales of coal
Tongmei Datang Tashan II Power Generation Company Limited	PRC	200,000	**40%**	40%	Power generation
Chongqing Nengtou Electricity Company Limited	PRC	Registered capital: 200,000; paid-up capital: 100,000	**29%**	29%	Power supply
Datang Jiangsu Electricity Company Limited ("Jiangsu Electricity Company") (v)	PRC	200,000	**15%**	15%	Power supply
Fujian Ningde Nuclear Power Company Limited ("Ningde Nuclear Power Company")	PRC	11,177,500	**44%**	44%	Nuclear power plant construction and operations
Datang Yunnan Energy Marketing Company Limited ("Yunnan Marketing Company") (vi)	PRC	200,000	**15%**	15%	Research and development and application of renewable energy technology
China Water Resources and Power Group Hebei Trading Co., Ltd.	PRC	12,930	**49%**	49%	Trading

21. INTERESTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by Group		Principal activities
			2019	2018	
Anhui Hefei United Power Generation Co., Ltd.	PRC	1,160,000	**27.50%**	27.50%	Power generation
Anhui Datang Materials Co., Ltd.	PRC	30,000	**41%**	41%	Trading of power generation and supply equipment and parts
Changzhou Jintan Thermal Power Generation Co., Ltd.	PRC	20,000	**29%**	29%	Wholesale business

Notes:

(i) Although the Group holds less than 20% equity interest in Datang Finance, the Group exercises significant influence over Datang Finance which is a non-bank financial institution because the Group has board representation in Datang Finance.

(ii) Although the Group holds less than 20% equity interest in Datang Wealth Company, the directors of the Company consider that the Group exercises significant influence over Datang Wealth Company because the Group is entitled to appoint 2 directors out of 5 directors of Datang Wealth Company.

(iii) Although the Group holds less than 10% equity interest in Inner Mongolia Bazhu Railway Co., Ltd., the directors of the Company consider that the Group exercises significant influence over Inner Mongolia Bazhu Railway Co., Ltd. because the Group is entitled to appoint 1 director out of 9 directors of Inner Mongolia Bazhu Railway Co., Ltd..

(iv) The Group entered into an agreement with another shareholder of Shangshan Property Company, which holds 40% equity interest in Shangshan Property Company. Pursuant to this agreement, the Group and another shareholder would nominate 3 directors and 4 directors respectively. Therefore, the Group does not have unilateral control over Shangshan Property Company.

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

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

21. INTERESTS IN ASSOCIATES (Continued)

The following table shows information on the associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the IFRS financial information of the associates.

Name	Ningde Nuclear Power Company		Tashan Coal Company	
	2019	2018	2019	2018
Principal place of business/country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Nuclear power plant construction and operation		Coal mine construction and mining	
% of ownership interests/voting rights held by the Group	44%	44%	28%	28%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	44,646,695	45,986,681	6,414,629	6,358,225
Current assets	6,433,824	5,643,214	10,548,073	8,294,699
Non-current liabilities	(29,684,129)	(31,826,465)	(201,227)	(272,429)
Current liabilities	(7,472,251)	(5,853,540)	(2,430,750)	(2,681,420)
Net assets	13,924,139	13,949,890	14,330,725	11,699,075
Group's share of net assets	6,126,621	6,137,812	4,011,989	3,274,996
Others	17,898	17,899	(2,508)	204,944
Group's share of carrying amount of interests	6,144,519	6,155,711	4,009,481	3,479,940
Year ended 31 December:				
Revenue	9,389,312	10,242,863	9,555,173	9,920,209
Profit for the year	1,985,252	2,234,095	2,313,102	2,351,107
Other comprehensive income	–	–	–	–
Total comprehensive income	1,985,252	2,234,095	2,313,102	2,351,107
Dividends receivable from associates	884,703	652,794	–	–

21. INTERESTS IN ASSOCIATES (Continued)

Name	Datang Finance 2019	Datang Finance 2018	Xiduo Railway Company 2019	Xiduo Railway Company 2018
Principal place of business/country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Financial services		Railway transportation services	
% of ownership interests/voting rights held by the Group	**16.95%**	16.95%	**34%**	34%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**34,077,222**	30,974,000	**10,647,982**	10,228,782
Current assets	**7,696,867**	21,769,328	**293,487**	797,043
Non-current liabilities	**–**	–	**(5,426,301)**	(4,592,452)
Current liabilities	**(33,843,058)**	(45,351,038)	**(3,280,416)**	(3,625,610)
Net assets	**7,931,031**	7,392,290	**2,234,752**	2,807,763
Group's share of net assets	**1,344,309**	1,252,993	**752,594**	947,253
Others	**(24,815)**	(24,817)	**301,400**	294,234
Group's share of carrying amount of interests	**1,319,494**	1,228,176	**1,053,994**	1,241,487
Year ended 31 December:				
Revenue	**1,549,066**	1,381,317	**1,216,292**	1,819,566
Profit (loss) for the year	**797,874**	784,223	**(532,933)**	(350,647)
Other comprehensive expense	**56,195**	(42,823)	**–**	–
Total comprehensive income (expense)	**854,069**	741,400	**(532,933)**	(350,647)
Dividends receivable from associates	**26,584**	43,021	**–**	–

21. INTERESTS IN ASSOCIATES (Continued)

Name	Datang Leasing Company		Baxin Railway Company	
	2019	2018	**2019**	2018
Principal place of business/country of incorporation	**PRC/PRC**		**PRC/PRC**	
Principal activities	**Finance leasing business**		**Railway construction**	
% of ownership interests/voting rights held by the Group	**20%**	20%	**20%**	20%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**22,954,274**	20,951,431	**7,517,965**	8,048,353
Current assets	**7,750,607**	6,360,585	**517,822**	259,023
Non-current liabilities	**(6,845,306)**	(3,769,124)	**(5,510,382)**	(5,080,481)
Current liabilities	**(15,591,947)**	(15,432,233)	**(789,960)**	(1,211,745)
Net assets	**8,267,628**	8,110,659	**1,735,445**	2,015,150
Group's share of net assets	**642,243**	611,287	**347,089**	402,030
Others	**40,164**	40,163	**113,947**	121,635
Group's share of carrying amount of interests	**682,407**	651,450	**461,036**	523,665
Year ended 31 December:				
Revenue	**1,496,176**	1,408,603	**142,280**	234,503
Profit (loss) for the year	**542,674**	529,086	**(313,148)**	(246,577)
Other comprehensive income (expense)	**–**	–	**–**	–
Total comprehensive income (expense)	**542,674**	529,086	**(313,148)**	(246,577)
Dividends receivable from associates	**20,000**	–	**–**	–

21. INTERESTS IN ASSOCIATES (Continued)

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

	2019 RMB'000	2018 RMB'000
At 31 December:		
Carrying amounts of interests	3,195,076	2,751,765
Year ended 31 December:		
Profit for the year	100,800	43,257
Other comprehensive income (expense)	35,144	(21,884)
Total comprehensive income	135,944	21,373
Dividends receivable from associates	84,703	18,852

22. INTERESTS IN JOINT VENTURES

	2019 RMB'000	2018 RMB'000
Unlisted investments:		
Share of carrying amount of interests	673,265	690,359

22. INTERESTS IN JOINT VENTURES (Continued)

Details of the Group's material joint ventures at 31 December 2019 and 2018 are as follows:

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 (unless otherwise stated)	Percentage of equity interest held by group		Principal activities
			2019	2018	
Yuzhou Energy Multiple Company	PRC	1,176,834	**50%**	50%	Power generation
Yuzhou Mining Company	PRC	1,079,157	**49%**	49%	Coal mining and sales
Changtan Mining Company	PRC	50,000	**40%**	40%	Coal mining and sales
CDC Hong Kong Company	Hong Kong	USD10,000,000	**30%**	30%	International trade
Datang Anhui Electric Power Equipment Co., Ltd.	PRC	5,000	**49%**	49%	Wholesale business

22. INTERESTS IN JOINT VENTURES (Continued)

The following table shows information of the joint venture that is material to the Group. This joint venture is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the IFRS financial statements of the joint ventures.

Name	Yuzhou Energy Multiple Company	
	31 December 2019	31 December 2018
Principal place of business/country of incorporation	**PRC/PRC**	
Principal activities	**Power generation**	
% of ownership interests/voting rights held by the Group	**50%**	50%
	RMB'000	RMB'000
At 31 December:		
Non-current assets	**6,087,022**	5,845,836
Current assets	**592,405**	377,053
Non-current liabilities	**(5,239,674)**	(4,839,246)
Current liabilities	**(581,980)**	(533,829)
Net assets	**857,773**	849,814
Group's share of net assets	**428,886**	424,907
Cash and cash equivalents (included in current assets)	**238,917**	141,937
Year ended 31 December:		
Revenue	**440,614**	142,436
Interest expense	**111,177**	50,804
Income tax expense	**–**	–
Loss from operations and total comprehensive expense	**(86,400)**	(262,997)

22. INTERESTS IN JOINT VENTURES (Continued)

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

	2019 RMB'000	2018 RMB'000
At 31 December:		
Carrying amounts of interests	**244,379**	265,452
Year ended 31 December:		
Loss for the year	**(21,355)**	(265,816)
Other comprehensive income	–	–
Total comprehensive expenses	**(21,355)**	(265,816)

23. FINANCIAL INSTRUMENTS AT FVTPL AND EQUITY INSTRUMENTS AT FVTOCI

a) Financial instruments at FVTPL

	2019 RMB'000	2018 RMB'000
Unlisted equity instruments in the PRC, at FVTPL (Note ii)	**4,203,692**	4,311,248

23. FINANCIAL INSTRUMENTS AT FVTPL AND EQUITY INSTRUMENTS AT FVTOCI (Continued)

b) Equity instruments at FVTOCI

	2019 RMB'000	2018 RMB'000
Listed equity instruments, at fair value listed in Hong Kong (Note i)	**171,098**	176,315
Unlisted equity securities in the PRC, at FVTOCI (Notes ii & iii)	**925,540**	935,464
	1,096,638	1,111,779

Note:

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

ii) It represented the Group's equity interest in private entities established in the PRC.

iii) The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that they are not held for trading and for long-term investment purpose.

