中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01798)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2020, revenue amounted to RMB9,372.03 million, representing an increase of 12.58% as compared with last year.
- For the year ended 31 December 2020, the profit before tax amounted to RMB1,879.49 million, representing an increase of 30.53% as compared with last year.
- For the year ended 31 December 2020, the net profit attributable to owners of the parent amounted to RMB1,186.86 million, representing an increase of 26.74% as compared with last year.
- For the year ended 31 December 2020, the basic earnings per share attributable to ordinary equity holders of the parent amounted to RMB0.1275, representing an increase of 13.03% as compared with last year.

The board of directors (the "**Board**") of China Datang Corporation Renewable Power Co., Limited (the "**Company**") hereby announces the final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020 ("**Reporting Period**"), together with the year-on-year comparable figures of 2019. The financial information of the Group for the year ended 31 December 2020 set out by the Company in the results announcement is based on the consolidated financial statements prepared according to the International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements under Hong Kong Companies Ordinance.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2020**	2019
ASSETS			
Non-current assets			
Property, plant and equipment	10	**64,703,731**	59,055,130
Investment properties		**19,499**	20,259
Intangible assets		**364,285**	361,650
Right-of-use assets		**3,569,431**	1,730,167
Investments in associates and joint ventures		**990,458**	833,173
Equity investments designated at fair value through other comprehensive income		**68,287**	413,010
Financial assets at fair value through profit or loss		**9,728**	14,368
Deferred tax assets		**12,430**	12,391
Prepayments, other receivables and other assets		**2,955,973**	2,782,491
Total non-current assets		**72,693,822**	65,222,639
Current assets			
Inventories		**221,592**	193,731
Trade and bills receivables	11	**12,405,648**	9,545,652
Prepayments, other receivables and other assets		**1,483,077**	1,500,221
Restricted cash		**32,402**	44,041
Time deposits		**19,490**	–
Cash and cash equivalents		**3,052,717**	3,517,159
Total current assets		**17,214,926**	14,800,804
Total assets		**89,908,748**	80,023,443

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 December 2020
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2020**	2019
LIABILITIES			
Current liabilities			
Trade and bills payables	12	**282,580**	366,641
Other payables and accruals		**7,168,674**	5,833,280
Interest-bearing bank and other borrowings	13(b)	**14,154,713**	20,131,024
Current income tax liabilities		**131,082**	126,172
Total current liabilities		**21,737,049**	26,457,117
Net current liabilities		**(4,522,123)**	(11,656,313)
Non-current liabilities			
Interest-bearing bank and other borrowings	13(a)	**40,171,571**	36,649,523
Deferred tax liabilities		**15,939**	18,427
Other payables and accruals		**251,471**	2,397,526
Total non-current liabilities		**40,438,981**	39,065,476
Total liabilities		**62,176,030**	65,522,593
Net assets		**27,732,718**	14,500,850
EQUITY			
Equity attributable to owners of the parent			
Share capital		**7,273,701**	7,273,701
Share premium		**2,080,969**	2,080,969
Perpetual note and bonds		**12,250,087**	–
Retained profits		**3,666,475**	2,951,129
Other reserves		**(1,238,889)**	(1,237,002)
		24,032,343	11,068,797
Non-controlling interests		**3,700,375**	3,432,053
Total equity		**27,732,718**	14,500,850

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital	Share premium	Perpetual note and bonds	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
At 1 January 2020	**7,273,701**	**2,080,969**	**–**	**(1,237,002)**	**2,951,129**	**11,068,797**	**3,432,053**	**14,500,850**
Profit for the year	–	–	259,521	–	927,340	1,186,861	365,732	1,552,593
Other comprehensive income for the year:								
Share of other comprehensive income of joint ventures	–	–	–	(436)	–	(436)	–	(436)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	4,326	–	4,326	(1,660)	2,666
Exchange differences on translation of foreign operations	–	–	–	440	–	440	61	501
Total comprehensive income for the year	**–**	**–**	**259,521**	**4,330**	**927,340**	**1,191,191**	**364,133**	**1,555,324**
Capital contributions from non-controlling interests	–	–	–	–	–	–	51,706	51,706
Final 2019 dividend declared *(Note 9)*	–	–	–	–	(218,211)	(218,211)	–	(218,211)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	–	(94,192)	94,192	–	–	–
Issuance of perpetual note and bonds, net of issuance costs	–	–	11,990,566	–	–	11,990,566	–	11,990,566
Transfer from retained profits	–	–	–	87,975	(87,975)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(147,517)	(147,517)
At 31 December 2020	**7,273,701**	**2,080,969**	**12,250,087**	**(1,238,889)**	**3,666,475**	**24,032,343**	**3,700,375**	**27,732,718**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Perpetual note	Other reserves	Retained profits	Total		
At 1 January 2019	7,273,701	2,080,969	1,979,325	(1,382,141)	2,339,910	12,291,764	2,989,602	15,281,366
Profit for the year	–	–	–	–	936,437	936,437	207,555	1,143,992
Other comprehensive income for the year:								
Share of other comprehensive income of joint ventures	–	–	–	208	–	208	–	208
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	101,656	–	101,656	(695)	100,961
Exchange differences on translation of foreign operations	–	–	–	206	–	206	29	235
Total comprehensive income for the year	–	–	–	102,070	936,437	1,038,507	206,889	1,245,396
Capital contributions from non-controlling interests	–	–	–	–	–	–	359,861	359,861
Repayment of principal of perpetual note	–	–	(1,979,325)	(20,675)	–	(2,000,000)	–	(2,000,000)
Final 2018 dividend declared *(Note 9)*	–	–	–	–	(145,474)	(145,474)	–	(145,474)
Appropriation to perpetual note payable	–	–	–	–	(116,000)	(116,000)	–	(116,000)
Transfer from retained profits	–	–	–	63,744	(63,744)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(124,299)	(124,299)
At 31 December 2019	7,273,701	2,080,969	–	(1,237,002)	2,951,129	11,068,797	3,432,053	14,500,850

