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大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00991)

ANNOUNCEMENT OF 2020 ANNUAL RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS:

	For the year ended 31 December		
	2020	2019	Change
	<i>RMB million</i>	<i>RMB million</i>	%
	(unless otherwise stated)	(unless otherwise stated)	(unless otherwise stated)
Operating revenue	95,614	95,453	0.17
Profit before tax	7,144	4,619	54.67
Net profit attributable to holders of equity instruments of the Company	2,989	986	203.14
Basic earnings per share (<i>RMB</i>)	0.0989	0.0211	368.72

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

I. COMPANY RESULTS

The board of directors (the “**Board**”) of Datang International Power Generation Co., Ltd. (the “**Company**”) hereby announces the audited consolidated operating results of the Company and its subsidiaries (the “**Group**”) prepared in conformity with International Financial Reporting Standards (“**IFRSs**”) for the year ended 31 December 2020 (the “**Year**”), together with the audited consolidated operating results of 2019 (the “**Previous Year**”) for comparison. Such operating results have been reviewed and confirmed by the Company’s audit committee (the “**Audit Committee**”).

Operating revenue of the Group for the Year was approximately RMB95,614 million, representing an increase of approximately 0.17% as compared to the Previous Year. Profit before tax amounted to approximately RMB7,144 million, representing an increase of approximately 54.67% as compared to the Previous Year. Basic earnings per share attributable to holders of equity instruments of the Company amounted to approximately RMB0.0989, while basic earnings per share attributable to holders of equity instruments of the Company amounted to approximately RMB0.0211 for the year 2019.

Net profit attributable to holders of equity instruments of the Company was approximately RMB2,989 million, while net profit attributable to holders of equity instruments of the Company for the year 2019 amounted to approximately RMB986 million.

II. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Overview

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

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

(II) Review on the Operating Results of Principal Businesses

1. Maintaining continuous stability of pandemic prevention and control and production safety. The Company firmly implemented the normal pandemic prevention and control and achieved the “Double Zero” prevention and control objectives with zero confirmed and zero suspected cases. The Company comprehensively strengthened safety management with production safety maintaining stable and safety management and control level improving steadily. The Company smoothly fulfilled the tasks of power preservation, stable power supply, and heating supply for people’s livelihood for a series of significant events. The Company spared no effort to promote production quality improvement, and enhanced comprehensive management of equipment and facilities, constantly strengthened environmental protection. A total of 106 existing coal-fired thermal power units of the Company have completed ultra-low emission transformation, all of which were in line with compliant emission within the scope under the ultra-low emission environmental transformation plan. 32 units owned by subsidiaries won in the benchmarking of efficiency level of thermal power units in the country, and 9 units were awarded the Reliable Class A Units.
2. Maintaining stable growth in operating results. The cost lowering and efficiency improvement and profitability development work have been carried out in an all-round way. During the reporting period, total power generation of the Company amounted to approximately 272.630 billion kWh, representing an increase of approximately 2.77% year-on-year; and total on-grid power generation amounted to approximately 254.770 billion kWh, representing an increase of approximately 1.69% year-on-year. The Company realised an operating revenue of approximately RMB95,614 million, representing an increase of 0.17% as compared to the corresponding period last year; operating costs amounted to approximately RMB84,740 million, representing a decrease of 1.37% as compared to the corresponding period last year; net profit amounted to approximately RMB5,253 million, representing an increase of approximately 81.33% as compared to the corresponding period last year; net profit attributable to holders to equity instruments of the Company amounted to approximately RMB2,989 million, representing an increase of approximately 203.14% as compared to the corresponding period last year; total assets amounted to approximately RMB280,471 million, representing a decrease of approximately 0.69% as compared to the corresponding period last year; total liabilities amounted to approximately RMB188,962 million, representing a decrease of 5.70% as compared to the end of last year; the liabilities-to-assets ratio was approximately 67.37%, representing a decrease of 3.58 percentage points as compared to the end of last year.

