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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 INTERIM RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB44,478 million, representing a decrease of approximately 1.25% as compared to the first half of 2019.
- Total profit before tax amounted to approximately RMB3,622 million, representing an increase of approximately 36.58% as compared to the first half of 2019.
- Net profit attributable to equity holders of the Company amounted to approximately RMB1,842 million, representing an increase of approximately 99.57% as compared to the first half of 2019.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0702, representing an increase of RMB0.0288 per share as compared to the first half of 2019.

I. COMPANY RESULTS

The board of directors (the “**Board**”) of Datang International Power Generation Co., Ltd. (the “**Company**”) hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the “**Group**”) prepared in conformity with International Financial Reporting Standards (“**IFRSs**”) for the six months ended 30 June 2020 (the “**Period**”), together with the unaudited consolidated operating results of the first half of 2019 (the “**Corresponding Period Last 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 Period was approximately RMB44,478 million, representing a decrease of approximately 1.25% as compared to that of the Corresponding Period Last Year. Total profit before tax amounted to approximately RMB3,622 million, representing an increase of approximately 36.58% as compared to that of the Corresponding Period Last Year. Net profit attributable to equity holders of the Company was approximately RMB1,842 million, representing an increase of approximately 99.57% as compared to that of the Corresponding Period Last Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0702, representing an increase of RMB0.0288 per share as compared to that of the Corresponding Period Last Year.

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 the first half of 2020, the Company adhered to implement and promote measures for prevention and control of the pandemic and carried out high quality development works, devoted every effort to prevention and control of the pandemic and gaining fruitful results in the fields of safety, efficiency, development, reforms and governance.

(II) Review on the Operating Results of Principal Businesses

1. Effectively preventing and control of the pandemic. The Company has prudently performed the responsibilities in a company-wide manner, and always adhered to upper and lower linkage and collective prevention and control to proactively respond to new trend of normal prevention and control, strictly performed the prevention and control measures, constantly perfected the plans and proposals which would ensure the risk being under control and achieved the "Double Zero" prevention and control objectives with zero confirmed and zero suspected cases.
2. Maintaining the stability of overall production safety. The Company has always taken safety and stability as a political task and completed the tasks of power preservation and stable power supply for the "Two Sessions" in a high quality manner. The Company has continuously strengthened the building of a safety system and practice, continuously consolidated the safety foundation and comprehensively improved the safety governance and control in the key fields including environmental protection, infrastructure, non-power and information.
3. Deeply developing profitability. The Company paid close attention to the market change, promptly adjusted market strategies, comprehensively improved the unit load rate and operation rate, so as to fully guarantee the implementation of planned electricity, and make every effort to gain efficient market electricity. The Company has devoted greater effort to economical coal procurement and enhanced the construction of fuel supply chain to create the core competitiveness with lower cost. The Company conducted benchmarking work in every step of investment, construction, production and operation, to reduce costs as possible as practicable.

4. Fruitful results in high quality development. The Company has deeply implemented the new concept of development, comprehensively followed up the national strategies and focused on the development direction of “wind, light, gas and service”, made up the shortfall of development, and devoted every effort to promote the high quality development. During the first half of the year, the generation capacity of new units was 1,233MW, of which the coal-fired power projects being 1,000MW, the wind power projects being 178.5MW and the photovoltaic projects being 54.5MW. During the reporting period, the generation capacity of approved units was 1,992MW, of which the wind power projects being 149MW and the photovoltaic projects being 1,843MW.
5. Continuous deepening in energy conservation and emission reduction. During the reporting period, the coal consumption of the Company for power supply accumulated to 289.91g/kWh, the general consumption rate of power plants was 5.83%. The performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.079g/kWh, 0.131g/kWh, 0.012g/kWh and 21.03g/kWh, respectively. The Company completed ultra-low emission environmental transformation projects on 108 coal-fired power generating units in operation with capacity of 48,944MW in total, all of which were in line with compliant emission within the scope under the ultra-low emission environmental transformation plan.

(III) MAJOR FINANCIAL INDICATORS AND ANALYSIS

1. Operating Revenue

During the Period, the Group realised an operating revenue of approximately RMB44,478 million, representing a decrease of approximately 1.25% as compared to the Corresponding Period Last Year, among which revenue from electricity sales was approximately RMB37,900 million, representing a decrease of approximately RMB773 million or approximately 2.00% as compared to the Corresponding Period Last Year. The decrease in revenue from electricity sales was mainly due to the decrease in power generation and on-grid power generation of the Group for the Period of approximately 1.79% and 2.48%, respectively, as compared to the Corresponding Period Last Year.