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2020**	2019
Cash flows from operating activities			
Profit before tax		**1,879,485**	1,439,874
Adjustments for:			
Depreciation of property, plant and equipment	10	**3,747,509**	3,475,601
Amortisation of deferred income and deferred loss from sale and lease back transactions		**–**	(14,394)
Depreciation of right-of-use assets		**45,339**	55,772
Amortisation of intangible assets, long-term prepaid expenses and depreciation of investment properties		**45,737**	48,657
Losses/(gains) on disposal of property, plant and equipment and intangible assets	4	**8,706**	(380)
Impairment of receivables	5	**32,283**	29,027
Impairment of property, plant and equipment	5	**244,793**	98,790
Impairment of right-of-use assets	5	**1,739**	–
Foreign exchange (gains)/losses, net		**(14,770)**	3,816
Interest income	6	**(1,887)**	(2,180)
Interest expenses	6	**2,146,869**	2,182,989
Share of profits of associates and joint ventures		**(56,930)**	(59,046)
Gains on acquisition of a subsidiary	4	**–**	(19,001)
Gains on restructuring of debt	4	**(438)**	(5,435)
Fair value (gains)/losses on financial assets at fair value through profit or loss	4	**(388)**	943
Others, net		**(33,659)**	(48,571)
Changes in working capital:			
Increase in inventories		**(27,861)**	(20,723)
Increase in trade and bills receivables		**(2,888,942)**	(2,036,816)
(Increase)/decrease in prepayments, other receivables and other assets		**(120,996)**	34,792
Decrease/(increase) in restricted cash		**11,639**	(2,664)
(Decrease)/increase in trade and bills payables		**(93,829)**	98,431
Increase in other payables and accruals		**856,425**	341,272
Cash generated from operations		**5,780,824**	5,600,754
Interest received		**35,316**	39,053
Income tax paid		**(326,013)**	(265,277)
Net cash flows from operating activities		**5,490,127**	5,374,530

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
Year ended 31 December 2020
(Amounts expressed in thousands of RMB unless otherwise stated)

	2020	2019
Cash flows from investing activities		
Purchase of property, plant and equipment, land use rights and intangible assets	**(9,238,282)**	(6,349,063)
Proceeds from disposal of property, plant and equipment and intangible assets	**1,555**	1,555
Investments in associates and joint ventures	**(120,335)**	–
Investments in equity investments designated at fair value through other comprehensive income	**(9,749)**	–
Acquisition of a subsidiary	**–**	(79,542)
Dividends received from equity investments designated at fair value through other comprehensive income	**–**	9,452
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	**357,138**	–
Proceeds from disposal of financial assets at fair value through profit or loss	**5,079**	–
Disposal of equity interest of a joint venture	**9,382**	–
Increase in time deposits	**(19,490)**	–
Dividends received from associates	**26,893**	6,689
Net cash flows used in investing activities	**(8,987,809)**	(6,410,909)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
Year ended 31 December 2020
(Amounts expressed in thousands of RMB unless otherwise stated)

	2020	2019
Cash flows from financing activities		
Proceeds from issuance of corporate bonds and short-term bonds, net of issuance costs	**10,745,846**	9,193,160
Proceeds from issuance of perpetual note and bonds, net of issuance costs	**11,990,057**	–
Capital contributions from non-controlling interests	**51,706**	359,861
Proceeds from borrowings	**20,051,846**	9,826,755
Repayments of borrowings	**(21,073,805)**	(8,607,244)
Repayments of corporate bonds and short-term bonds	**(12,000,000)**	(11,000,000)
Loans from related parties	**9,250,620**	17,636,078
Repayments of loans from related parties	**(13,516,350)**	(11,931,476)
Interest paid to perpetual note holders	**–**	(116,000)
Dividends paid	**(218,211)**	(145,474)
Dividends paid to non-controlling interests	**(21,567)**	(38,676)
Interest paid	**(2,089,673)**	(2,215,920)
Repayments of working capital provided by related parties	**(12,550)**	(16,000)
Repayment of perpetual note	**–**	(2,000,000)
Principal portion of lease payments	**(119,241)**	(24,460)
Net cash flows from financing activities	**3,038,678**	920,604
Net decrease in cash and cash equivalents	**(459,004)**	(115,775)
Cash and cash equivalents at beginning of year	**3,517,159**	3,632,830
Effect of foreign exchange rate changes, net	**(5,438)**	104
Cash and cash equivalents at end of year	**3,052,717**	3,517,159
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	**3,052,717**	3,517,159
Cash and cash equivalents as stated in the consolidated statement of cash flows	**3,052,717**	3,517,159

1. CORPORATE INFORMATION

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

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

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

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

2.1 Basis of preparation (Continued)

2.1.1 Going concern

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

- The Group's expected net cash inflows from operating activities in 2021;

- Unutilised banking facilities of approximately RMB4,500.0 million as at 31 December 2020. The directors of the Company were of the opinion that such covenants of unutilised banking facilities have been complied with and are confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing as at 31 December 2020; and

- Other available sources of financing from banks and other financial institutions given the Group's credit history. There were corporate bonds of RMB2,800.0 million approved by the China Securities Regulatory Commission ("**CSRC**") but not yet issued, renewable corporate bonds of RMB2,000.0 million approved by the CSRC but not yet issued, a mid-term note of RMB1,000.0 million registered in the National Association of Financial Market Institutional Investors ("**NAFMII**") but not yet issued, and short-term financing bonds of RMB3,250.0 million registered in the NAFMII but not yet issued as at 31 December 2020. Except for the corporate bonds and short-term financing bonds that are valid until September 2021, the approvals and registrations mentioned above are effective and valid for the next 12 months from the end of the reporting period.