3. Achieving continuous breakthroughs in high-quality development. The Company adhered to the implementation of the new development concept, and promoted the green low carbon transformation and accelerated power supply structure adjustment, and sped up the development of new energy significantly. New approved projects increased significantly. During the reporting period, there were a total of 48 power supply projects obtaining approval with approved capacity of 7,988.5MW, including three coal power projects with approved capacity of 4,240.00MW, 10 wind power projects with approved capacity of 569.50MW and 35 photovoltaic projects with approved capacity of 3,179.00MW. New unit put into operation increased significantly. During the reporting period, the capacity of new units put into operation totaled 4,705.50MW, including coal power projects of 2,400.00MW, wind power projects of 1,361.50MW and photovoltaic projects of 944.00MW.

4. Continuous optimisation in energy conservation and emission reduction. During the reporting period, coal consumption of the Company for power supply accumulated to 293.17g/kWh, representing a decrease of 3.06g/kWh as compared to 2019. The combined electricity consumption rate of power plants of the Company was 5.61%. The accumulated emission performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.07g/kWh, 0.13g/kWh, 0.01g/kWh and 21.34g/kWh respectively, all fully completed the planned target, and the emission of sulfur dioxide, nitrogen oxide chemicals and smoke and dust remained the same year-on-year, and sewage reduced by 2.35g/kWh.

(III) Major Financial Indicators and Analysis

1. *Operating Revenue*

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

2. *Operating Costs*

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

3. *Net Finance Costs*

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

4. *Total Profit*

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

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

5. *Financial Position*

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

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

Net profit attributable to holders of equity instruments of the Company amounted to approximately RMB2,989 million, representing an increase of approximately RMB2,003 million compared with the end of 2019. Net asset value per share attributable to holders of equity instruments of the Company amounted to approximately RMB0.0989, representing an increase of approximately RMB0.0778 per share compared with the Previous Year.

6. *Liquidity*

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

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

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

7. Welfare Policy

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

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

(IV) Outlook for 2021

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

1. Comprehensively improve safety management and control performance

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

2. Comprehensively improve the efficiency of transformation and development

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

3. Comprehensively enhance market competitive advantage

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

4. Comprehensively improve corporate governance capability

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

III. SHARE CAPITAL AND DIVIDENDS

1. Share Capital

As of 31 December 2020, the total share capital of the Company amounted to 18,506,710,504 shares, of a nominal value of RMB1 per share.

2. Dividends

The Board proposes that based on the Company's total share capital (as at 31 December 2020, the Company's total share capital was 18,506,710,504 shares), it will distribute a cash dividend of RMB0.091 per share (tax inclusive) to all shareholders and the total amount of the proposed cash dividends to be distributed is approximately RMB1,684 million.

The above proposal is subject to the consideration and approval by the shareholders of the Company at the general meeting of the Company.

3. Shareholding of the Directors and Supervisors

As of 31 December 2020, save as disclosed below and to the knowledge of the Board, none of the directors ("**Directors**"), supervisors ("**Supervisors**") and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 of the SFO or otherwise required to be complied with the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

Name of Director	Class of shares of the Company	Long position/ Short position	Identity/Nature of interest	Number of A-Shares held	Approximate percentage to issued shares of the Company
Mr. Liu Jizhen	A shares	Long position	Beneficial interest	9,100	0.000049%

IV. SIGNIFICANT EVENTS

1. On 29 April 2020, pursuant to the “Resolution on the Changes of Directors of the Company” considered and approved at the 2020 first extraordinary general meeting of the Company, Mr. Qu Bo and Mr. Niu Dongxiao were appointed as the non-executive Director and independent non-executive Director of the tenth session of the Board of the Company respectively, and Mr. Wang Xin and Mr. Feng Genfu ceased to be the executive Director and independent non-executive Director of the tenth session of the Board of the Company respectively.
2. As at the date of this announcement, the Company issued corporate bonds in an aggregate amount of RMB4.5 billion.
3. As at the date of this announcement, the Company issued super short-term debentures in an aggregate amount of RMB13.5 billion.
4. As at the date of this announcement, the Company issued medium-term notes in an aggregate amount of RMB3.5 billion.
5. On 31 July 2020, Mr. Wang Sen submitted his written resignation to the Board of the Company to resign as the vice chairman, non-executive Director and member of the Audit Committee of the Board of the Company.
6. On 18 December 2020, pursuant to the “Resolution on the Changes of Directors of the Company” considered and approved at the 2020 second extraordinary general meeting of the Company, Mr. Sun Yongxing was appointed as the non-executive Director of the tenth session of the Board of the Company, and Mr. Zhang Ping ceased to be the non-executive Director of the tenth session of the Board of the Company.

V. PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Year, the Group did not purchase, sell or redeem any of the Company’s listed securities.

VI. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

To the knowledge of the Board, the Company complied with all the code provisions under the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Listing Rules for the Year, except for the following:

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

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

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

The Company has adopted the code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standards set out in the Model Code.

Upon specific enquiries made to all Directors and in accordance with information provided, the Board confirmed that all Directors and Supervisors have complied with the Model Code during the Year.

VIII. AUDIT COMMITTEE

The Audit Committee has reviewed the accounting policies adopted by the Group with the management of the Company. They have also discussed matters regarding internal control and the financial statements, including the review of the audited consolidated financial statements for the Year.

The Audit Committee considers that the 2020 annual financial report of the Group has complied with the applicable accounting standards, and that the Group has made adequate disclosures thereof.

Announcement is hereby given.

By order of the Board
Jiang Jinming
Company Secretary

Beijing, the PRC, 26 March 2021

As at the date of this announcement, the Directors of the Company are:

Chen Feihu, Qu Bo, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Jin Shengxiang, Sun Yongxing, Liu Jizhen, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu*, Niu Dongxiao**

* *Independent non-executive Directors*

1. FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS
PREPARED UNDER IFRSs

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2020

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		2020	2019
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		208,922,692	211,471,481
Right-of-use assets		5,073,892	4,255,606
Investment properties		473,183	620,612
Intangible assets		2,010,821	1,950,663
Interests in associates		17,608,093	16,866,007
Interests in joint ventures		453,947	673,265
Financial assets at fair value through profit or loss		3,839,505	4,203,692
Financial assets at fair value through other comprehensive income		899,309	1,096,638
Deferred tax assets		3,915,125	4,059,693
Other non-current assets		3,562,559	3,643,632
		246,759,126	248,841,289
Current assets			
Inventories		3,145,945	4,062,916
Trade and notes receivables	11	16,732,397	15,895,914
Prepayments and other receivables		5,404,839	5,347,914
Tax recoverable		154,544	119,425
Current portion of other non-current assets		–	11,660
Cash and cash equivalents and restricted deposits		8,274,612	8,136,055
		33,712,337	33,573,884
Current liabilities			
Trade payables and accrued liabilities	12	22,208,032	23,529,082
Contract liabilities	12	1,539,392	1,022,615
Consideration payables		169,216	169,216
Tax payables		1,416,964	1,518,340
Dividend payables		805,672	1,497,360
Short-term loans		29,040,022	34,854,678
Short-term bonds		2,622,655	–
Current portion of lease liabilities		271,946	171,833
Current portion of non-current liabilities		20,946,331	17,590,719
		79,020,230	80,353,843
Net current liabilities		(45,307,893)	(46,779,959)
		201,451,233	202,061,330

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

1 GENERAL INFORMATION

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

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

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

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

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

Amendments to IFRSs that are mandatorily effective for the current year

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

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

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

New and amendments to IFRSs in issue but not yet effective

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

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

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

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

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

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

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

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

3 OPERATING REVENUE

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

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

4 SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the “**Senior Management**”) perform the function as chief operating decision makers (the “**CODM**”). Senior Management reviews the internal reporting of the Group in order to assess performance and allocate resources. Senior Management has determined the operating segments based on these reports.

Senior Management considers the business from a product perspective. Senior Management primarily assesses the performance of power generation and coal separately. Other operating activities primarily include aluminium smelting products, etc., and are included in “other segments”.

Senior Management assesses the performance of the operating segments based on a measure of profit before tax prepared under China Accounting Standards for Business Enterprises (“**PRC GAAP**”). Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

1. Power and heat generation segment – operation of power plants through subsidiaries, generating electric power and heat for sale to external power grid companies, investing in power plants through joint ventures and associates;
2. Coal segment – engaged in mining and sale of coal products; and
3. Other segments – engaged in aluminium smelting and others.

The “other segments” comprises a number of immaterial businesses and none of these units has ever individually met the quantitative thresholds for determining a reportable segment.