2. *Operating Costs*

During the Period, total operating costs of the Group amounted to approximately RMB38,006 million, representing a decrease of approximately RMB2,643 million or 6.50% as compared to the Corresponding Period Last Year. The main reason is that, affected by the decline in coal prices during the Period, the cost of fuel for power and heat generation decreased by approximately RMB1,342 million, and the Company made provision for credit impairment losses of approximately RMB331 million and recognised estimated liabilities of approximately RMB536 million due to the impact of the bankruptcy of Gansu Datang International Liancheng Power Generation Company Limited in the Corresponding Period Last Year.

3. *Net Finance Costs*

During the Period, finance costs of the Group amounted to approximately RMB3,473 million, representing a decrease of approximately RMB223 million or approximately 6.03% as compared to the Corresponding Period Last Year. The period-to-period decrease in finance costs was mainly due to the impact of repayment of principal, resulting in a period-to-period decrease in the scale of financing.

4. *Profit and Net Profit*

During the Period, the Group achieved a total profit before tax of approximately RMB3,622 million, representing an increase of approximately 36.58% as compared to the Corresponding Period Last Year. The Group also achieved a net profit of approximately RMB2,703 million, representing an increase of approximately 47.20% as compared to the Corresponding Period Last Year.

5. *Financial Position*

As at 30 June 2020, the total assets of the Group amounted to approximately RMB281,555 million, representing a decrease of approximately RMB860 million as compared to that at the end of 2019. The decrease in total assets was primarily attributable to depreciation of property, plant and equipment.

Total liabilities of the Group amounted to approximately RMB195,084 million, representing a decrease of approximately RMB5,303 million as compared to the end of 2019. The decrease in total liabilities was mainly due to the impact of principal repayment of borrowings.

6. *Liquidity*

As at 30 June 2020, the assets-to-liabilities ratio of the Group was 69.29%. The net debt-to-equity ratio was approximately 167.05%.

As at 30 June 2020, cash and cash equivalents and restricted deposits of the Group amounted to approximately RMB10,223 million, among which approximately RMB78 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Period.

As at 30 June 2020, short-term loans of the Group amounted to approximately RMB33,014 million, bearing annual interest rates ranging from 3.00% to 5.70%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB97,571 million and long-term loans repayable within one year amounted to approximately RMB10,652 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 2.36% to 6.80%. Loans equivalent to approximately RMB213 million were denominated in US dollars.

7. *Welfare Policy*

As at 30 June 2020, the number of staff of the Group was 29,795 in total. The Group adopted the basic salary system focusing on the basis of position-points salary distribution and a variety of incentive mechanisms based on employee performance appraisal, to fully motivate their working enthusiasm.

The Group attaches great importance to the cultivation of staff. The Group coordinated and promoted the multi-channel talent growth mechanism, vigorously promoted the construction of a talent team, and orderly promoted the career planning and development of employees to constantly stimulate the vitality of employees. The Group actively responded to the impact of the pandemic, made overall planning of training resources, and vigorously carried out remote training projects. Adhering to the principle of adaptation to local conditions and personal aptitudes, the Group gave full play to the roles of the enterprises as training entities, to carry out various types of all-staff training for different levels. Up to present, a total of 1,299 training programs have been rolled out, including 424 programs on operation and management, and 875 programs on technical skills, attracting 38,228 participants in aggregate.

(IV) OUTLOOK FOR THE SECOND HALF OF 2020

Looking into the second half of 2020, the Company will, on the basis of the results achieved in the first half, continue to adhere to the general tone of seeking progress while maintaining stability. The Company will unswervingly promote high-quality development, continue to consolidate the positive situation of operating performance, and spare no effort to ensure safety, growth and efficiency, and strive to win both pandemic prevention and control and high-quality development goals.