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

2.1 Basis of preparation (Continued)

2.1.1 Going concern (Continued)

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

2.1.2 Basis of consolidation

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

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

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

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

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

2.1 Basis of preparation (Continued)

2.1.2Basis of consolidation (Continued)

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

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

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

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

2.2 Changes in accounting policies and disclosures

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

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

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

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

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

2.2 Changes in accounting policies and disclosures (Continued)

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

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

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

2.2 Changes in accounting policies and disclosures (Continued)

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

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

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

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.3 Issued but not yet effective International Financial Reporting Standards

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION

(a) Segment information

Management has determined the operating segments based on the information reviewed by the executive directors and certain senior management (including chief accountant) (together referred to as the "Executive Management") for the purposes of allocating resources and assessing performance.

The Executive Management considers the performance of all businesses on a consolidated basis as all other renewable power businesses except the wind power business were relatively insignificant for the years ended 31 December 2020 and 2019. Therefore, the Group has one single reportable segment, which is the wind power segment.

The Company is domiciled in the PRC. During the year ended 31 December 2020, all (2019: all) of the Group's revenue was derived from external customers in the PRC.

As at 31 December 2020, all (31 December 2019: all) of the non-current assets were located in the PRC (including Hong Kong).

For the year ended 31 December 2020, all (2019: all) revenue from the sales of electricity was charged to the provincial power grid companies in which the Group operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

(b) Revenue

An analysis of revenue is as follows:

	2020	2019
Revenue from contracts with customers	**9,361,499**	8,311,977
Revenue from other sources		
Gross rental income from investment properties leases:		
Other lease payments, including fixed payments	**10,532**	12,802
	9,372,031	8,324,779

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

Wind power segment	**2020**	2019
Types of goods or services		
Sale of electricity	**9,334,458**	8,251,394
Other services	**27,041**	60,583
Total revenue from contracts with customers	**9,361,499**	8,311,977
Timing of revenue recognition		
Goods transferred at a point in time	**9,334,458**	8,251,394
Services transferred over time	**27,041**	60,583
Total revenue from contracts with customers	**9,361,499**	8,311,977

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2020	2019
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Other services	**3,057**	429

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

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

Sale of electricity

The Group's contracts with customers for the power generation and sale generally include one performance obligation. The Group has concluded that the performance obligation is satisfied at a point in time and revenue continues to be recognised upon transmission to the customers.

Rendering of other services

The Group provides energy performance services, repairs and maintenance services, and other services to external parties, and recognises the related revenue over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and 2019 were as follows:

	2020	2019
Within one year	**2,640**	1,057
After one year	**2,981**	2,000
	5,621	3,057

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year related to construction and maintaining services, of which the performance obligations are to be satisfied within two to fifteen years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

(Amounts expressed in thousands of RMB unless otherwise stated)

4. OTHER INCOME AND OTHER GAINS, NET

	2020	2019
Government grants	**311,465**	334,473
Dividend from equity investments designated at fair value through other comprehensive income	**–**	9,452
Fair value gains/(losses) on financial assets at fair value through profit or loss	**388**	(943)
Gain on disposal of financial assets at fair value through profit or loss	**51**	–
Compensation from wind turbine suppliers *(Note)*	**7,942**	13,206
(Loss)/gain on disposal of property, plant and equipment and intangible assets	**(8,706)**	380
Compensation, liquidated damages and fines	**(5,609)**	(6,205)
Gains on acquisition of a subsidiary	**–**	19,001
Gain on a previously held equity interest remeasured at acquisition date's fair value	**–**	58
Gains on restructuring of debt	**438**	5,435
Others	**(5,734)**	(9,309)
	300,235	365,548

Note: Compensation from wind turbine suppliers represents compensation for revenue losses incurred due to the delays of the provision of maintenance services and poor conditions of spare parts, within the warranty period provided by relevant manufacturer.

(Amounts expressed in thousands of RMB unless otherwise stated)

5. OTHER OPERATING EXPENSES

	2020	2019
Impairment of property, plant and equipment	**244,793**	98,790
Impairment of right-of-use assets	**1,739**	–
Impairment of receivables	**32,283**	29,027
Tax and surcharges	**108,172**	95,013
Insurance premium	**62,281**	43,766
Utility fees	**57,132**	65,401
Travelling expenses	**32,777**	35,013
Professional service and consulting fees	**33,604**	42,740
Lease payments not included in the measurement of lease liabilities	**17,431**	16,586
Transportation expenses	**17,755**	17,875
Information technology expenses	**22,377**	14,602
Property management fees	**10,891**	6,542
Office expenses	**9,646**	10,028
Technical supervision service fees	**7,549**	21,159
Entertainment expenses	**2,983**	3,351
Research and development costs	**631**	1,531
Others	**111,464**	82,953
	773,508	584,377

(Amounts expressed in thousands of RMB unless otherwise stated)

6. FINANCE INCOME/FINANCE EXPENSES

An analysis of finance income/finance expenses is as follows:

	2020	2019
Finance income		
Interest income on deposits with banks and other financial institutions	**10,146**	13,278
Interest income on deposits with a related party	**25,170**	25,775
Interest income from finance lease receivables	**1,887**	2,180
	37,203	41,233
Finance expenses		
Interest on bank and other borrowings	**(2,301,178)**	(2,396,468)
Interest on lease liabilities	**(73,505)**	(11,377)
Unwinding of discount on asset retirement obligations	**(6,025)**	(5,655)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	**233,839**	230,511
	(2,146,869)	(2,182,989)
Foreign exchange gains/(losses), net	**10,051**	(3,925)
	(2,136,818)	(2,186,914)
Finance expenses, net	**(2,099,615)**	(2,145,681)
Interest capitalisation rate	**4.05%-5.22%**	4.37%-5.39%

(Amounts expressed in thousands of RMB unless otherwise stated)

7. INCOME TAX EXPENSES

	2020	2019
Current tax		
PRC enterprise income tax	**320,346**	284,050
Underprovision in prior years	**9,073**	10,755
	329,419	294,805
Deferred tax		
Recognition of temporary differences	**(2,527)**	1,077
Income tax expenses	**326,892**	295,882

For the year ended 31 December 2020, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 15% (2019: 7.5% to 15%), all other subsidiaries established in the PRC were subject to income tax at a rate of 25% (2019: 25%). Tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The preferential tax policies applicable to the Group are described as follows:

(a) Pursuant to CaiShui [2008] No. 116 issued by the Ministry of Finance and the State Administration of Taxation, and Guoshuifa [2009] No.80 issued by the State Administration of Taxation, the public infrastructure projects authorised after 1 January 2008 are each entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating year for the investment operating income.