24. LONG-TERM ENTRUSTED LOANS TO AN ASSOCIATE

	2019 RMB'000	2018 RMB'000
Entrusted loans to an associate	–	122,451

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

25. OTHER NON-CURRENT ASSETS

	2019 RMB'000	2018 RMB'000
Long-term receivables	**98,510**	72,405
Long-term prepaid expenses	**569,361**	712,934
Prepayments for equipment	**1,427,007**	1,519,768
Others	**1,560,414**	1,780,808
	3,655,292	4,085,915
Less: Current portion of other non-current assets	**(11,660)**	(6,509)
	3,643,632	4,079,406

26. INVENTORIES

	2019 RMB'000	2018 RMB'000
Raw materials	**3,800,182**	4,385,206
Finished goods	**6,940**	24,552
Others	**255,794**	229,627
	4,062,916	4,639,385

During the year ended 31 December 2019, there was a significant increase in the net realisable value of certain finished goods due to market shortage. As a result, a reversal of write-down of RMB10,391,000 (2018: RMB313,764,000) have been recognised and included in operating cost in the current year. In addition, the Group recognised an allowance for inventories of RMB9,428,000 (2018: RMB4,786,000) due to drop in net realisable value below cost.

27. TRADE AND NOTES RECEIVABLES

	2019 RMB'000	2018 RMB'000
Trade receivables	**15,640,645**	13,629,279
Less: Provision of impairment	**(855,731)**	(906,948)
	14,784,914	12,722,331
Notes receivables	**1,111,000**	1,050,724
	15,895,914	13,773,055

As at 31 December 2019 and 2018, trade receivables from contracts with customers amounted to RMB14,784,914,000 and RMB12,722,331,000 respectively.

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

	2019 RMB'000	2018 RMB'000
Within one year	**12,951,639**	11,610,168
Between one to two years	**1,390,091**	761,647
Between two to three years	**223,930**	105,765
Over three years	**219,254**	244,751
	14,784,914	12,722,331

27. TRADE AND NOTES RECEIVABLES (Continued)

As at 31 December 2019, total notes receivable amounting to RMB1,111,000,000 (2018: RMB1,050,724,000) are held by the Group for future settlement of trade receivables. All notes received by the Group are with a maturity period of less than one year.

The Group measures the loss allowance for trade and notes receivables at an amount equal to lifetime ECL. The ECL on trade and notes receivables are estimated by reference to an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In respect of trade receivables arising from power sales and heat supply, they are primarily due from power grid companies and heat supply companies of their respective provinces or regions where the power plants operate. Having considered the debtors' financial position and past experience, no loss allowance has been made as the Group considered that the risk of default is low. In respect of trade receivables arising from coal sales, the Group made lifetime loss allowance of RMB855,731,000 (2018: RMB906,948,000) based on individual assessment of debtors. In determining the loss allowance, the Group also takes into account forward-looking information (for example, the current and forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date.

The movement in the loss allowance of trade and notes receivables during the year ended 31 December 2019 is as follows:

	Loss allowance of trade and notes receivables RMB'000
Balance as at 1 January 2018	897,419
Impairment losses recognised	9,592
Reversal of allowance for the year	(63)
Balance as at 31 December 2018	906,948
Impairment losses recognised	31,576
Reversal of allowance for the year	(82,793)
Balance as at 31 December 2019	855,731

28. PREPAYMENTS AND OTHER RECEIVABLES

	2019 RMB'000	2018 RMB'000
Prepayments		
VAT recoverable	**1,587,564**	1,343,916
Prepayments to suppliers	**1,187,394**	1,326,077
Others	**319,716**	14,003
	3,094,674	2,683,996
Other receivables		
Receivables from fuel and materials	**1,988,703**	1,506,751
Advance to construction	**355,436**	418,542
Others	**1,879,192**	1,585,301
	4,223,331	3,510,594
Allowance for doubtful debts	**(1,970,091)**	(1,533,649)
	2,253,240	1,976,945
	5,347,914	4,660,941

The Group recognised lifetime ECL for other receivables with gross carrying amount of RMB4,223,331,000 as at 31 December 2019 (2018: RMB3,510,594,000), based on individually significant balances.

28. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The movement in the loss allowance of other receivables during the year ended 31 December 2019 is as follows:

	Loss allowance of other receivables RMB'000
Balance as at 1 January 2018	1,437,521
Impairment losses recognised	96,135
Reversal of allowance for the year	(7)
Balance as at 31 December 2018	1,533,649
Impairment losses recognised	436,739
Reversal of allowance for the year	(297)
Balance as at 31 December 2019	1,970,091

29. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2019 RMB'000	2018 RMB'000
Bank deposits	**1,034,546**	1,700,602
Deposits with an associate	**7,101,347**	9,841,038
Cash on hand	**162**	109
	8,136,055	11,541,749
Restricted deposits included in bank deposits (Note 47)	**(171,806)**	(108,199)
Cash and cash equivalents	**7,964,249**	11,433,550

30. SHARE CAPITAL

	Number of shares		Share capital	
	2019	2018	**2019**	2018
	'000	'000	**RMB'000**	RMB'000
A share of RMB1 each:				
Registered, issued and fully paid:				
At beginning of the year	**12,396,089**	9,994,360	**12,396,089**	9,994,360
Issue of shares upon subscription	**–**	2,401,729	**–**	2,401,729
At end of the year	**12,396,089**	12,396,089	**12,396,089**	12,396,089
H share of RMB1 each:				
Registered, issued and fully paid:				
At beginning of the year	**6,110,622**	3,315,678	**6,110,622**	3,315,678
Issue of shares upon subscription	**–**	2,794,944	**–**	2,794,944
At end of the year	**6,110,622**	6,110,622	**6,110,622**	6,110,622
	18,506,711	18,506,711	**18,506,711**	18,506,711

Note:

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

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

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

(a) Statement of financial position of the Company

	2019 RMB'000	2018 RMB'000
Non-current assets		
Right-of-use asset	724,262	–
Property, plant and equipment	14,285,383	15,439,963
Investment properties	185,658	193,942
Intangible assets	59,905	59,698
Investments in subsidiaries	61,161,003	55,251,791
Interests in associates	16,157,337	15,362,116
Interests in joint ventures	649,896	667,951
Financial instruments at FVTPL	4,079,552	4,117,650
Equity instruments at FVTOCI	429,855	476,214
Long-term entrusted loans to subsidiaries	640,000	1,373,000
Deferred tax assets	2,735,495	2,735,495
Other non-current assets	273,032	207,164
	101,381,378	95,884,984
Current assets		
Inventories	306,244	317,702
Trade and notes receivables	1,025,298	1,149,088
Prepayments and other receivables	3,392,895	2,907,642
Tax recoverable	61,191	114,255
Current portion of long-term entrusted loans to subsidiaries	3,188,359	2,751,030
Cash and cash equivalents	1,701,855	1,159,200
	9,675,842	8,398,917

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

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

	2019 RMB'000	2018 RMB'000
Current liabilities		
Trade payables and accrued liabilities	2,211,933	2,163,338
Consideration payable	169,216	191,216
Taxes payables	52,558	78,519
Short-term loans	14,890,000	6,440,000
Short-term bonds	–	11,000,000
Current portion of non-current liabilities	315,187	8,722,687
Current portion of lease liabilities	13,610	–
	17,652,504	28,595,760
Net current liabilities	(7,976,662)	(20,196,843)
	93,404,716	75,688,141
Capital and reserves		
Share capital	18,506,711	18,506,711
Reserves	35,946,544	35,865,361
	54,453,255	54,372,072
Perpetual bonds	22,935,045	5,000,000
Total equity	77,388,300	59,372,072
Non-current liabilities		
Long-term loans	6,474,042	6,727,999
Long-term bonds	8,973,801	8,966,309
Deferred income	300,455	403,165
Deferred tax liabilities	219,830	218,596
Lease liabilities	48,288	–
	16,016,416	16,316,069
	93,404,716	75,688,141

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

(b) Reserve movement of the Company

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Discretionary surplus reserve RMB'000	FVTOCI reserve RMB'000	(Accumulated losses)/ retained earnings RMB'000	Total RMB'000
At 1 January 2018	9,922,854	5,030,331	6,839,386	(121,193)	4,228,888	25,900,266
Total comprehensive (expense) income for the year	–	–	–	(137,882)	3,780,059	3,642,177
Issue of ordinary shares	8,132,663	–	–	–	–	8,132,663
Issue of perpetual bond	–	–	–	–	–	–
Transfer to statutory surplus reserve	–	730,418	–	–	(730,418)	–
Transfer to discretionary surplus reserve	–	–	1,128,101	–	(1,128,101)	–
Dividends paid	–	–	–	–	(1,665,604)	(1,665,604)
Others	–	–	–	–	(144,141)	(144,141)
As at 31 December 2018	18,055,517	5,760,749	7,967,487	(259,075)	4,340,683	35,865,361
Total comprehensive (expense) income for the year	–	–	–	(1,690)	1,732,923	1,731,233
Transfer to statutory surplus reserve	–	240,900	–	–	(240,900)	–
Transfer to discretionary surplus reserve	–	–	1,883,410	–	(1,883,410)	–
Dividends paid	–	–	–	–	(1,850,671)	(1,850,671)
Others	–	–	–	–	200,621	200,621
As at 31 December 2019	18,055,517	6,001,649	9,850,897	(260,765)	2,299,246	35,946,544

32. RESERVES

(a) Group

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

(b) Nature and purpose of reserves

(i) Capital reserve

Capital reserve mainly comprised: (i) the difference between the nominal amount of the domestic shares issued and the fair value of the net assets injected into the Company during its formation and also proceeds from the issue of H shares and A shares in excess of their par value, net of issuance expenses; and (ii) the premium from convertible bonds converted to shares.