1. Fully ensure safety and stability. We will make every effort to prevent and control the pandemic and ensure the “Double Zero” target. We will pay close attention to work style and system construction, make every effort to prevent various risks and accidents, resolutely curb the occurrence of accidents related to production safety, environmental safety, and infrastructure safety, and comprehensively prevent risks related to non-electrical safety, information safety, traffic fire protection, logistics security and safety during flood seasons.
2. Comprehensively promote performance improvement. We will steadily promote the quality improvement in the production to ensure the achievement of expected results. We will spare no effort to grab power generation, do everything possible to increase the operating rate and load rate. Besides, we will actively explore the market for electricity to ensure the good quality and price. We will continue to improve our procurement capabilities, effectively curb market fluctuations, and lower the unit price of standard coal.
3. Fully promote the implementation of high-quality development results. We will continue to increase investment in green development, focus more on wind power and photovoltaics, seize strategic opportunities, promote strategic breakthroughs, and achieve greater breakthroughs. We will also innovate development means and accelerate the development of wind power and photovoltaic projects on land, coastal and overseas areas. We will coordinate and promote the transformation and upgrading of stock units, strengthen the application of new technologies and new models in the entire process of preparation, construction and operation, and comprehensively improve the quality and efficiency of assets. Besides, we will continue to strengthen the development of overseas high-quality projects, and promote a number of overseas projects to achieve breakthroughs as soon as possible.

4. Comprehensively improve governance standards. We will continue to strengthen our awareness of compliance and the rule of law, and promote more standardized, scientific and efficient corporate governance. We will strengthen the legal construction of enterprise, enhance the rigidity of system implementation, enhance the awareness of the rule of law of all employees, and improve the level of governance of the enterprise by law. We will also strengthen market value management and investor relationship management to enhance market image and boost investor confidence. Relying on the functions of the capital market platform efficiently, we can better operate resources, assets, capital, and fund, so to release our energy as a listed company, and strive to build a first-class listed company.

III. SHARE CAPITAL AND DIVIDENDS

1. Share Capital

As of 30 June 2020, the total share capital of the Company amounted to 18,506,710,504 shares with a par value of RMB1 per share.

2. Dividends

The Board recommends that no interim dividend be distributed for 2020.

3. Shareholding of the Directors, Supervisors and Chief Executives

As of 30 June 2020, save as disclosed below and to the knowledge of the Board, none of the directors, supervisors and chief executives of the Company nor their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in the 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	Capacity/ 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. Pursuant to the “Resolution on the Adjustments of Directors of the Company” considered and approved at the 2020 first extraordinary general meeting of the Company held on 29 April 2020, Mr. Qu Bo and Mr. Niu Dongxiao were appointed as a non-executive director and an 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 serve as an executive director and an 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 super short-term debentures of RMB9.5 billion in total.
3. As at the date of this announcement, the Company issued medium term notes of RMB3.5 billion in total.
4. On 31 July 2020, Mr. Wang Sen submitted a written resignation to the Board of the Company and ceased to serve as the vice chairman, a non-executive director and a member of the Audit Committee of the Board.

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

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

VI. COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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 during the Period, except for the following:

During the Period, the legal action which the directors of the Company may face is covered by 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 Period, 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 a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code.

Upon specific enquiries made to all directors and in accordance with information provided, the Board confirmed that all directors and supervisors have complied with the Model Code during the Period.

VIII. AUDIT COMMITTEE

The Audit Committee is comprised of Mr. Jiang Fuxiu as convenor alongside Mr. Luo Zhongwei, Mr. Niu Dongxiao and Mr. Jin Shengxiang as committee members. The Audit Committee has reviewed the interim results for the Period and they have discussed matters regarding internal control and the financial statements, including the review of the financial report of the Group for the Period. The Audit Committee considers that the financial report of the Group for the Period has complied with the applicable accounting standards, and that the Group has made appropriate disclosures thereof.

By order of the Board
Jiang Jinming
Company Secretary

Beijing, the PRC, 28 August 2020

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, Zhang Ping, Jin Shengxiang, Liu Jizhen, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu*, Niu Dongxiao**

* *Independent non-executive Directors*

**FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS
PREPARED UNDER IFRSs**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