7. INCOME TAX EXPENSES (CONTINUED)

(b) Pursuant to CaiShui [2012] No.10 issued by the Ministry of Finance and the State Administration of Taxation on 12 January 2012, the public infrastructure projects authorised before 31 December 2007 that were originally not eligible for "the tax holiday of a 3-year full exemption followed by a 3-year 50% exemption" could apply this preferential tax policy from 1 January 2008 to their respective expiration dates.

The policies are applicable to all subsidiaries of the Group engaged in wind power and photovoltaic power generation under the relevant conditions, except for certain subsidiaries that adopt the preferential policies described in Note (a).

(c) Pursuant to CaiShui [2010] No.110 issued by the Ministry of Finance and the State Administration of Taxation, the eligible energy-conservation service companies that implement the contract energy management projects in line with the relevant provisions of the enterprise income tax law are entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating years of a statutory tax rate of 25%.

(d) Pursuant to CaiShui [2011] No. 58 issued by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, from 1 January 2011 to 31 December 2020, the enterprise income tax will be levied at a reduced rate of 15% on the encouraged industrial enterprises in the western region. Pursuant to CaiShui [2020] No. 23 issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, this preferential tax policies validity was extended to 31 December 2030.

For the year ended 31 December 2020, the joint ventures and associates were subject to an income tax rate of 25% (2019: 25%), and the share of income tax attributable to joint ventures and associates of RMB0.1 million (2019: Nil) and RMB21.1 million (2019: RMB16.0 million) respectively, was included in "Share of profits of associates and joint ventures".

(Amounts expressed in thousands of RMB unless otherwise stated)

7. INCOME TAX EXPENSES (CONTINUED)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profits of the consolidated entities as follows:

	2020	2019
Profit before tax	**1,879,485**	1,439,874
Taxation calculated at the statutory tax rate	**469,871**	359,969
Income tax effects of:		
– Preferential income tax treatments	**(313,953)**	(225,874)
– Income not subject to tax	**(13,732)**	(15,865)
– Expenses not deductible for tax purposes	**3,043**	2,438
– Tax losses and temporary differences for which no deferred income tax asset was recognised	**182,365**	178,372
– Utilisation of previously unrecognised tax losses and temporary differences	**(9,775)**	(13,913)
– Underprovision for prior years	**9,073**	10,755
	326,892	295,882
Weighted average effective income tax rate	**17.4%**	20.5%

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in 2020 and were entitled to income tax exemption pursuant to the preferential tax regulation in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

8. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings per share

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, adjusted to reflect the interest on perpetual note and bonds, and the weighted average number of ordinary shares in issue during the year.

	2020	2019
Earnings		
Profit attributable to owners of the parent *(RMB'000)*	**1,186,861**	936,437
Interest on perpetual note and bonds *(RMB'000)*	**(259,521)**	(116,000)
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation *(RMB'000)*	**927,340**	820,437
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation *(thousands of shares)*	**7,273,701**	7,273,701
Basic earnings per share *(RMB)*	**0.1275**	0.1128

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2020 and 2019 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. DIVIDENDS

	2020	2019
Proposed final dividend – RMB0.03 (before tax) (2019: RMB0.03 (before tax)) per ordinary share	**218,211**	218,211

The dividend paid by the Company in 2020 was RMB218.2 million (2019: RMB145.5 million).

A final dividend in respect of the year ended 31 December 2020 of RMB0.03 (before tax) per ordinary share, amounting to a total final dividend of RMB218.2 million, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Equipment	Others *(Note)*	Construction in progress	Total
Year ended 31 December 2020					
Opening net carrying amount	**2,996,179**	**47,559,698**	**132,700**	**8,366,553**	**59,055,130**
Additions	**1,795**	**161,509**	**9,188**	**9,500,338**	**9,672,830**
Transfer and reclassification	**234,666**	**5,347,796**	**22,931**	**(5,617,175)**	**(11,782)**
Other disposals	**(3,350)**	**(2,406)**	**(4,139)**	**–**	**(9,895)**
Depreciation	**(176,599)**	**(3,552,082)**	**(29,078)**	**–**	**(3,757,759)**
Impairment during the year	**(48,499)**	**(119,359)**	**(714)**	**(76,221)**	**(244,793)**
Closing net carrying amount	**3,004,192**	**49,395,156**	**130,888**	**12,173,495**	**64,703,731**
As at 31 December 2020					
Cost	**4,239,680**	**76,242,611**	**452,085**	**12,384,174**	**93,318,550**
Accumulated depreciation	**(1,186,989)**	**(26,728,096)**	**(320,483)**	**–**	**(28,235,568)**
Accumulated impairment	**(48,499)**	**(119,359)**	**(714)**	**(210,679)**	**(379,251)**
Net carrying amount	**3,004,192**	**49,395,156**	**130,888**	**12,173,495**	**64,703,731**
Year ended 31 December 2019					
Opening net carrying amount	3,064,699	47,160,913	135,350	6,068,559	56,429,521
Additions	–	7,435	13,047	5,746,100	5,766,582
Transfer and reclassification	73,814	3,376,461	8,032	(3,349,316)	108,991
Acquisition of a subsidiary	32,259	299,704	530	–	332,493
Other disposals	(209)	(386)	(380)	–	(975)
Depreciation	(174,384)	(3,284,429)	(23,879)	–	(3,482,692)
Impairment during the year	–	–	–	(98,790)	(98,790)
Closing net carrying amount	2,996,179	47,559,698	132,700	8,366,553	59,055,130
As at 31 December 2019					
Cost	4,006,633	70,754,276	443,550	8,501,011	83,705,470
Accumulated depreciation	(1,010,454)	(23,194,578)	(310,850)	–	(24,515,882)
Accumulated impairment	–	–	–	(134,458)	(134,458)
Net carrying amount	2,996,179	47,559,698	132,700	8,366,553	59,055,130

Note: Other property, plant and equipment represents transportation facilities, office equipment and other property, plant and equipment held by the Group.