The effect from acquisition of non-controlling interests in subsidiaries of the Group are also reflected in the Group's capital reserve.

(ii) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, it is required to appropriate 10% of its net profit under PRC GAAP, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such reserve reaches 50% of the Company's share capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of share capital.

(iii) Discretionary surplus reserve

Pursuant to the articles of association of the Company, the appropriation of profit to the discretionary surplus reserve and its utilisation are made in accordance with the recommendation of the Board of Directors and is subject to shareholders' approval at their general meeting.

The discretionary surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them.

In accordance with the articles of association of the Company, distributable profit of the Company is derived based on the lower of profit determined in accordance with PRC GAAP and IFRS.

32. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) Other reserves

Pursuant to relevant regulations and guidance issued by the MOF, certain deferred housing benefits are charged to equity directly when incurred under PRC GAAP. In order to reflect such undistributable retained earnings in these financial statements prepared under IFRS, other reserves is set up to reduce the balance of retained earnings with an amount equals to the residual balance of deferred housing benefits, net of tax.

Pursuant to relevant PRC regulations, coal mining companies are required to set aside an amount to a fund for future development and work safety which they transferred certain amounts from retained earnings to other reserves. The fund can then be used for future development and work safety of the coal mining operations, and is not available for distribution to shareholders. When qualifying development expenditure and improvements of safety incurred, an equivalent amount is transferred from other reserve to retained earnings.

(v) Merger reserve

As at 31 December 2018 and 2019, it represented the difference between the consideration payable to China Datang for acquisition of certain of its subsidiaries under common control combinations and share capital of the acquired subsidiaries.

33. OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS

Perpetual Bond 1

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

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

33. OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS (Continued)

Perpetual Bond 2

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

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

Perpetual Bond 3

On 30 May 2019 and 30 July 2019, the Company issued RMB4,000,000,000 and RMB4,000,000,000 perpetual bond at an initial interest rate of 4.71% and 4.59% per annum respectively. Coupon payments are paid semi-annually in arrears and may be deferred at the discretion of the Company.

Perpetual Bond 3 has no fixed maturity and is callable at the Company's option at its principal amount together with any accrued, unpaid or deferred coupon interest payments. The coupon rate will be increased at a margin of 300 basis points per half year after three year of issuance. While any coupon interest payments are unpaid or deferred, the Company cannot declare or pay dividends or reduce registered capital. Pursuant to the terms, the Company has no contractual obligations to repay its principal or to pay any coupon interest.

Perpetual Bond 4

On 19 August 2019, 11 September 2019 and 25 November 2019, the Company issued RMB4,000,000,000, RMB4,000,000,000 and RMB2,000,000,000 perpetual bond at an initial interest rate of 4.30%, 4.25% and 4.43% per annum respectively. Coupon payments are paid semi-annually in arrears and may be deferred at the discretion of the Company.

Perpetual bond 4 has no fixed maturity and is callable at the Company's option at its principal amount together with any accrued, unpaid or deferred coupon interest payments. The coupon rate will be increased at a margin of 300 basis points per half year after three year of issuance. While any coupon interest payments are unpaid or deferred, the Company cannot declare or pay dividends or reduce registered capital. Pursuant to the terms, the Company has no contractual obligations to repay its principal or to pay any coupon interest.

Accordingly, Perpetual Bonds 1 to 4 do not meet the definition of financial liabilities in accordance with IAS 32 Financial Instruments: Presentation, and are classified as equity instruments of the Group. Accrued interest for the perpetual bonds amounted to RMB595,024,000 as at 31 December 2019 (2018: nil).

34. LONG-TERM LOANS

	2019 RMB'000	2018 RMB'000
Long-term bank loans	**104,607,192**	113,356,759
Other long-term loans	**9,214,217**	8,452,172
	113,821,409	121,808,931
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(14,330,523)**	(16,160,388)
	99,490,886	105,648,543

Long-term loans are repayable as follows:

	31 December 2019			31 December 2018		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
Within one year	**13,053,649**	**1,276,874**	**14,330,523**	14,481,088	1,679,300	16,160,388
More than one year, but not exceeding two years	**13,142,982**	**3,487,487**	**16,630,469**	13,177,392	2,392,499	15,569,891
More than two years, but not more than five years	**32,029,021**	**2,321,506**	**34,350,527**	36,813,645	3,816,021	40,629,666
More than five years	**46,381,540**	**2,128,350**	**48,509,890**	48,884,634	564,352	49,448,986
	104,607,192	**9,214,217**	**113,821,409**	113,356,759	8,452,172	121,808,931
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(13,053,649)**	**(1,276,874)**	**(14,330,523)**	(14,481,088)	(1,679,300)	(16,160,388)
Amount due for settlement after 12 months	**91,553,543**	**7,937,343**	**99,490,886**	98,875,671	6,772,872	105,648,543

34. LONG-TERM LOANS (Continued)

Long-term loans are classified as follows:

	2019			2018		
	Long-term bank loans	Other long-term loans	Total	Long-term bank loans	Other long-term loans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Secured loans	24,179,622	475,663	24,655,285	23,534,241	–	23,534,241
Guaranteed loans	4,139,280	1,155,850	5,295,130	8,225,635	2,654,000	10,879,635
Unsecured loans	76,288,290	7,582,704	83,870,994	81,596,883	5,798,172	87,395,055
	104,607,192	9,214,217	113,821,409	113,356,759	8,452,172	121,808,931

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

	2019	2018
Long-term bank loans	1.20% – 6.8%	1.20% – 5.90%
Other long-term loans	3.92% – 6.8%	4.28% – 6.22%

34. LONG-TERM LOANS (Continued)

At 31 December 2019, long-term bank loans amounted to RMB4,139,280,000 (2018: RMB8,225,635,000) were guaranteed by the following parties:

	2019 RMB'000	2018 RMB'000
The Company	**1,167,172**	6,863,884
Others	**2,972,108**	1,361,751
	4,139,280	8,225,635

Other long-term loans amounted to RMB1,155,850,000 (2018: RMB2,654,000,000) were guaranteed by the Company as at 31 December 2019.

At 31 December 2019, other long-term loans amounted to RMB3,455,880,000 (2018: RMB2,972,040,000) which were borrowed from China Datang were unsecured, unguaranteed and interest-bearing at 4.75% (2018: ranging from 4.75% to 5.40%) per annum.

At 31 December 2019, other long-term loans amounted to RMB2,917,692,000 (2018: RMB2,826,132,000) which were borrowed from a subsidiary of China Datang were unsecured, unguaranteed and interest-bearing ranging from 3.92% to 5.88% (2018: 4.41% to 4.90%) per annum.

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

35. LONG-TERM BONDS

	2019 RMB'000	2018 RMB'000
Medium-term notes (i)	–	4,198,125
Corporate bonds (ii)	**8,973,801**	11,964,461
	8,973,801	16,162,586
Less: Amount due for settlement within12 months (shown under current liabilities)	–	(7,196,277)
	8,973,801	8,966,309

Notes:

(i) Medium-term notes represented unsecured notes issued by the Company and its subsidiary in inter-bank market with par value of RMB100 each totaling RMB4,198,125,000 as at 31 December 2018. Such medium-term notes are with a term ranging from 3 years to 5 years with fixed annual coupon and effective interest rates from 3.22% – 5.20% per annum at 31 December 2018. Accrued interest for these notes amounted to RMB44,686,000 as at 31 December 2018. The amount had been fully repaid during the year ended 31 December 2019.

(ii) Corporate bonds represented unsecured bonds issued by the Company with par value of RMB100 each totaling RMB9 billion (2018: RMB12 billion). Such bonds, which are secured by assets of China Datang and of which certain portion were counter-guaranteed by the Company, are of 10-year term with fixed annual coupon and effective interest rates from 5.1% to 5.25% per annum (2018: 5.1% to 5.36% per annum) as at 31 December 2019.

Accrued interest for these bonds amounted to RMB239,868,000 (2018: RMB408,820,000) as at 31 December 2019.

36. DEFERRED INCOME

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

37. DEFERRED TAX

(a) Deferred tax asset

	Assets revaluation RMB'000	Deductible tax losses RMB'000	Intragroup unrealised profits RMB'000	Depreciation RMB'000	Government grants RMB'000	Impairment of assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2018	3,870	3,270,248	334,204	14,836	279,060	99,598	86,049	4,087,865
(Charge)/credit to profit or loss for the year	(3,870)	(74,439)	(5,751)	70,166	(1,356)	(10,418)	26,309	641
Credit to other comprehensive income for the year	–	–	–	–	–	–	279	279
At 31 December 2018	–	3,195,809	328,453	85,002	277,704	89,180	112,637	4,088,785
Credit/(charge) to profit or loss for the year	–	20,932	(5,168)	(47,623)	(6,334)	9,120	(19)	(29,092)
At 31 December 2019	–	3,216,741	323,285	37,379	271,370	98,300	112,618	4,059,693

37. DEFERRED TAX (Continued)

(b) Deferred tax liabilities

	Assets revaluation RMB'000	Fair value gain on equity instruments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2018	535,831	122,758	8,715	667,304
(Credit)/charge to profit or loss for the year	(55,482)	95,838	23,315	63,671
Charge to other comprehensive income for the year	–	–	278	278
At 31 December 2018	480,349	218,596	32,308	731,253
Credit to profit or loss for the year	(6,274)	(760)	(1,351)	(8,385)
Credit to other comprehensive income for the year	–	(6,911)	–	(6,911)
At 31 December 2019	474,075	210,925	30,957	715,957

No deferred tax asset has been recognised in respect of certain unused tax losses of RMB22,053,880,000 (2018: RMB19,864,168,000) due to the unpredictability of future profit streams. The unused tax losses will expire after five years from the year of assessment to which they relate.