		For the six months ended 30 June	
		2020	2019
	Note	RMB'000 (unaudited)	RMB'000 (unaudited)
Operating revenue	3	44,478,123	45,040,455
Operating costs			
Fuel for power and heat generation		(20,812,704)	(22,154,757)
Depreciation		(7,192,738)	(6,593,340)
Repairs and maintenance		(1,303,510)	(1,191,365)
Salaries and staff welfare		(3,098,493)	(2,816,417)
Local government surcharges		(620,103)	(656,739)
Others	7(b)	(4,978,266)	(7,236,090)
Total operating costs		(38,005,814)	(40,648,708)
Operating profit		6,472,309	4,391,747
Share of profits of associates		405,433	610,580
Share of (losses)/profits of joint ventures		(26,614)	21,747
Investment income		18,545	1,082,467
Other gains, net		179,183	197,439
Interest income		45,996	43,730
Finance costs	5	(3,472,856)	(3,695,700)
Profit before tax		3,621,996	2,652,010
Income tax expense	6	(919,157)	(815,864)
Profit for the period	7(a)	2,702,839	1,836,146
Profit for the period attributable to:			
Holder of equity instruments of the Company			
- Ordinary shares		1,299,297	767,095
- Other equity instruments		543,047	156,040
		1,842,344	923,135
- Non-controlling interests		860,495	913,011
		2,702,839	1,836,146
Earnings per share			
Basic and diluted (RMB cents)	9	7.02	4.14

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	For the six months ended	
	30 June	
	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit for the period	<u>2,702,839</u>	<u>1,836,146</u>
Other comprehensive income/(expense):		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive income/(expense) of associates	6,058	(72,210)
Exchange differences on translating foreign operations	1,907	1,792
<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>(101,096)</u>	<u>(56,949)</u>
Other comprehensive expenses for the period, net of tax	<u>(93,131)</u>	<u>(127,367)</u>
Total comprehensive income for the period	<u>2,609,708</u>	<u>1,708,779</u>
Total comprehensive income for the period attributable to:		
Holder of equity instruments of the Company		
- Ordinary shares	1,203,877	639,728
- Other equity instruments	<u>543,047</u>	<u>156,040</u>
	1,746,924	795,768
- Non-controlling interests	<u>862,784</u>	<u>913,011</u>
	<u>2,609,708</u>	<u>1,708,779</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	30 June 2020	31 December 2019
<i>Note</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(audited)</i>
Non-current assets		
Right-of-use assets	4,262,422	4,255,606
Property, plant and equipment	206,476,951	211,471,481
Investment properties	607,143	620,612
Intangible assets	1,937,568	1,950,663
Interests in associates	17,221,003	16,866,007
Interests in joint ventures	641,618	673,265
Financial assets at fair value through profit or loss	4,176,381	4,203,692
Financial assets at fair value through other comprehensive income	1,010,807	1,096,638
Deferred tax assets	4,043,597	4,059,693
Other non-current assets	3,585,510	3,643,632
	<u>243,963,000</u>	<u>248,841,289</u>
Current assets		
Inventories	3,719,297	4,062,916
Trade and notes receivables	16,809,157	15,895,914
Prepayments and other receivables	6,725,800	5,347,914
Tax recoverable	103,405	119,425
Current portion of other non-current assets	11,660	11,660
Cash and cash equivalents and restricted deposits	10,222,848	8,136,055
	<u>37,592,167</u>	<u>33,573,884</u>

		30 June 2020	31 December 2019
	<i>Note</i>	RMB'000 (unaudited)	RMB'000 (audited)
Current liabilities			
Trade payables and accrued liabilities	11	22,353,573	23,529,082
Contract liabilities		321,867	1,022,615
Consideration payable		192,449	169,216
Tax payables		1,502,684	1,518,340
Dividend payables		2,814,828	1,497,360
Short-term loans		33,013,638	34,854,678
Short-term bonds		3,599,988	–
Current portion of lease liabilities		248,988	171,833
Current portion of non-current liabilities		16,824,448	17,590,719
		80,872,463	80,353,843
Net current liabilities		(43,280,296)	(46,779,959)
		200,682,704	202,061,330
Capital and reserves			
Share capital		18,506,711	18,506,711
Reserves		23,636,385	23,684,669
		42,143,096	42,191,380
Non-controlling interests		17,893,368	16,902,527
Other equity instruments		26,435,045	22,935,045
Total equity		86,471,509	82,028,952
Non-current liabilities			
Long-term loans		97,571,097	99,490,886
Long-term bonds		5,980,135	8,973,801
Deferred income		2,215,153	2,280,161
Deferred tax liabilities		709,509	715,957
Lease liabilities		570,826	734,944
Other non-current liabilities		7,164,475	7,836,629
		114,211,195	120,032,378
		200,682,704	202,061,330

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

1 BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosures requirements of Appendix 16 to the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standard (“IFRSs”) issued by the IASB.