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the year ended 31 December 2020, depreciation expense is analysed as follows:

	2020	2019
Depreciation expense recognised in profit or loss	**3,747,509**	3,475,601
Capitalisation as construction in progress	**10,250**	7,091
	3,757,759	3,482,692

As at 31 December 2020, certain property, plant and equipment was pledged as security for long-term bank and other borrowings of the Group as set out in Note 13(c).

Impairment test for property, plant and equipment

In 2020, Datang Qiannan Renewable Power Co., Ltd. ("**Qiannan Renewable**"), a subsidiary of the Company, planned to dismantle 17 wind turbines and booster station in its wind farm named as the Dafengping project before 30 April 2021, in order to cooperate with the protection of the Duliu River Source Wetland Provincial Nature Reserve Nature Protection Zone by Guizhou Province Duliu City. The Group's management assessed the recoverable amounts of those assets based on fair values less costs of disposals, using the market comparison approach by reference to recent sales price of similar assets within the same industry, adjusted for differences such as the remaining useful lives. An impairment loss of RMB191.1 million and RMB1.7 million provided for the property, plant and equipment and right-of-use assets respectively, including RMB22.5 million provided for construction in progress, was recognised in profit or loss in "other operating expenses" as a result of the assessment as at 31 December 2020.

For the year ended 31 December 2020, certain construction in progress was considered impaired due to the suspension of the construction progress for a long time and the Group's management estimated that the recoverable amount based on fair value less costs of disposal of such construction in progress was nil. Accordingly, an impairment loss of RMB53.7 million (2019: RMB98.8 million) was recognised in profit or loss in "other operating expenses". A subsidiary of the Company, Beijing Yingtang Biomass Power Technology Co., Ltd. was cancelled this year, the accumulated impairment loss on construction in progress of RMB44.9 million was written off.

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment test for property, plant and equipment (Continued)

For the year ended 31 December 2020, no impairment losses were provided for other property, plant and equipment of the Group (2019: Nil). When indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each asset or CGU. The CGU is an entity. The carrying values of the assets or entities for which indication of impairment is identified were compared to their recoverable amounts, which were based predominantly on value in use. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the same cash flows of the fifth year. Other key assumptions applied in the impairment tests include the future sales volume, affected by the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects, and the utilisation efficiency, operating costs, electricity prices and discount rates. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopted a pre-tax rate of 9.41% and 14.67% (31 December 2019: 10.77%) that reflects specific risks related to CGUs as the discount rate as at 31 December 2020.

11. TRADE AND BILLS RECEIVABLES

	2020	2019
Trade receivables	**12,093,097**	9,316,125
Bills receivable	**345,149**	233,179
	12,438,246	9,549,304
Less: impairment losses	**(32,598)**	(3,652)
	12,405,648	9,545,652

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of trade and bills receivables based on the revenue recognition date, less impairment losses, is as follows:

	2020	2019
Within 1 year	**6,321,150**	5,462,437
Between 1 year and 2 years	**4,281,844**	3,314,653
Between 2 years and 3 years	**1,419,041**	566,524
Over 3 years	**383,613**	202,038
	12,405,648	9,545,652

Trade and bills receivables primarily represent receivables from regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest-bearing. The fair values of the trade and bills receivables approximate to their carrying amounts.

For trade and bills receivables arising from tariff revenue, the Group usually grants credit periods of approximately one month to local power grid companies from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local power grid companies, except for the tariff premium of renewable energy. The collection of renewable energy tariff premium is subject to the allocation of funds by the relevant government authorities to the local power grid companies, which consequently takes a relatively longer time for settlement.

At 31 December 2020 and 2019, the Group has pledged a portion of its tariff collection rights as security for certain bank and other loans (Note 13(c)).

The maximum exposure to credit risk at the reporting date was the carrying value of each category of receivables. The Group does not hold any collateral as security.

As at 31 December 2020, bills receivable which have not matured but discounted or endorsed with a right of recourse and were not derecognised in the financial statements were nil (31 December 2019: nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movements in the impairment loss of trade and bills receivables are as follows:

	2020	2019
At 1 January	**3,652**	3,216
Impairment losses	**28,946**	436
At 31 December	**32,598**	3,652

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group is satisfied that recovery of the amount is remote.

The financial resource for the renewable energy tariff premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. Pursuant to Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance (the "**MOF**"), the National Development and Reform Commission (the "**NDRC**") and the National Energy Administration (the "**NEA**") in March 2012, the standardised application and approval procedures on a project by project basis for the settlement of the tariff premium came into force since 2012, and such applications are accepted and approved batch by batch jointly by the MOF, NDRC and NEA at intervals in form of announcing renewable energy subsidy catalogues (the "**Subsidy Catalogue**").

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

In February 2020, the MOF, NDRC and NEA jointly issued new guidelines and notices (collectively referred to "**New Guidelines**"), i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法). Pursuant to the New Guidelines, the quota of new subsidies should be decided based on the scale of subsidy funds, there will be no new Subsidy Catalogue published for tariff premium and as an alternative, power grid enterprises will publish the list of renewable energy projects qualified for tariff premium (the "**Subsidy List**") periodically after the renewable energy enterprises have gone through certain approval and information publicity process.

As at 31 December 2020, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. Based on the above, the Directors estimated that there are no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogue or the Subsidy List. The tariff premium receivables are settled in accordance with prevailing government policies and prevalent payment trends of the Ministry of Finance. There is no due date for settlement.