38. OTHER NON-CURRENT LIABILITIES

	2019 RMB'000	2018 RMB'000
Finance lease payables (Note)	–	10,207,028
Other pledged financing (Note)	10,921,403	–
Others	175,422	135,676
	11,096,825	10,342,704
Less: Amount due for settlement within 12 months (shown under current liabilities)	(3,260,196)	(2,650,552)
	7,836,629	7,692,152

Note

As at 31 December 2018, the Group's financing in relation to a number of items of transportation facilities were classified as finance leases under IAS 17. On adoption of IFRS 16, the Group recategorised RMB9,661,569,000 of such financing as "other pledged financing" as these financing arrangements did not contain a "lease". The remaining finance leases payable of RMB545,459,000 are reclassified to lease liabilities as detailed in Note 39.

Other pledged financing

	2019 RMB'000
Within one year	3,143,879
Between one to two years	2,629,741
Between two to five years	3,784,700
After five years	1,363,083
	10,921,403

The average effective borrowing rate was 4.97% per annum at 31 December 2019. Interest rates are fixed at the contract dates and thus exposed the Group to fair value interest rate risk.

At 31 December 2019, other pledged financing amounting to RMB3,755,000,000 were borrowed from an associate and interest-bearing ranging from 4.41% to 5.80% per annum.

At 31 December 2019, other pledged financing amounting to RMB2,527,000,000 were borrowed from a subsidiary of China Datang and interest-bearing ranging from 4.41% to 7.00% per annum.

The pledged financing are secured by certain of the Group's property, plant and equipment. For the details, please refer to the Note 47.

38. OTHER NON-CURRENT LIABILITIES (Continued)

Finance lease payables

	Minimum lease payments 2018 RMB'000	Present value of minimum lease payments 2018 RMB'000
Within one year	3,131,142	2,593,941
Between one to two years	2,602,177	2,219,745
Between two to five years	5,047,926	4,646,800
After five years	890,137	746,542
	11,671,382	10,207,028
Less: Future finance charges	(1,464,354)	–
Present value of lease obligations	10,207,028	10,207,028
Less: Amount due for settlement within 12 months (shown under current liabilities)		(2,593,941)
Amount due for settlement after 12 months		7,613,087

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 8 years for the years ended 2018. The average effective borrowing rate was 4.97% per annum at 31 December 2018. Interest rates are fixed at the contract dates and thus exposed the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the plant and machinery at nominal prices.

Finance lease payables amounted to RMB3,875,963,000 which were due to an associate were interest-bearing ranging from 4.41% to 5.80% per annum as at 31 December 2018.

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

39. LEASE

i. Right-of-use assets

	31 December 2019 RMB'000	1 January 2019 RMB'000
Land use rights	**3,057,893**	2,909,576
Electricity utility plants	**225,885**	181,225
Buildings and structures	**79,802**	–
Transportation facilities	**816,337**	872,705
Others	**75,689**	–
	4,255,606	3,963,506

	Land use rights RMB'000	Electricity utility plants RMB'000	Buildings and structures RMB'000	Transportation facilities RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2019	3,638,346	181,225	–	1,301,440	–	5,121,011
Additions	265,986	75,142	100,180	14,246	82,335	537,889
Disposals	(53,380)	–	(3,899)	(4,022)	–	(61,301)
At 31 December 2019	**3,850,952**	**256,367**	**96,281**	**1,311,664**	**82,335**	**5,597,599**
Accumulated depreciation						
At 1 January 2019	728,770	–	–	428,735	–	1,157,505
Charge for the year	91,355	30,482	16,479	66,592	6,646	211,554
Eliminated upon disposals	(27,066)	–	–	–	–	(27,066)
At 31 December 2019	**793,059**	**30,482**	**16,479**	**495,327**	**6,646**	**1,341,993**
Carrying amount						
At 31 December 2019	**3,057,893**	**225,885**	**79,802**	**816,337**	**75,689**	**4,255,606**
At 1 January 2019	2,909,576	181,225	–	872,705	–	3,963,506

39. LEASE (Continued)

i. Right-of-use assets (Continued)

Right-of-use assets of RMB3,057,893,000 represent land use rights located in the PRC.

The Group has lease arrangements for buildings and structures, electricity utility plants and transportation facilities. The lease terms generally range from two to seven years.

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

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

ii. Lease liabilities

	31 December 2019 RMB'000	1 January 2019 RMB'000
Non-current	**734,944**	568,687
Current	**171,833**	157,997
	906,777	726,684

Amounts payable under lease liabilities	**31 December 2019 RMB'000**
Within one year	**171,833**
After one year but within two years	**257,016**
After two years but within five years	**393,913**
After five years	**84,015**
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(171,833)**
Amount due for settlement after 12 months	**734,944**

39. LEASE (Continued)

iii. Amounts recognised in profit or loss

	31 December 2019 RMB'000
Depreciation on right-of-use assets	**211,554**
Expenses relating to short-term lease	**58,417**

iv. Others

During the year ended 31 December 2019, the total cash outflows for lease amount to RMB416,213,000.

40. TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES

	2019 RMB'000	2018 RMB'000
Trade payables	**17,671,666**	20,387,076
Notes payables	**1,903,844**	1,248,315
Accrued expenses	**638,421**	1,009,468
Other payables	**3,315,151**	3,376,584
	23,529,082	26,021,443

	2019 RMB'000	2018 RMB'000
Contract liabilities	**1,022,615**	1,048,738

40. TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES (Continued)

The ageing analysis of the trade payables are as follows:

	2019 RMB'000	2018 RMB'000
Within one year	**12,074,832**	15,651,698
Between one to two years	**2,847,886**	1,939,108
Between two to three years	**733,446**	1,059,467
Over three years	**2,015,502**	1,736,803
	17,671,666	20,387,076

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

Revenue recognised during the year ended 31 December 2019 that was included in the contract liabilities as at 1 January 2019 is RMB1,048,738,000 (2018: RMB928,328,000).

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

41. SHORT-TERM LOANS

	2019 RMB'000	2018 RMB'000
Short-term bank loans	**29,942,160**	21,185,201
Other short-term loans	**4,912,518**	3,586,440
	34,854,678	24,771,641

41. SHORT-TERM LOANS (Continued)

Short-term loans are classified as follows:

	2019			2018		
	Short-term bank loans RMB'000	Other short-term loans RMB'000	Total RMB'000	Short-term bank loans RMB'000	Other short-term loans RMB'000	Total RMB'000
Secured loans	**241,567**	**50,000**	**291,567**	445,370	–	445,370
Guaranteed loans	**–**	**–**	**–**	70,000	–	70,000
Unsecured loans	**29,700,593**	**4,862,518**	**34,563,111**	20,669,831	3,586,440	24,256,271
	29,942,160	**4,912,518**	**34,854,678**	21,185,201	3,586,440	24,771,641

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

	2019	2018
Short-term bank loans	**3.05% – 7.00%**	3.40% – 7.50%
Other short-term loans	**4.35% – 5.00%**	4.35% – 5.00%

At 31 December 2018, short-term loans of RMB3,713,817,000 are arranged at fixed interest rates and expose the Group to fair value interest rate risk. The remaining short-term loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

At 31 December 2019, short-term bank loans amounted to RMB241,567,000 (2018: RMB445,370,000) and other short-term loans amounted to RMB50,000,000 (2018: nil) were secured by certain tariff collection rights of the Group.

At 31 December 2018, short-term bank loans amounted to RMB70,000,000 were guaranteed by the Company. There is no guaranteed short-term loan as at 31 December 2019.

At 31 December 2019, other short-term loans amounted to RMB4,862,518,000 (2018: RMB3,586,440,000) were borrowed from a subsidiary of China Datang which were unsecured, unguaranteed and interest-bearing ranging from 4.35% to 5.00% (2018: from 4.35% to 5.00%) per annum.

42. SHORT-TERM BONDS

At 31 December 2018, short-term bonds represented unsecured bonds issued by the Group with maturity date less than one year at par value of RMB100 each with annual coupon and effective interest rate ranging from 1.78% to 3.19% per annum. The amounts had been fully repaid during the year ended 31 December 2019.