At 30 June 2020, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 30 June 2020, the Group had net current liabilities of approximately RMB43,280,296,000. The Group had significant undrawn borrowing facilities, subject to certain conditions, of not less than RMB290 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these condensed consolidated financial statements on a going concern basis.

2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2019.

Application of new and amendments to IFRSs

In the current interim period, the Group has applied the following new and revised IFRSs, which included IFRSs, IASs, amendments and interpretations issued by the IASB.

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 IFRS7	Interest Rate Benchmark Reform

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

3 OPERATING REVENUE

Revenue is recognised at a point in time. The disaggregation of the Group’s operating revenue for the period is as follows:

	Six months ended 30 June	
	2020	2019
	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Sales of electricity and heat supply	40,427,900	40,684,197
Sales of coal	1,087,563	1,343,556
Others	2,962,660	3,012,702
Total	<u>44,478,123</u>	<u>45,040,455</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 and heat generation and coal separately. Other operating activities primarily include aluminium smelting products, etc., and are included in “other segments”.

Senior Management assesses the performance of the operating segments based on a measure of profit before tax prepared under China Accounting Standards for Business Enterprises (“**PRC GAAP**”).

Sales between operating segments are marked to market or contracted close to market price and have been eliminated as internal transactions at consolidation level. Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

1. Power and heat generation segment – operation of power plants through subsidiaries, generating electric power and heat 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:

For the six months ended 30 June 2020

	Power and heat generation segment <i>RMB'000</i> <i>(unaudited)</i>	Coal segment <i>RMB'000</i> <i>(unaudited)</i>	Other segments <i>RMB'000</i> <i>(unaudited)</i>	Total <i>RMB'000</i> <i>(unaudited)</i>
SEGMENT REVENUE				
Revenue from external customers	40,427,900	1,087,563	2,962,660	44,478,123
Inter-segment revenue	<u>111,078</u>	<u>3,026,260</u>	<u>354,592</u>	<u>3,491,930</u>
	40,538,978	4,113,823	3,317,252	47,970,053
Segment profit/(loss)	<u><u>3,374,276</u></u>	<u><u>233,633</u></u>	<u><u>(42,713)</u></u>	<u><u>3,565,196</u></u>

For the six months ended 30 June 2019

	Power and heat generation segment <i>RMB'000</i> <i>(unaudited)</i>	Coal segment <i>RMB'000</i> <i>(unaudited)</i>	Other segments <i>RMB'000</i> <i>(unaudited)</i>	Total <i>RMB'000</i> <i>(unaudited)</i>
SEGMENT REVENUE				
Revenue from external customers	40,684,197	1,343,556	3,012,702	45,040,455
Inter-segment revenue	<u>323,365</u>	<u>2,926,763</u>	<u>294,129</u>	<u>3,544,257</u>
	41,007,562	4,270,319	3,306,831	48,584,712
Segment profit/(loss)	<u><u>2,440,849</u></u>	<u><u>261,498</u></u>	<u><u>(113,213)</u></u>	<u><u>2,589,134</u></u>

Segment results does 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 segment:

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
SEGMENT ASSETS		
Power and heat generation segment	269,837,364	270,635,319
Coal segment	5,269,046	5,139,742
Other segments	6,193,556	6,345,267
Total reportable segment assets	<u>281,299,966</u>	<u>282,120,328</u>
SEGMENT LIABILITIES		
Power and heat generation segment	184,956,972	189,261,672
Coal segment	4,019,999	3,571,155
Other segments	6,085,419	7,534,721
Total reportable segment liabilities	<u>195,062,390</u>	<u>200,367,548</u>

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

	Six months ended 30 June	
	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Total reportable segment profit	3,565,196	2,589,134
IFRSs adjustments	56,800	62,876
Profit before tax under IFRSs	<u>3,621,996</u>	<u>2,652,010</u>

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Assets		
Total reportable segment assets	281,299,966	282,120,328
IFRSs adjustments	<u>255,201</u>	<u>294,845</u>
Total assets under IFRSs	<u>281,555,167</u>	<u>282,415,173</u>
Liabilities		
Total reportable segment liabilities	195,062,390	200,367,548
IFRSs adjustments	<u>21,268</u>	<u>18,673</u>
Total liabilities under IFRSs	<u>195,083,658</u>	<u>200,386,221</u>

Information about major customers

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

	Six months ended 30 June	
	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Customer A ¹	<u>6,826,199</u>	<u>7,708,099</u>