The Group applies the simplified approach to the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses for trade receivables excluding tariff premium receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing. The directors are of the opinion that the approvals will be obtained in due course and these trade receivables from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government, except for RMB2.3 million (31 December 2019: RMB2.3 million) representing a past due tariff receivable from a power grid company in dispute which was assessed to be not recoverable. The expected credit loss for other trade receivables was RMB30.3 million as at 31 December 2020 (31 December 2019: RMB1.3 million).

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

	Tariff premium of renewable energy	Tariff receivables from grid companies and other trade receivables				
		Within 1 year	**Between 1 and 2 years**	**Between 2 and 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**–**	**–**	**–**	**–**	**24.943%**	**0.250%**
Gross carrying amount	**11,000,275**	**841,146**	**46,248**	**84,069**	**121,359**	**12,093,097**
Expected credit losses	**–**	**–**	**–**	**–**	**30,270**	**30,270**

As at 31 December 2019

	Tariff premium of renewable energy	Tariff receivables from grid companies and other trade receivables				
		Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total
Expected credit loss rate	–	–	–	–	1.783%	0.014%
Gross carrying amount	8,154,628	951,826	90,405	44,986	74,280	9,316,125
Expected credit losses	–	–	–	–	1,324	1,324

(Amounts expressed in thousands of RMB unless otherwise stated)

12. TRADE AND BILLS PAYABLES

	2020	2019
Trade payables	**263,227**	356,619
Bills payable	**19,353**	10,022
	282,580	366,641

The ageing analysis of trade payables, based on the invoice date, is as follows:

	2020	2019
Within 1 year	**164,798**	258,761
After 1 year but within 2 years	**49,698**	56,064
After 2 years but within 3 years	**22,727**	21,292
After 3 years	**26,004**	20,502
	263,227	356,619

Bills payable are bills with maturity of less than one year. The trade and bills payables are non-interest-bearing and are normally settled within one year.

The fair values of the trade and bills payables approximate to their carrying amounts.

(Amounts expressed in thousands of RMB unless otherwise stated)

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	2020	2019
Bank loans		
– Unsecured	**22,021,298**	20,230,006
– Guaranteed *(Note 13 (c))*	**1,059,634**	1,501,203
– Secured	**9,217,252**	6,301,084
– Secured and guaranteed *(Note 13 (c))*	**89,716**	–
	32,387,900	28,032,293
Other loans		
– Unsecured	**5,918,254**	4,935,491
– Guaranteed	**–**	1,000,000
– Secured *(Note (i))*	**5,694,898**	5,329,301
	11,613,152	11,264,792
Corporate bonds – unsecured *(Note (ii))*	**2,219,499**	2,196,545
Lease liabilities	**2,932,815**	1,097,187
Total long-term borrowings	**49,153,366**	42,590,817
Less: current portion of long-term borrowings *(Note 13 (b))*		
– Bank loans	**(4,009,648)**	(3,965,265)
– Other loans	**(3,900,321)**	(1,940,111)
– Corporate bonds	**(1,021,503)**	–
– Lease liabilities	**(50,323)**	(35,918)
	(8,981,795)	(5,941,294)
Total non-current portion of long-term borrowings	**40,171,571**	36,649,523

(Amounts expressed in thousands of RMB unless otherwise stated)

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) Long-term borrowings (Continued)

Notes:

(i) As at 31 December 2020, the details of secured other loans were as follows:

	2020	2019
Datang Financial Leasing Company Limited (“**Datang Financial Leasing**”)*	**2,618,770**	2,645,592
Shanghai Datang Financial Leasing Company Limited (“**Shanghai Datang Financial Leasing**”)*	**1,050,068**	983,283
ICBC Financial Leasing Company Limited*	**856,820**	1,018,783
CMB Financial Leasing Company Limited*	**503,142**	356,019
China Reform Financial Leasing Company Limited*	**93,416**	140,553
State Grid International Leasing Company Limited*	**203,891**	152,979
Bank of Communications Financial Leasing Company Limited*	**14,202**	32,092
Datang Factoring Company Limited	**354,589**	–
Total	**5,694,898**	5,329,301

* According to the respective loan agreements with the aforementioned companies, certain subsidiaries of the Company agreed to sell and lease back certain property, plant and equipment to and from the aforementioned companies for periods ranging from 3 to 15 years under certain conditions. The underlying property, plant and equipment will be transferred to the relevant subsidiaries of the Group at a notional consideration of RMB1.00 at the end of the lease term. In accordance with SIC-27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*, proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement. As at 31 December 2020, cash amounting to RMB48.7 million (31 December 2019: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

(ii) The Company issued green corporate bonds amounting to RMB1,000.0 million, RMB500.0 million, RMB500.0 million and RMB1,200.0 million with a unit par value of RMB100 each on 14 September 2016, 28 September 2016, 21 October 2016 and 26 September 2019, respectively. The annual interest rates for these green corporate bonds are 3.50%, 3.15%, 3.10% and 3.58%, respectively. The first issued green corporate bond matured in September 2019.

(Amounts expressed in thousands of RMB unless otherwise stated)

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED) (Continued)

(b) Short-term borrowings

	2020	2019
Bank loans		
– Unsecured	**1,449,855**	5,750,000
– Guaranteed *(Note 13 (c))*	**99,671**	–
– Secured and guaranteed *(Note 13 (c))*	**131,246**	–
	1,680,772	5,750,000
Short-term bonds – unsecured *(Note (i))*	**2,759,071**	4,035,833
Entrusted loans *(Note (ii))*	**–**	3,000,000
Other loans		
– Unsecured	**223,033**	855,000
– Secured	**510,042**	548,897
	733,075	1,403,897
Current portion of long-term borrowings *(Note 13(a))*	**8,981,795**	5,941,294
	14,154,713	20,131,024

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) Short-term borrowings (Continued)

Notes:

(i) On 24 May 2019, 18 July 2019, 31 July 2019 and 17 September 2019, the Company issued four tranches of short-term bonds with a par value of RMB100 amounting to RMB2,000.0 million each. The issuance cost was RMB3.65 million. The bond has an annual effective interest rate from 2.35% to 2.60%. The four issued short-term bonds have already matured and settled in July 2019, September 2019, April 2020 and June 2020, respectively.