Segment revenues and results

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

Year ended 31 December 2020

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

Year ended 31 December 2019

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

Note:

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

Segment profits or losses do not include income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

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

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

	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Total reporting segment profit	7,204,643	4,687,994
IFRSs adjustments	<u>(60,800)</u>	<u>(69,385)</u>
Profit before tax under IFRSs	<u>7,143,843</u>	<u>4,618,609</u>
Assets		
Total reportable segment assets	280,333,508	282,120,328
IFRSs adjustments	<u>137,955</u>	<u>294,845</u>
Total assets under IFRSs	<u>280,471,463</u>	<u>282,415,173</u>
Liabilities		
Total reportable segment liabilities	188,940,952	200,367,548
IFRSs adjustments	<u>21,180</u>	<u>18,673</u>
Total liabilities under IFRSs	<u>188,962,132</u>	<u>200,386,221</u>

Other segment information

Year ended 31 December 2020

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

Year ended 31 December 2019

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

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

Geographical information

No geographical information is presented as more than 90% of the Group's revenue during the years ended 31 December 2020 and 2019 and most of their customers and non-current assets as at 31 December 2020 and 2019 were located in the PRC.

Information about major customers

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

	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A ¹	<u>13,575,485</u>	<u>13,097,365</u>

¹ Revenue from power and heat generation segment

5 OTHER INCOME AND OTHER GAINS AND LOSSES, NET

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

6 FINANCE COSTS

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

7 INCOME TAX EXPENSE

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

8 PROFIT FOR THE YEAR

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

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

(b) Other operating expenses:

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

Note:

Others mainly represents expenses of utilities concession income and heart supply cost.

9 DIVIDENDS

Pursuant to the board of Directors' meeting on 26 March 2021, the Directors recommended to declare the final dividends for the year ended 31 December 2020 of RMB0.091 per share totalling RMB1,684,111,000. Such recommendation is to be approved by the shareholders at the annual general meeting. Dividends declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.

During the year ended 31 December 2020, a final dividend of RMB0.065 per share in respect of the year ended 31 December 2019 totalling RMB1,202,936,000 (2019: final dividend of RMB0.1 per share amounting to RMB1,850,671,000 in aggregate) was declared and paid to the owners of the Company.

10 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

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

Note:

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2020 and 2019.

11 TRADE AND NOTES RECEIVABLES

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

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

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

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

12 TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES

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

	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities	<u>1,539,392</u>	<u>1,022,615</u>

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

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

13 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

At the end of the reporting period, the Group has provided financial guarantees for loan facilities granted to the following parties:

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

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

2. FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS PREPARED UNDER PRC GAAP

FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>	Variance %
Revenue from operations	95,614,422	95,453,055	0.17
Net profit attributable to equity holders of the Company	3,040,243	1,065,806	185.25
Net cash flows from operating activities	26,753,718	21,669,762	23.46
Total assets	280,333,508	282,120,328	(0.63)
Total share capital as at the end of the year	18,506,711	18,506,711	–
Net asset value per share (RMB)	2.25	2.26	(0.44)
Basic earnings per share (RMB)	0.1017	0.0254	300.39
Diluted earnings per share (RMB)	0.1017	0.0254	300.39

DIFFERENCES BETWEEN FINANCIAL STATEMENTS

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

	<i>Note</i>	Net assets 2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Net assets attributable to holders of equity instruments of the Company under IFRSs		73,187,675	65,126,425
Impact of IFRSs adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	106,466	106,466
Difference in accounting treatment on mining funds	(b)	(217,803)	(374,695)
Applicable deferred tax impact of the above GAAP Differences		(5,438)	(7,944)
Non-controlling interests' impact of the above GAAP Differences after tax		(46,870)	(35,122)
Net assets attributable to equity holders of the Company under PRC GAAP		<u>73,024,030</u>	<u>64,815,130</u>

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

Notes:

- (a) Difference in the commencement of depreciation of property, plant and equipment

This represents the depreciation difference arose from the different timing of the start of depreciation charge in previous years.

- (b) Difference in accounting treatment on mining funds

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRSs, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to capital reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of future development and work safety expenses whereas those related capital reserve is offset against retained earnings to the extent of zero.