¹ Revenue from power and heat generation segment

5 FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Interest expense	3,707,553	4,056,043
Amount capitalised	<u>(276,866)</u>	<u>(418,244)</u>
	3,430,687	3,637,799
Lease liabilities	19,120	17,785
Others	<u>23,049</u>	<u>40,116</u>
	<u>3,472,856</u>	<u>3,695,700</u>

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current tax – PRC Enterprise Income Tax (“EIT”)	909,367	808,428
Deferred tax	<u>9,790</u>	<u>7,436</u>
	<u>919,157</u>	<u>815,864</u>

The PRC EIT represents tax charged on the estimated assessable profits arising in Mainland China. In general, the Group’s subsidiaries operating in Mainland China are subject to the PRC EIT rate of 25% except for certain subsidiaries which are entitled to preferential tax rates.

7 PROFIT FOR THE PERIOD

(a) Profit for the period has been arrived at after (crediting)/charging the following items:

	Six months ended 30 June	
	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	(45,996)	(43,730)
Depreciation of property, plant and equipment	7,077,022	6,486,842
Depreciation of investment properties	13,469	12,522
Depreciation of right-of-use assets	<u>102,247</u>	<u>93,976</u>

(b) Other operating expenses:

	Six months ended 30 June	
	<u>2020</u>	<u>2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Reversal of impairment of trade receivables, net (Reversal)/recognition of impairment of other receivables, net	(478)	(633)
	(2,781)	437,451
Amortisation of intangible assets	23,325	22,978
Procurement cost of aluminum products	1,035,094	1,305,200
Procurement cost of coal products	1,052,263	1,302,907
Environmental protection fee	1,577,171	1,602,046
Electricity expense	121,182	91,467
Water fee and water resource fee	255,782	297,550
Transportation expenses	18,787	28,383
Intermediary fees	18,537	23,557
Insurance	119,337	87,380
Office expenses	11,988	15,026
Travel expenses	17,521	34,276
Outsourcing expenses	112,885	103,593
Public security fire fee	43,030	36,308
Information expenses	17,809	10,605
Entertainment expenses	3,688	7,226
Loss on deconsolidation of subsidiaries	-	957,430
Sales services fee	11,673	8,127
Building management fee	61,757	67,253
Energy management contracting fee	12,561	12,187
Others (<i>Note</i>)	<u>467,135</u>	<u>785,773</u>
Total other operating expenses	<u><u>4,978,266</u></u>	<u><u>7,236,090</u></u>

Note: Others mainly represents expenses of utilities concession income and heat supply cost.

8 DIVIDENDS

During the six months ended 30 June 2020, a final dividend of RMB0.065 per share in respect of the year ended 31 December 2019 amounting to approximately RMB1,202,936,000 (30 June 2019: final dividend of RMB0.1 per share amounting to approximately RMB1,850,670,000) was declared and paid to the owners of the Company.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2020.

9 EARNINGS PER SHARE

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

	Six months ended 30 June	
	<u>2020</u>	<u>2019</u>
Earnings	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit for the purpose of basic and diluted earnings per share	<u>1,299,297</u>	<u>767,095</u>
Number of shares	'000	'000
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 dilutive earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2020 and 2019.

10 TRADE AND NOTES RECEIVABLES

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Trade receivables	15,681,086	15,640,645
Less: Loss allowance	(855,253)	(855,731)
	14,825,833	14,784,914
Notes receivables	1,983,324	1,111,000
	16,809,157	15,895,914

As at 30 June 2020 and 31 December 2019, trade receivable from contracts with customers amounted to approximately RMB14,825,833,000 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 receivables, presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period.

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Within one year	12,458,991	12,951,639
Between one to two years	1,501,356	1,390,091
Between two to three years	574,936	223,930
Over three years	290,550	219,254
	14,825,833	14,784,914

11 Trade payables and accrued liabilities

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Trade payables	17,237,118	17,671,666
Notes payables	858,282	1,903,844
Accrued expenses	618,167	638,421
Other payables	3,640,006	3,315,151
	<u>22,353,573</u>	<u>23,529,082</u>

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

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Within one year	9,900,064	12,074,832
Between one to two years	3,414,895	2,847,886
Between two to three years	1,564,576	733,446
Over three years	2,357,583	2,015,502
	<u>17,237,118</u>	<u>17,671,666</u>