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

(ii) At 31 December 2019, included in entrusted loans were borrowings from Datang Corporation entrusted through China Datang Group Finance Co., Ltd. ("**Datang Finance**"), a fellow subsidiary of the Company which is a financial institution established in the PRC, with the amount of RMB3,000.0 million. The loans have been repaid on 8 December 2020.

The estimated fair values of short-term borrowings approximate to their carrying amounts.

(Amounts expressed in thousands of RMB unless otherwise stated)

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(c) Other disclosures in relation to the Group's borrowings

As at 31 December 2020 and 2019, the effective interest rates per annum on borrowings are as follows:

	2020	2019
Long-term borrowings		
Bank loans	**2.82%-5.50%**	2.82%-5.76%
Other loans	**3.30%-5.80%**	3.92%-6.41%
Corporate bonds	**3.10%-3.58%**	3.10%-3.58%
Short-term borrowings		
Bank loans	**3.00%-4.65%**	3.70%-4.35%
Other loans	**1.01%-5.70%**	3.92%-5.70%
Short-term bonds	**1.10%-2.45%**	2.48%-2.60%
Entrusted loans	**–**	3.92%

As at 31 December 2020 and 2019, details of the Group's guaranteed bank loans are as follows:

	2020	2019
Guarantor		
– The Company*	**1,131,047**	1,269,420
– Non-controlling interests and an ultimate holding company of subsidiaries and a fellow subsidiary of the Company**	**249,220**	231,783
	1,380,267	1,501,203

* As at 31 December 2020, guaranteed loans by the Company amounting to RMB4.0 million (31 December 2019: RMB14.0 million) were counter-guaranteed by non-controlling interests of a subsidiary.

** The loans of certain subsidiaries of the Company from China Merchants Bank Co., Ltd. were guaranteed by Datang Yunnan Power Generation Co., Ltd., a fellow subsidiary of the Company. As at 31 December 2020, the guaranteed balance was RMB89.7 million.

(Amounts expressed in thousands of RMB unless otherwise stated)

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(c) Other disclosures in relation to the Group's borrowings (Continued)

As at 31 December 2020 and 2019, the Group has pledged certain assets as collateral for certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	2020	2019	**2020**	2019
Property, plant and equipment	**1,432,299**	1,626,498	**7,551,020**	7,743,519
Concession assets	**184,089**	199,370	**–**	–
Tariff collection rights	**2,276,492**	1,412,974	**803,328**	436,186
	3,892,880	3,238,842	**8,354,348**	8,179,705

As at 31 December 2020 and 2019, long-term borrowings were repayable as follows:

	2020	2019
Within 1 year	**8,981,795**	5,941,294
After 1 year but within 2 years	**6,889,979**	7,764,538
After 2 years but within 5 years	**19,314,139**	17,245,410
After 5 years	**13,967,453**	11,639,575
	49,153,366	42,590,817

As at 31 December 2020 and 2019, the carrying amounts of borrowings were all denominated in the RMB.

14. EVENTS AFTER THE REPORTING PERIOD

As at 30 March 2021, the board of directors proposed to distribute the final dividend for the year ended 31 December 2020 of RMB0.03 per share (before tax) of the Company in cash to the shareholders with an amount of RMB218.2 million. The proposal is subject to the approval by the shareholders at the 2020 Annual General Meeting of the Company. These consolidated financial statements do not reflect this dividend payable.

The Company has completed the public issue of its short-term bonds (first tranche) of 2021 (the "Short-term Bonds I") and received the proceeds therefrom as at 26 January 2021. The issuance of the Short-term Bonds I is RMB2 billion, with a maturity period of 75 days. The par value is RMB100 and the interest rate is 2.28%. The interest starts to accrue since 26 January 2021.

The Company has completed the public issue of its short-term bonds (second tranche) of 2021 (the "Short-term Bonds II") and received the proceeds therefrom as at 4 February 2021. The issuance of the Short-term Bonds II is RMB1 billion, with a maturity period of 40 days. The par value is RMB100 and the interest rate is 2.69%. The interest starts to accrue since 5 February 2021. The short-term bonds have already matured and settled as at 17 March 2021.

The Company has completed the public issue of its short-term bonds (third tranche) of 2021 (the "Short-term Bonds III") and received the proceeds therefrom as at 12 March 2021. The issuance of the Short-term Bonds III is RMB1 billion, with a maturity period of 65 days. The par value is RMB100 and the interest rate is 2.42%. The interest starts to accrue since 15 March 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

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

Renewable energy continued to maintain high-quality development

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. BUSINESS REVIEW

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

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

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

1. Carried out approval of the projects by all means

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

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

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

As at 31 December 2020, the capacity of the Company achieved, the cumulative consolidated installed capacity of 12,229.52 MW, representing an increase of 2,468.10 MW or 25.28% over the same period of 2019.

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

		Consolidated installed capacity *(MW)*		
Business	**Region**	**As at 31 December 2020**	As at 31 December 2019	Rate of year-on-year change
Total		**12,229.52**	9,761.42	25.28%
Wind power		**11,171.05**	9,533.25	17.18%
	Inner Mongolia	**3,229.05**	3,005.55	7.44%
	Heilongjiang	**700.00**	551.00	27.04%
	Jilin	**648.10**	648.10	0.00%
	Liaoning	**614.20**	493.80	24.38%
	Beijing	**49.50**	–	–
	Gansu	**845.80**	845.80	0.00%
	Ningxia	**646.50**	646.50	0.00%
	Shaanxi	**349.00**	149.00	134.23%
	Shanxi	**725.05**	625.50	15.92%
	Hebei	**247.50**	99.00	150.00%
	Henan	**182.75**	142.75	28.02%
	Anhui	**145.50**	125.50	15.94%
	Guangxi	**297.00**	247.00	20.24%
	Guizhou	**48.00**	48.00	0.00%
	Yunnan	**393.75**	320.25	22.95%
	Chongqing	**232.00**	74.00	213.51%
	Guangdong	**49.50**	49.50	0.00%
	Fujian	**95.50**	95.50	0.00%
	Shandong	**1,010.50**	860.50	17.43%
	Shanghai	**204.20**	204.20	0.00%
	Jiangsu	**410.85**	301.80	36.13%
	Hubei	**46.80**	–	–