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2019 RMB'000	2018 RMB'000
Profit before tax	**4,618,609**	4,165,797
Adjustments for:		
Loss on deconsolidation of subsidiaries	**222,778**	–
Interest income	**(96,637)**	(102,262)
Dividend income	**(219,073)**	(160,912)
Depreciation of property, plant and equipment	**13,744,761**	13,775,115
Depreciation of investment properties	**27,159**	29,963
Depreciation of right-of-use assets	**211,554**	
Amortisation of intangible assets	**45,467**	42,368
Amortisation of land use right	**–**	86,635
Share of profit of associates	**(1,621,931)**	(1,754,780)
Share of losses of joint ventures	**64,555**	397,315
Impairment loss on property, plant and equipment	**1,539,077**	426,368
Allowance for inventories	**9,428**	4,786
Reversal of allowance for inventories	**(10,391)**	(313,764)
(Reversal)/recognition of impairment of trade and notes receivables, net	**(51,217)**	9,529
Impairment of other receivables, net	**436,442**	96,128
Written off of property, plant and equipment	**1,334,729**	472,907
Finance costs	**7,214,883**	7,647,028
Release of government grant for property, plant and equipment	**(467,595)**	(546,809)
Impairment of goodwill	**104,361**	54,232
Loss (gain) on change of fair value of financial instruments at FVTPL	**54,066**	(242,147)
Gain on disposal of non-current assets	**(154,586)**	(231)
Other losses	**–**	33,835
Operating profit before working capital changes	**27,006,439**	24,121,101
Increase in trade and notes receivables	**(2,071,642)**	(996,824)
Decrease (increase) in prepayments and other receivables	**41,140**	(727,007)
Decrease in trade payables, accrued liabilities and contract liabilities	**(2,319,276)**	(2,026,538)
Decrease (increase) in inventories	**577,432**	(128,024)
Decrease (increase) in other non-current assets	**343,013**	(1,293,441)
(Increase) decrease in current portion of other non-current assets	**(5,151)**	69,679
Increase in other non-current liabilities	**39,746**	132,915
Cash generated from operation	**23,611,701**	19,151,861

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

(b) Acquisition of non-controlling interests

In 2018, it represented the effects from acquisition of non-controlling interests of the Company's subsidiaries, and primarily arisen from the acquisition of 49% equity interest of a subsidiary from the non-controlling shareholder of that subsidiary at nil consideration, resulting in a transfer of carrying amount of non-controlling interests with deficit balances of RMB1,289,918,000 to capital reserve.

In 2019, it represented the effects from acquisition of non-controlling interests of the Company's subsidiaries from the non-controlling shareholder of that subsidiary at cash consideration of RMB5,361,787,000. The difference of RMB1,938,318,000 between the carrying amount of non-controlling interest and the cash consideration is charged to capital reserve.

(c) During the year ended 31 December 2019, the Group entered into new arrangements in respect of properties. Right-of-use assets and lease liabilities of RMB537,889,000 were recognised in 2019.

44. FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

At the end of the reporting period, the Group has provided financial guarantees for loan facilities granted to the following parties:

	2019 RMB'000	2018 RMB'000
Associates	**800,300**	865,251
Joint ventures	**41,650**	61,250
Associates of China Datang	**5,654,464**	14,030,000
	6,496,414	14,956,501

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

45. CAPITAL COMMITMENTS

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

	2019 RMB'000	2018 RMB'000
Property, plant and equipment	**5,886,998**	7,662,037

46. LEASE COMMITMENTS

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

The Group as lessee	2018 RMB'000
Within one year	55,769
In the second to fifth years inclusive	49,794
After five years	27,400
	132,963

The Group is the lessee in respect of a number of properties and transportation facilities which the leases were previously classified as operating leases under IAS 17. The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see Note 3). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in Note 4, and the details regarding the Group's future lease payments are disclosed in Note 39.

47. PLEDGE OF ASSETS

The Group had pledged the following assets to secure the borrowings of the Group at the end of the reporting period. The carrying amounts of the assets pledged are as follows:

	2019 RMB'000	2018 RMB'000
Trade receivables	**4,757,971**	4,828,406
Pledged bank deposit	**171,806**	108,199
Property, plant and equipment	**11,082,125**	11,965,760
Right-of-use assets	**1,023,346**	–
Construction in progress	**628,373**	628,373
Others	**963,879**	979,450
	18,627,500	18,510,188

48. RELATED PARTY TRANSACTIONS

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

(a) Significant balances and transactions with related parties

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group

Related company	Nature of transaction	2019 RMB'000	2018 RMB'000
China Datang Group:			
China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	Purchase of fuel, materials and properties	755,075	944,432
	Material management service	27,772	30,462
Datang Environment Industry Group Co., Ltd.	Provision of franchise fee for desulfurization and denitrification	2,250,096	1,263,809
	Provision of operation and maintenance service of denitrification system	266,009	10,527
	Franchise of desulfurization and denitrification and purchase of materials	299,728	1,754,753
	Sale of denitrification and electricity resources	316,225	209,536
Datang Power Fuel Company Ltd.	Purchase of fuel and materials	9,496,837	9,789,892
	Sale of coal	2,972,754	1,793,376
	Receipt of freight, security service	25	5,025
China Datang Corporation Science and Technology Research Institute	Purchase of fuel, materials and properties	1,040	44,475
	Technical service fee	283,364	148,666
Zhejiang Datang Tiandi Environmental Protection Technology Co., Ltd.	Denitrification water, electricity, transportation and maintenance fees	92,175	11,540
	Purchase of products	–	92,559
	Labour supply	11,325	–
Datang Shanxi Power Fuel Co., Ltd.	Purchase of fuel and materials	226,083	136,681
Beijing Zhongyou Guodian Petroleum Products Sales Co., Ltd.	Purchase of fuel and materials	61,971	66,730
Hunan Datang Xianyi Technology Co., Ltd.	Purchase of materials	21,978	13,878
	Technical service fee	69,153	14,799
China Datang Group Technology Engineering Co., Ltd.	Sale of products	62,967	–
	Purchase of products	580,348	–
Datang Sichuan Electric Power Overhaul & Operation Co., Ltd.	Equipment maintenance fee	36,044	23,349
Jiangsu Xutang Power Generation Co., Ltd.	Sale of products	82,121	–

48. RELATED PARTY TRANSACTIONS (Continued)

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

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (continued)

Related company	Nature of transaction	2019 RMB'000	2018 RMB'000
China Datang Group:			
Datang Jiangsu Power Generation Co., Ltd.	Sale of coal	–	71,519
Shanghai Datang Financial Lease Co., Ltd.	Interest expenses	1,018,457	1,062,635
China Datang Group Finance Co., Ltd.	Interest expenses	101,454	86,387
China Datang Corporation Limited	Purchase of production and infrastructure materials and relevant auxiliary services	2,384,000	542,000
	Sale of coal	9,851,000	10,877,000
	Infrastructure EPC Contracting	789,000	565,000
	Sale of Electricity (including water, gas, other resources) and Electricity Entrustment Agency	11,000	16,000
	Technological transformation, operations management and repair and maintenance	257,000	86,000
	Technical supervision and technical services	271,000	191,000
	Alternative Power Generation	13,000	6,000
	Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	2,169,000	2,167,000
	Research and Development	2,000	47,000
	Information System Development	69,000	42,000
	Property management and other logistical services	45,000	24,000
	Coal supply and coal transportation	2,976,000	1,918,000
	Sale of Electricity	146,000	155,000
	Alternative Power Generation	3,000	63,000
	Operations Management and Repair and Maintenance	35,000	12,000
	In respect of Flue Gas Environmental	568,000	538,000
	Property Lease	–	2,000
	Interest expenses on loans	348,951	279,091

48. RELATED PARTY TRANSACTIONS (Continued)

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

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (Continued)

Related company	Nature of transaction	2019 RMB'000	2018 RMB'000
Group's associates:			
Datang Finance	Interest expenses	733,594	512,550

During the year 2018, a subsidiary of the Company set up an associate with a subsidiary of China Datang for a capital injection of RMB3,000,000 and RMB17,000,000 respectively.

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

	2019 RMB'000	2018 RMB'000
Financial guarantees and financing facilities with associates guaranteed by the Group		
Shanxi Datang International Yuncheng Power Generation Company Limited	666,000	670,000
Xiduo Railway Company	31,900	67,251
Liaoning Diaobingshan Coal Gangue Power Generation Co., Ltd.	102,400	128,000
Financial guarantees and financing facilities with joint ventures guaranteed by the Group		
Kailuan (Group) Limited Liability Corporation	41,650	61,250
Financial guarantees and financing facilities with associates of China Datang guaranteed by the Group		
Datang Inner Mongolia Dolun Coal Chemical Co., Ltd.	4,520,464	6,816,000
Datang Hulunbuir Chemical Fertilizer Co., Ltd.	964,000	964,000
Datang Energy Chemical Co., Ltd.	–	6,000,000
Inner Mongolia Datang International Xilin Hot Mining Co., Ltd.	170,000	250,000
Guaranteed by China Datang Group		
The Company	9,000,000	13,000,000

48. RELATED PARTY TRANSACTIONS (Continued)

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

(iii) Significant balances with China Datang Group and associates of the Group

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

	2019 RMB'000	2018 RMB'000
Bank deposits		
Associates:		
Datang Finance	**7,101,347**	9,841,038
Trade receivables		
China Datang Group:		
Datang Environment Industry Group Co., Ltd.	**183,807**	28,945
Datang Power Fuel Co., Ltd.	**446,405**	479,489
Prepayments		
China Datang Group:		
China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	**159,942**	160,588
Datang Group International Trade Co., Ltd.	**–**	29,386
Datang Power Fuel Co., Ltd.	**144,399**	198,895
Beijing Zhongyou Guodian Petroleum Products Sales Co., Ltd.	**32,648**	21,206
China Datang Group Technology Engineering Co., Ltd.	**207,622**	3,297
Other receivables		
China Datang Group:		
Datang Environment Industry Group Co., Ltd.	**8,575**	31,099
Datang Inner Mongolia Duolun Coal Chemical Co., Ltd.	**–**	285,411
Datang Hulun Buir Chemical Fertilizer Co., Ltd.	**–**	33,870
Datang Shandong Power Generation Co., Ltd.	**52,800**	–

48. RELATED PARTY TRANSACTIONS (Continued)

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

(iii) Significant balances with China Datang Group and associates of the Group (Continued)

	2019 RMB'000	2018 RMB'000
Trade payables		
China Datang Group:		
Datang Environment Industry Group Co., Ltd.	1,514,153	1,397,948
China Datang Group Technology Engineering Co., Ltd.	422,407	527,870
Datang Huayin Electric Power Co., Ltd.	–	76,845
China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	432,951	589,916
China Datang Corporation Science and Technology Research Co., Ltd.	132,798	96,576
Zhejiang Datang Tiandi Environmental Protection Technology Co., Ltd.	20,456	20,366
Datang Power Fuel Co., Ltd.	336,889	330,466
Hunan Datang Xianyi Technology Co., Ltd.	39,102	27,086
China Datang Corporation Renewable Power Co., Ltd.	–	24,677
China Datang Group International Trade Co., Ltd.	208,723	24,158
Beijing Zhongtangdian Engineering Consulting Co., Ltd.	19,439	23,578
Datang Northeast Electric Power Test Research Institute Co., Ltd.	20,401	22,252
Associates:		
Datang Leasing Company	–	30,000
Other payables		
Associates:		
Datang Finance	–	151
China Datang Group:		
China Datang	172,446	173,664
Datang Huayin Electric Power Co., Ltd.	317,611	317,611
Datang Environment Industry Group Co., Ltd.	242,717	215,921
Borrowing		
China Datang Group:		
China Datang Group Finance Co., Ltd.	7,780,210	6,412,572
China Datang	3,455,880	2,972,040
Other non-current liabilities		
China Datang Group:		
Shanghai Datang Financial Leasing Company	2,527,000	2,786,938
Associates:		
Datang Finance	3,755,000	3,875,963

Terms of long-term loans, short-term loans, lease liabilities, other non-current liabilities and long-term entrusted loans are described in Notes 34, 41, 39, 38 and 24 respectively to the consolidated financial statements. All the remaining balances are unsecured, interest-free and due on demand.

