



大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991

Green Low Carbon, High Quality Development



2021 Annual Report



中国大唐





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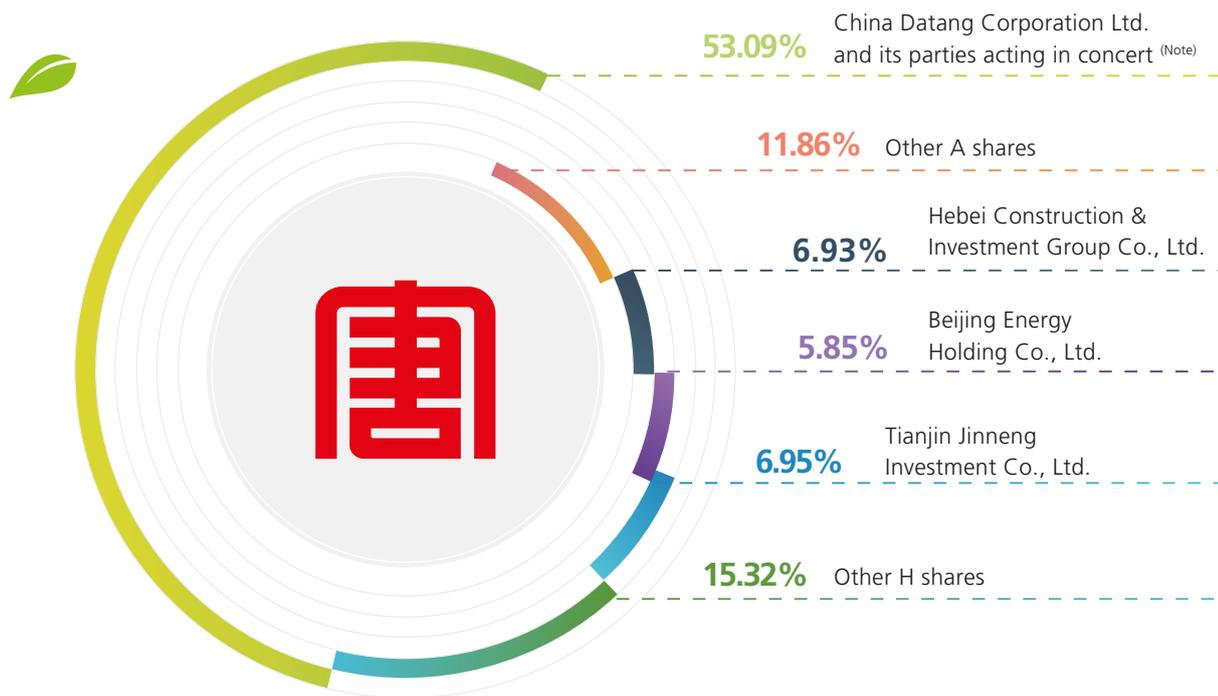
COMPANY PROFILE

Company overview:

Datang International Power Generation Co., Ltd. (“Datang Power” or the “Company”) is a Sino-foreign joint venture controlled by China Datang Corporation. Established in 1994, the Company is the first Chinese enterprise listed in London, the first Chinese power enterprise listed in Hong Kong and the first Chinese enterprise triple listed in Hong Kong, London and Shanghai.

Datang Power is one of the largest independent power generation companies in China. After 27 years of development, its operating subsidiaries and projects under construction have spread across 19 provinces and regions across the country. It mainly engaged in thermal power, hydropower, wind power, photovoltaic power generation, and also involves other fields such as coal, transportation, recycling economy and electricity sales. It has grown from a single thermal power generation company to a listed comprehensive energy company involved in multiple fields and industries. As

EQUITY STRUCTURE AND SHAREHOLDING OF THE COMPANY



Note:

As of 31 December 2021, the total number of shares of the Company was 18,506,710,504 shares, China Datang Corporation Ltd. (“CDC”) and its subsidiaries held a total of 9,825,068,940 shares of the Company, accounting for approximately 53.09% of the Company’s total issued shares in aggregate, being the controlling shareholder of the Company, of which, CDC held 6,540,706,520 A shares of the Company, accounting for approximately 35.34% of the total share capital of the Company; China Datang Group Finance Company Limited, a subsidiary of CDC, held 8,738,600 A shares of the Company, accounting for approximately 0.05% of the total share capital of the Company; and China Datang Overseas (HK) Co., Limited, a wholly-owned subsidiary of CDC, held 3,275,623,820 H shares of the Company, accounting for approximately 17.70% of the total share capital of the Company.

Company Profile

of the end of 2021, the total assets of the Company were approximately RMB296.10 billion, and the installed capacity reached 68,770.03MW.