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

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

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

(II) Strengthened the foundation and production safety maintained stability

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

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

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

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

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

		Average utilisation hours *(hour)*		
Business	**Region**	**As at 31 December 2020**	As at 31 December 2019	Year-on-year change
	Anhui	**1,399**	1,323	77
	Guangxi	**1,956**	1,627	328
	Guizhou	**2,106**	1,399	706
	Yunnan	**2,344**	2,394	-50
	Chongqing	**1,991**	1,746	244
	Guangdong	**1,781**	1,515	266
	Fujian	**2,400**	2,124	277
	Shandong	**1,590**	1,630	-40
	Shanghai	**2,420**	2,094	326
	Jiangsu	**2,934**	1,864	1,070
Photovoltaic		**1,310**	1,439	-129
	Jiangsu	**894**	927	-34
	Ningxia	**1,373**	1,399	-26
	Qinghai	**1,584**	1,508	76
	Shanxi	**1,605**	1,653	-47
	Liaoning	**1,732**	1,663	70
	Guizhou	**982**	–	–
	Gansu	**1,491**	–	–
Gas		**5,148**	3,358	1,790
	Shanxi	**5,148**	3,358	1,790

2. Production safety maintained stability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(I) Overview

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

(II) Revenue

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

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

(III) Other income and other gains, net

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

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

(IV) Operating expenses

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

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

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

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

(V) Operating profit

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

(VI) Finance expenses, net

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

(VII) Share of profits of associates and joint ventures

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

(VIII) Income tax expenses

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

(IX) Profit for the year

The Group's profit for the year increased by RMB408.60 million to RMB1,552.59 million in 2020 as compared to the profit of RMB1,143.99 million in 2019. For the year ended 31 December 2020, the Group's profit ratio for the year as a percentage of its total revenue increased to 16.57% as compared with that of 13.74% in 2019.

(X) Profit attributable to owners of the parent

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

(XI) Profit attributable to non-controlling interests

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

(XII) Liquidity and capital sources

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

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

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

(XIII) Capital expenditure

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

(XIV) Net gearing ratio

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

(XV) Significant investment

In 2020, the Group made no significant investment.

(XVI) Material acquisition and disposal

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

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

(XVII) Pledge of assets

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

(XVIII) Contingent liabilities

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

IV. RISK FACTORS AND RISK MANAGEMENT

(I) Policy risk

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

(II) Power curtailment risk

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

(III) Competition risk

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

(IV) Climate risk

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

(V) Risks related to interest rate

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

(VI) Risk related to the increase in gearing ratio

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

V. OUTLOOK ON THE FUTURE DEVELOPMENT

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

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

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

MAJOR WORKS IN 2021

(I) To implement production safety responsibilities at all levels to ensure safety, stability and harmony

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

(II) To strengthen the production and operation and increase the generation of profitable power

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

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

(III) To fully implement the "14th Five-Year Plan" and accelerate integration into the new development pattern

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

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

(IV) Implement multiple measures to reduce the cost and release the benefits of the Company's existing assets

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

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

(V) To strengthen corporate governance in accordance with the law, and actively prevent and resolve major risks

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

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

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

(VI) To strengthen work style construction and capacity building to forge a team of high-quality talents

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

As at 30 March 2021, the Board proposed to distribute the final dividend for the year 2020 of RMB0.03 per share (before tax) in cash to the shareholders with an amount of RMB218.2 million. Such dividend is expected to be distributed on or before 27 August 2021 upon the approval by the shareholders of the Company at the 2020 Annual General Meeting.

EVENT AFTER THE REPORTING PERIOD

The significant events occurred after the reporting period are set out in Note 14 to the financial statements of this results announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE SET OUT IN APPENDIX 14 OF THE LISTING RULES

The Company has always been committed to compliance with the principles and requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). For the year ended 31 December 2020, the Company was not involved in any material litigation for which the responsibility should be taken by any director ("**Director(s)**") of the Company. Each Director has the necessary qualification and experience required for performing his/her duty as a Director of the Company. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Director shall take responsibility. Therefore, the Company confirms that no liability insurance has been arranged for the Directors.

Save as the disclosed herein, for the year ended 31 December 2020, the Company has been in strict compliance with the principles and provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules, as well as certain recommended best practices.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors, Supervisors and relevant employees (as defined in the Corporate Governance Code). Having made specific inquiries of all Directors and Supervisors ("**Supervisor(s)**") of the Company, each Director and Supervisor confirmed that she/he had strictly complied with the standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers during the reporting period.

AUDITORS

Ernst & Young and Ernst & Young Hua Ming LLP were appointed as international and domestic auditors respectively of the Company for the year ended 31 December 2020. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto as at and for the year ended 31 December 2020 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, as consistent with the amounts set out in the Group's consolidated financial statements. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the results announcement.

AUDIT COMMITTEE

The Group's 2020 final results announcement and the financial statements for the year ended 31 December 2020 prepared in accordance with the IFRSs have been reviewed by the audit committee of the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be available on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company http://www.cdt-re.com.

The Company will dispatch in due course to shareholders the annual report for 2020 containing all the information as required by the Listing Rules, and publish it on the websites of the Company and the SEHK.

By order of the Board
China Datang Corporation Renewable Power Co., Limited*
Kou Wei
Chairman

Beijing, the PRC, 30 March 2021

As at the date of this announcement, the executive directors of the Company are Mr. Liu Guangming and Mr. Meng Lingbin; the non-executive directors are Mr. Kou Wei, Mr. Hu Shengmu, Mr. Li Yi and Mr. Liu Baojun; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

* *For identification purposes only*