48. RELATED PARTY TRANSACTIONS (Continued)

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

(iv) Significant transactions with government-related entities

Government-related entities, other than entities under China Datang which is a state-owned enterprise and its subsidiaries, directly or indirectly controlled, jointly controlled or significant influenced by the Central People's Government of the PRC ("Government-Related Entities") are also regarded as related parties of the Group.

For the purpose of the related party transactions disclosure, the Group has established procedures for determination, to the extent possible, of the identification of the ownership structure of its customers and suppliers as to whether they are Government-Related Entities to ensure the adequacy of disclosure for all material related party transactions given that many Government-Related Entities have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs.

During the years ended 31 December 2019 and 2018, the Group sold substantially all of its electricity to local government-related power grid companies. The Group maintained most of its bank deposits in government-related financial institutions while lenders of most of the Group's loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

During the years ended 31 December 2019 and 2018, other collectively significant transactions with Government-Related Entities also included purchases of fuel, and property, plant and equipment.

(v) Compensation to key management personnel of the Group

	2019 RMB'000	2018 RMB'000
Short-term benefits	8,171	3,552
Retirement benefits	449	221
	8,620	3,773

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

49. PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

Particulars of the principal subsidiaries as at 31 December 2019 and 2018 are as follows:

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital	Percentage of equity interest				Principal activities
			RMB'000	Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	
Liaoning Datang International Renewable Power Company Limited	PRC	Company with limited liability	1,716,420	**100.00%**	53.85%	–	–	Wind power generation
Liaoning Datang International Changtu Wind Power Company Limited	PRC	Company with limited liability	899,680	–	–	**100.00%**	100.00%	Wind power generation
Datang Zhangzhou Wind Power Company Limited	PRC	Company with limited liability	217,590	–	–	**100.00%**	100.00%	Wind power generation
Datang Hebei Power Generation Co., Ltd.*	PRC	Company with limited liability	3,001,986	**100.00%**	100.00%	–	–	Power generation
Datang Heilongjiang Power Generation Co., Ltd.*	PRC	Company with limited liability	2,923,180	**100.00%**	100.00%	–	–	Power generation
Datang Anhui Power Generation Co., Ltd.*	PRC	Company with limited liability	3,626,158	**100.00%**	100.00%	–	–	Power generation
Tianjin Datang International Panshan Power Generation Company Limited	PRC	Company with limited liability	831,250	**75.00%**	75.00%	–	–	Power generation
Inner Mongolia Datang International Tuoketuo Power Generation Company Limited ("Tuoketuo Power Company")	PRC	Company with limited liability	1,714,020	**60.00%**	60.00%	–	–	Power generation
Shanxi Datang International Shentou Power Generation Company Limited	PRC	Company with limited liability	749,000	**60.00%**	60.00%	–	–	Power generation
Shanxi Datang International Yungang Thermal Power Company Limited	PRC	Company with limited liability	690,000	**100.00%**	100.00%	–	–	Power generation and heat supply

* These entities were acquired by the Company in 2018 under common control combination. Details are set in the Group's consolidated financial statements for the year ended 31 December 2018.

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital RMB'000	Percentage of equity interest Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	Principal activities
Gansu Datang International Liancheng Power Generation Company Limited	PRC	Company with limited liability	275,500	–	55.00%	–	–	Power generation
Hebei Datang International Tangshan Thermal Power Company Limited	PRC	Company with limited liability	380,264	80.00%	80.00%	–	–	Power generation and heat supply
Jiangsu Datang International Lvsigang Power Generation Company Limited ("Lvsigang Power Company")	PRC	Company with limited liability	1,050,182	55.00%	55.00%	–	–	Power generation
Guangdong Datang International Chaozhou Power Generation Company Limited	PRC	Company with limited liability	559,981	52.50%	52.50%	–	–	Power generation
Fujian Datang International Ningde Power Generation Company Limited	PRC	Company with limited liability	825,090	51.00%	51.00%	–	–	Power generation
Chongqing Datang International Pengshui Hydropower Development Company Limited ("Pengshui Hydropower Company")	PRC	Company with limited liability	1,303,508	40.00%	40.00%	24.00%	24.00%	Hydropower generation
Chongqing Datang International Wulong Hydropower Development Company Limited	PRC	Company with limited liability	1,500,930	51.00%	51.00%	24.50%	24.50%	Hydropower generation
Datang International (Hong Kong) Limited	Hong Kong	Company with limited liability	USD102,900,000	100.00%	100.00%	–	–	Import of power related fuel
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited ("Zhiganglaka Company")	PRC	Company with limited liability	380,000	–	–	90.00%	90.00%	Hydropower generation

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital RMB'000	Percentage of equity interest Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	Principal activities
Hebei Datang International Wangtan Power Generation Company Limited	PRC	Company with limited liability	450,000	70.00%	70.00%	–	–	Power generation
Chongqing Datang International Shizhu Power Generation Company Limited	PRC	Company with limited liability	585,910	70.00%	70.00%	–	–	Power generation
Sichuan Datang International Ganzi Hydropower Development Company Limited ("Ganzi Hydropower Company")	PRC	Company with limited liability	1,625,063	52.73%	53.12%	–	–	Hydropower generation
Beijing Datang Fuel Company Limited	PRC	Company with limited liability	1,009,650	51.00%	51.00%	–	–	Coal trading
Zhejiang Datang Wushashan Power Generation Company Limited	PRC	Company with limited liability	1,700,000	51.00%	51.00%	–	–	Power generation
Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited ("Tuoketuo II Power Company") (i)	PRC	Company with limited liability	1,174,390	40.00%	40.00%	–	–	Power generation
Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited	PRC	Company with limited liability	458,000	100.00%	100.00%	–	–	Power generation and heat supply
Jiangxi Datang International Fuzhou Power Generation Company Limited ("Fuzhou Power Company")	PRC	Company with limited liability	1,811,616	51.00%	51.00%	–	–	Power generation
Liaoning Datang International Jinzhou Thermal Power Generation Limited	PRC	Company with limited liability	368,000	100.00%	100.00%	–	–	Power generation and heat supply
Chongqing Datang International Wulongxingshun Wind Power Company Limited	PRC	Company with limited liability	103,880	100.00%	100.00%	–	–	Wind power generation

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital RMB'000	Percentage of equity interest Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	Principal activities
Hebei Datang International Fengrun Thermal Power Company Limited	PRC	Company with limited liability	393,070	84.00%	84.00%	–	–	Power generation and heat supply
Datang Inner Mongolia Erdos Silicon and Aluminium Technology Company Limited	PRC	Company with limited liability	188,000	100.00%	100.00%	–	–	Silicon and aluminium smelting
Inner Mongolia Datang International Renewable Energy Resource Development Company Limited	PRC	Company with limited liability	2,995,321	100.00%	100.00%	–	–	Production and sale of alumina
Jiangsu Datang Shipping Company Limited	PRC	Company with limited liability	264,900	98.11%	98.11%	–	–	Cargo shipping
Inner Mongolia Datang International Renewable Power Company Limited	PRC	Company with limited liability	1,190,020	100.00%	51.00%	–	–	Wind power generation
Fujian Datang International Renewable Power Company Limited	PRC	Company with limited liability	840,530	100.00%	53.64%	–	–	Wind power generation
Shanxi Datang International Linfen Thermal Power Company Limited	PRC	Company with limited liability	282,550	80.00%	80.00%	–	–	Power generation and heat supply
Liaoning Datang International Fuxin Wind Power Company Limited	PRC	Company with limited liability	452,400	–	–	100.00%	100.00%	Wind power generation
Tibet Datang International Nujiang Upstream Hydropower Development Company Limited	PRC	Company with limited liability	310,000	100.00%	100.00%	–	–	Hydropower generation
Datang International Nuclear Power Company Limited	PRC	Company with limited liability	280,826	100.00%	100.00%	–	–	Nuclear power generation
Datang Tongzhou Technology Company Limited	PRC	Company with limited liability	100,000	100.00%	100.00%	–	–	Sales of coal ash and integrated application of solid wastes
Yunnan Datang International Electric Power Company Limited	PRC	Company with limited liability	2,899,888	100.00%	60.91%	–	–	Power plant construction and operations

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital	Percentage of equity interest				Principal activities
			RMB'000	Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	
Hebei Datang International Renewable Power Company Limited	PRC	Company with limited liability	1,394,166	100.00%	51.94%	–	–	Wind power generation
Inner Mongolia Datang International Haibowan Water Conservancy Hub Development Company Limited	PRC	Company with limited liability	133,910	100.00%	100.00%	–	–	Hydropower generation
Inner Mongolia Datang International Hohhot Thermal Power Generation Company Limited	PRC	Company with limited liability	60,000	–	51.00%	–	–	Power generation and heat supply
Jiangxi Datang International Xinyu Power Generation Company Limited	PRC	Company with limited liability	633,910	100.00%	100.00%	–	–	Power generation
Inner Mongolia Datang International Zhunge'er Mining Company Limited ("Zhunge'er Mining Company")	PRC	Company with limited liability	60,000	52.00%	52.00%	–	–	Coal mining
Hebei Datang International Qian'an Thermal Power Company Limited	PRC	Company with limited liability	214,914	93.33%	93.33%	–	–	Power generation
Yuneng (Group) Company Limited	PRC	Company with limited liability	2,114,963	100.00%	100.00%	–	–	Hydropower generation
Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	PRC	Company with limited liability	135,970	100.00%	100.00%	–	–	Solar power generation
Inner Mongolia Baoli Coal Company Limited	PRC	Company with limited liability	50,000	70.00%	70.00%	–	–	Coal mining
Sichuan Jinkang Electricity Development Company Limited	PRC	Company with limited liability	428,150	54.44%	54.44%	–	–	Hydropower generation

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital RMB'000	Percentage of equity interest Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	Principal activities
Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	PRC	Company with limited liability	261,740	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	PRC	Company with limited liability	600,000	**90.00%**	90.00%	**–**	–	Power generation and heat supply
Erdos Ruidefeng Mining Company Limited	PRC	Company with limited liability	237,220	**100.00%**	100.00%	**–**	–	Wholesale of coal
Jiangxi Datang International Renewable Power Company Limited	PRC	Company with limited liability	672,330	**100.00%**	100.00%	**–**	–	Wind power generation
Shenzhen Datang Baochang Gas Power Generation Company Limited ("Baochang Gas Company")	PRC	Company with limited liability	USD25,000,000	**61.16%**	61.16%	**–**	–	Natural gas power generation
Guangdong Datang International Zhaoqing Thermal Power Company Limited	PRC	Company with limited liability	932,981	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Guangdong Datang International Renewable Power Company Limited	PRC	Company with limited liability	56,940	**100.00%**	100.00%	**–**	–	Wind power generation
Qinghai Datang International Renewable Power Company Limited	PRC	Company with limited liability	136,970	**100.00%**	100.00%	**–**	–	Solar power generation
Ningxia Datang International Renewable Power Company Limited	PRC	Company with limited liability	364,980	**100.00%**	100.00%	**–**	–	Wind power generation
Sichuan Datang International Renewable Power Company Limited	PRC	Company with limited liability	20,000	**100.00%**	100.00%	**–**	–	Power plant construction and operations
Liaoning Datang International Shendong Thermal Power Company Limited	PRC	Company with limited liability	402,680	**100.00%**	100.00%	**–**	–	Power generation and heat supply

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital	Percentage of equity interest				Principal activities
			RMB'000	Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	
Guangdong Datang International Leizhou Power Generation Company Limited ("Leizhou Power Company") (ii)	PRC	Company with limited liability	1,362,810	**34.00%**	34.00%	**–**	–	Power plant construction and operation
Hebei Datang International Tangshan Beijiao Thermal Power Generation Company Limited	PRC	Company with limited liability	37,910	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Jiangsu Datang International Jintan Thermal Power Company Limited	PRC	Company with limited liability	10,000	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Jiangsu Datang International Rugao Thermal Power Company Limited	PRC	Company with limited liability	84,530	**60.00%**	60.00%	**–**	–	Power generation and heat supply
Liaoning Datang International Huludao Thermal Power Company Limited	PRC	Company with limited liability	1,141,240	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Zhejiang Datang International Pinghu Wind Power Company Limited	PRC	Company with limited liability	10,000	**100.00%**	100.00%	**–**	–	Wind power generation
Guangdong Datang International Marketing Company Limited	PRC	Company with limited liability	200,000	**100.00%**	100.00%	**–**	–	Power and heat supply
Liaoning Datang International Shenfu Thermal Power Company Limited	PRC	Company with limited liability	5,000	**100.00%**	100.00%	**–**	–	Power generation and heat supply
Zhejiang Datang Power Marketing Company Limited	PRC	Company with limited liability	201,000	**100.00%**	100.00%	**–**	–	Power purchase and sale
Fujian Datang Power Marketing Company Limited	PRC	Company with limited liability	201,000	**100.00%**	100.00%	**–**	–	Power purchase and sale
Datang Jingjinji Power Marketing Company Limited	PRC	Company with limited liability	201,000	**100.00%**	100.00%	**–**	–	Power and heat supply
Liaoning Datang International Huludao Heat Power Company Limited	PRC	Company with limited liability	41,370	**100.00%**	100.00%	**–**	–	Heat supply

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital RMB'000	Percentage of equity interest Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	Principal activities
Hebei Datang International Fengrun Heat Supply and Gas Supply Company Limited	PRC	Company with limited liability	5,000	90.00%	90.00%	–	–	Heat supply
Ningxia Datang International Hongshibu Renewable Power Company Limited	PRC	Company with limited liability	181,122	100.00%	100.00%	–	–	Wind power generation
Ningxia Datang International Bronze Gorge Wind Power Company Limited	PRC	Company with limited liability	52,000	100.00%	100.00%	–	–	Wind power generation
Shanxi Datang International Zuoyun Wind Power Company Limited	PRC	Company with limited liability	211,160	100.00%	100.00%	–	–	Wind power generation
Shanxi Datang International Yingxian Wind Power Company Limited	PRC	Company with limited liability	64,420	100.00%	100.00%	–	–	Wind power generation
Datang International Mangya Renewable Power Company Limited	PRC	Company with limited liability	5,000	100.00%	100.00%	–	–	Wind power generation
Datang International Dachaidan Renewable Power Company Limited	PRC	Company with limited liability	5,000	100.00%	100.00%	–	–	Wind power generation
Datang International Dulan Renewable Power Company Limited	PRC	Company with limited liability	5,000	100.00%	100.00%	–	–	Wind power generation
Datang International Foshan Thermal Power Company Limited	PRC	Company with limited liability	10,000	100%	–	–	–	Power generation and heat supply
Datang Shantou Renewable Power Company Limited	PRC	Company with limited liability	5,000	100%	–	–	–	Wind power generation
Jiangxi Datang Power Marketing Company Limited	PRC	Company with limited liability	201,000	100%	–	–	–	Electricity supply
Datang North China Electric Power Operation Co., Ltd.	PRC	Company with limited liability	200,000	100%	–	–	–	Operation and repair and maintenance
Wencheng Datang Renewable Power Company Limited	PRC	Company with limited liability	5,000	100%	–	–	–	Solar power generation

49. PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name	Place of incorporation/ registration and operation	Kind of legal entity	Registered and paid-up capital	Percentage of equity interest				Principal activities
			RMB'000	Direct 2019	Direct 2018	Indirect 2019	Indirect 2018	
Zongyang Datang Wind Power Company Limited	PRC	Company with limited liability	5,000	80%	–	–	–	Power generation and heat supply
Hebei Datang Electric Power Technical Service Co., Ltd.	PRC	Company with limited liability	11,000	–	–	100%	–	Research and development
Baoding Shenghe Water Recycling Development Company Limited	PRC	Company with limited liability	14,460	–	–	51%	–	Technology services

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

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Notes:

(i) On 6 September 2006, the Company entered into an agreement with China Datang, one of the shareholders of Tuoketuo II Power Company, which holds 20% equity interest in Tuoketuo II Power Company. Pursuant to this agreement, the shareholder representative and directors appointed from China Datang will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Tuoketuo II Power Company. Therefore, the Company obtained control over Tuoketuo II Power Company and accounted for it as a subsidiary onwards.

(ii) The Company entered into an agreement with China Datang, one of the shareholders of Leizhou Power Company, which holds 30% equity interest in Leizhou Power Company in 2015. Pursuant to this agreement, the shareholder representative and directors appointed from China Datang will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Leizhou Power Company. Therefore, the Company obtained control over Leizhou Power Company and accounted for it as a subsidiary onwards.

49. PRINCIPAL SUBSIDIARIES (Continued)

(b) The following table shows information on the subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations

Name	Tuoketuo Power Company		Lvsigang Power Company	
	2019	2018	**2019**	2018
Principal place of business/country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/voting rights held by the NCI	**40%/40%**	40%/40%	**45%/45%**	45%/45%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**6,568,818**	5,682,214	**5,295,937**	5,767,987
Current assets	**1,648,293**	5,850,282	**1,081,726**	1,009,083
Non-current liabilities	**(670,042)**	(414,840)	**(1,521,137)**	(2,130,481)
Current liabilities	**(4,217,973)**	(7,764,461)	**(3,473,364)**	(3,359,150)
Net assets	**3,329,096**	3,353,195	**1,383,162**	1,287,439
Accumulated NCI	**1,320,996**	1,333,726	**632,789**	589,715
Year ended 31 December:				
Revenue	**4,958,288**	5,399,601	**3,954,558**	3,923,459
Profit for the year	**747,107**	785,661	**95,722**	2,872
Total comprehensive income	**747,107**	785,661	**95,722**	2,872
Profit allocated to NCI	**295,752**	311,222	**43,075**	1,293
Dividends paid to NCI	**(310,214)**	(202,145)	**–**	(173,149)
Net cash generated from operating activities	**1,082,198**	1,619,394	**1,435,376**	706,569
Net cash used in investing activities	**(297,534)**	(387,473)	**(58,745)**	(122,618)
Net cash (used in) generated from financing activities	**(3,856,037)**	1,635,124	**(1,507,394)**	(464,128)
Net (decrease) increase in cash and cash equivalents	**(3,071,373)**	2,867,045	**(130,763)**	119,823

49. PRINCIPAL SUBSIDIARIES (Continued)

(b) The following table shows information on the subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations (Continued)

Name	Pengshui Hydropower Company		Ganzi Hydropower Company	
	2019	2018	**2019**	2018
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/voting rights held by the NCI	**36%/36%**	36%/36%	**46.88%/46.88%**	46.88%/46.88%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**9,228,582**	9,791,587	**30,479,580**	30,630,274
Current assets	**892,869**	446,093	**470,451**	605,585
Non-current liabilities	**(6,179,200)**	(7,166,580)	**(21,666,423)**	(22,664,305)
Current liabilities	**(1,406,855)**	(927,943)	**(2,601,187)**	(2,101,882)
Net assets	**2,535,396**	2,143,157	**6,682,421**	6,469,672
Accumulated NCI	**912,743**	771,536	**3,143,673**	3,043,321
Year ended 31 December:				
Revenue	**1,637,170**	1,541,628	**2,445,543**	2,183,998
Profit for the year	**607,028**	477,307	**418,501**	234,559
Total comprehensive income	**607,028**	477,307	**418,501**	234,559
Profit allocated to NCI	**218,530**	171,830	**196,193**	111,416
Dividends paid to NCI	**(77,324)**	(73,922)	**(122,565)**	–
Net cash generated from operating activities	**1,363,591**	1,250,392	**2,382,560**	2,472,103
Net cash used in investing activities	**(314,577)**	(66,080)	**(891,453)**	(731,173)
Net cash used in financing activities	**(1,074,075)**	(1,154,509)	**(1,625,614)**	(1,536,045)
Net (decrease)/increase in cash and cash equivalents	**(25,061)**	29,803	**(134,507)**	204,885

49. PRINCIPAL SUBSIDIARIES (Continued)

(b) The following table shows information on the subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations (Continued)

Name	Tuoketuo II Power Company		Fuzhou Power Company	
	2019	2018	**2019**	2018
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/voting rights held by the NCI	**60%/60%**	60%/60%	**49%/49%**	49%/49%
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 31 December:				
Non-current assets	**4,801,925**	5,248,655	**4,523,801**	4,811,788
Current assets	**536,603**	880,549	**819,885**	823,092
Non-current liabilities	**(1,693,850)**	(2,201,950)	**(1,881,601)**	(2,228,950)
Current liabilities	**(1,296,848)**	(1,489,264)	**(1,221,239)**	(1,260,532)
Net assets	**2,347,830**	2,437,990	**2,240,846**	2,145,398
Accumulated NCI	**1,408,694**	1,470,094	**1,098,015**	1,051,245
Year ended 31 December:				
Revenue	**3,564,353**	3,905,419	**4,050,590**	3,980,645
Profit for the year	**710,716**	869,573	**361,042**	272,100
Total comprehensive income	**710,716**	869,573	**340,338**	273,813
Profit allocated to NCI	**426,429**	521,744	**176,910**	133,329
Dividends paid to NCI	**(469,570)**	(234,417)	**(119,996)**	(119,226)
Net cash generated from operating activities	**1,346,143**	1,273,293	**702,210**	550,831
Net cash used in investing activities	**(140,800)**	(239,980)	**(67,459)**	(134,282)
Net cash used in financing activities	**(1,367,940)**	(904,067)	**(632,463)**	(396,597)
Net (decrease) increase in cash and cash equivalents	**(162,597)**	129,246	**2,288**	19,952

(c) Others

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

50. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At 1 January 2019 RMB'000	Effect of IFRS 16 RMB'000	Cash inflow from financing activities RMB'000	Cash outflows from financing activities RMB'000	Non-cash changes RMB'000	At 31 December 2019 RMB'000
Long-term loans (including current portion)	121,808,931	–	30,004,415	(37,991,937)	–	113,821,409
Long-term bonds (including current portion)	16,162,586	–	–	(7,188,785)	–	8,973,801
Other pledged financing	–	9,661,569	3,853,775	(2,593,941)	–	10,921,403
Lease liability (including current portion)	–	726,684	–	(357,796)	537,889	906,777
Short-term loans	24,771,641	–	10,306,840	(223,803)	–	34,854,678
Short-term bonds	11,000,000	–	14,000,000	(25,000,000)	–	–
Consideration payable	191,216	–	–	(22,000)	–	169,216
	173,934,374	10,388,253	58,165,030	(73,378,262)	537,889	169,647,284

	At 1 January 2018 RMB'000	Cash inflow from financing activities RMB'000	Cash outflow from financing activities RMB'000	Non-cash changes RMB'000	At 31 December 2018 RMB'000
Long-term loans (including current portion)	117,350,406	19,898,474	(15,439,949)	–	121,808,931
Long-term bonds (including current portion)	16,742,853	19,491	(599,758)	–	16,162,586
Finance lease payables (including current portion)	11,436,532	–	(1,374,325)	144,821	10,207,028
Short-term loans	27,684,424	–	(2,912,783)	–	24,771,641
Short-term bonds	–	11,000,000	–	–	11,000,000
Consideration payable	–	–	(17,939,898)	18,131,114	191,216
	173,214,215	30,917,965	(38,266,713)	18,275,935	184,141,402

Differences Between Financial Statements

For the Year Ended 31 December 2019

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

		Net assets	
		31 December 2019	31 December 2018
	Notes	RMB'000	RMB'000
Net assets attributable to holders of equity instruments of the Company under IFRS		65,126,425	50,475,062
Impact of IFRS adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	106,466	106,466
Difference in accounting treatment on mining funds	(b)	(374,695)	(401,046)
Applicable deferred tax impact of the above GAAP Differences		(7,944)	(18,702)
Non-controlling interests' impact of the above GAAP Differences after tax		(35,122)	(35,122)
Net assets attributable to equity holders of the Company under PRC GAAP		64,815,130	50,126,658

		Net profit	
		2019	2018
	Notes	RMB'000	RMB'000
Profit for the year attributable to holders of equity instruments of the Company under IFRS		985,663	1,232,240
Impact of IFRS adjustments:			
Difference in accounting treatment on mining funds	(a)	69,385	2,469
Non-controlling interests' impact of the above GAAP Differences after tax	(b)	10,758	–
Net profit for the year attributable to equity holders of the Company under PRC GAAP		1,065,806	1,234,709

Notes:

(a) Difference in the commencement of depreciation of property, plant and equipment

This represents the depreciation difference arose from the different timing of the start of depreciation charge in previous years.

(b) Difference in accounting treatment on mining funds

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRS, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to restricted reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of future development and work safety expenses whereas restricted reserve is offset against retained earnings to the extent of zero.

CORPORATE INFORMATION

Registered name of the company

大唐國際發電股份有限公司

English name of the company

Datang International Power Generation Company Limited

Office address of the company

No. 9 Guangningbo Street,
Xicheng District,
Beijing,
People's Republic of China

Principal place of business in Hong Kong

40/F, Sunlight Tower,
No. 248 Queen's Road East, Wanchai
Hong Kong

Legal representative

Chen Feihu

Authorised representatives

Liang Yongpan
Wang Xin

Secretary to the board

Jiang Jinming

Principal bankers

In the PRC:

Industrial and Commercial Bank of China, Xuanwu Branch
No. 1 Caishikou Street,
Xicheng District,
Beijing,
People's Republic of China

Outside the PRC:

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

Domestic auditor

ShineWing Certified Public Accountants
(Special General Partnership)
9/F, Block A, Fu Hua Mansion, No.8,
Chaoyangmen Beidajie,
Dongcheng District,
Beijing,
People's Republic of China

International auditor

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

Legal advisors

as to PRC law:

Beijing Hylands Law Firm
12/F Fortune Financial Centre,
No. 5 Dongsanhuan Central Road,
Chaoyang District,
Beijing,
People's Republic of China

as to Hong Kong law:

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

Listing information

H Shares

The Stock Exchange of Hong Kong Limited
Stock Code: 00991

A Shares

Shanghai Stock Exchange
Stock Code: 601991

H Shares

The London Stock Exchange Limited
Stock Code: DAT

Share register and transfer office

Computershare Hong Kong Investor Services Limited
17/F, Hopewell Center,
183 Queen's Road East,
Wanchai, Hong Kong

Information of the company

Available at:

Securities and Compliance Department
Datang International Power Generation Company Limited
No. 9 Guangningbo Street,
Xicheng District,
Beijing,
People's Republic of China

and

Hetermedia Services Limited
9/F Infinitus Plaza,
199 Des Voeux Road Central,
Hong Kong

GLOSSARY OF TERMS

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

"Coal consumption for power supply"	The average amount of standard coal consumed by the thermal power generation unit to produce 1 KWh of power; unit of measurement: g/kWh
"Electricity consumption rate of power plants"	The ratio of electricity consumed during power generation to the electricity generated; unit of measurement: %
"Installed capacity"	The highest level of electrical output which a power plant is designed to be able to maintain continuously without causing damage to the plant
"Equivalent availability factor"	For a specified period and a given power plant, the ratio (usually expressed as a percentage) of the number of available hours in that period (reduced, in the case of hours in which the attainable generating capacity of such plant is less than the installed capacity, by the proportion of installed capacity not so attainable) to the total number of hours in that period
"Utilisation hours"	For a specified period, the number of hours it would take for a power plant operating at installed capacity to generate the amount of electricity actually produced in that period
"MW"	1,000,000 watts (equivalent to 1,000 kW)
"kWh"	A unit of power generation equivalent to the output generated by 1,000 watts of power in one hour

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