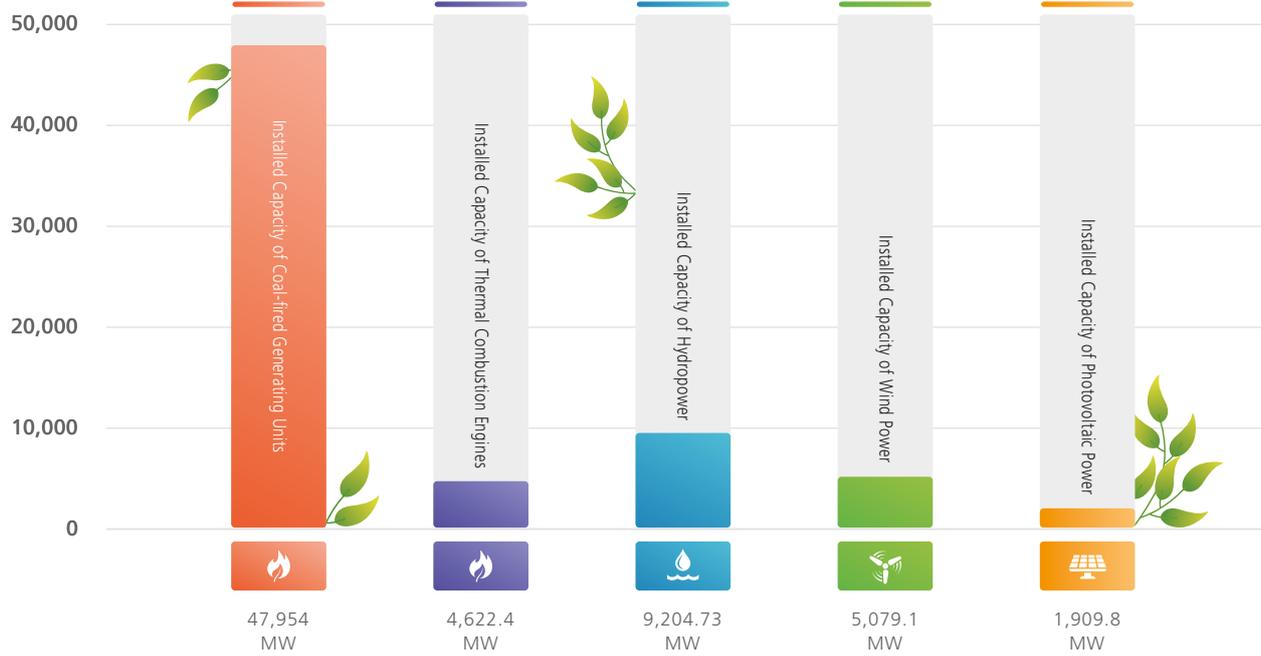
Datang Power implements the target requirements of "dual carbon", takes the realization of green and low-carbon transformation as its development direction, and takes "green and low-carbon, multi-energy complementarity, efficient coordination, and digital intelligence" as its development vision. In 2021, the Tuoketuo Power and Yuxian bases, with a total of 3,000MW, obtained the approval of the

first batch of large-scale scenery bases in the PRC. In Guangdong, Anhui, Jiangxi, Tianjin and other regions, the layout optimization and breakthrough progress of the new energy industry have been achieved, and the transformation and development of the Company have been greatly improved in quality and speed. As of the end of 2021, the Company has newly put into production 774.15MW of units, all of which are new energy units. The Company's low-carbon and clean energy ratio has further increased to 30.27%, and the "14th Five-Year Plan" green transformation has achieved a good start.



Company Profile

Installed capacity structure of the Company



Managed an installed capacity of approximately

68,770.03
MW

Completed power generation of approximately

272.925
billion kWh



COMPANY HISTORY

1994

Datang Power was founded with the installed capacity of 2.85GW

1997

Datang Power was listed on the Stock Exchange of Hong Kong (SEHK) and London Stock Exchange (LSE), becoming the first Chinese power company listed in Hong Kong and the first Chinese company listed in London

2006

Datang Power was listed on the Shanghai Stock Exchange (SSE), making it the first power company to be listed simultaneously on SEHK, LSE and SSE, with the installed capacity exceeding 20GW

2009

Datang Power was included in the Fortune Global 500 list for the first time and was awarded the golden prize of the Corporate Awards by The Asset magazine, with the installed capacity exceeding 30GW



2014

Datang Power was included in "Top 250 Global Energy Companies" by Platts for the 8th consecutive year, with the installed capacity exceeding 40GW

2018

Datang Power was listed into the "Top 250 Global Energy Companies" by Platts for the 12th consecutive year, with the installed capacity exceeding 60GW

2021

Total installed capacity of Datang Power reached 68.77GW, with the installed capacity of clean energy and renewable energy projects contributing to 30.27% of the total. Tuoketuo Power and Yuxian were included in the first batch of large wind and photovoltaic power stations in China, marching towards a new stage of green transformation and development

DISTRIBUTION OF PROJECTS



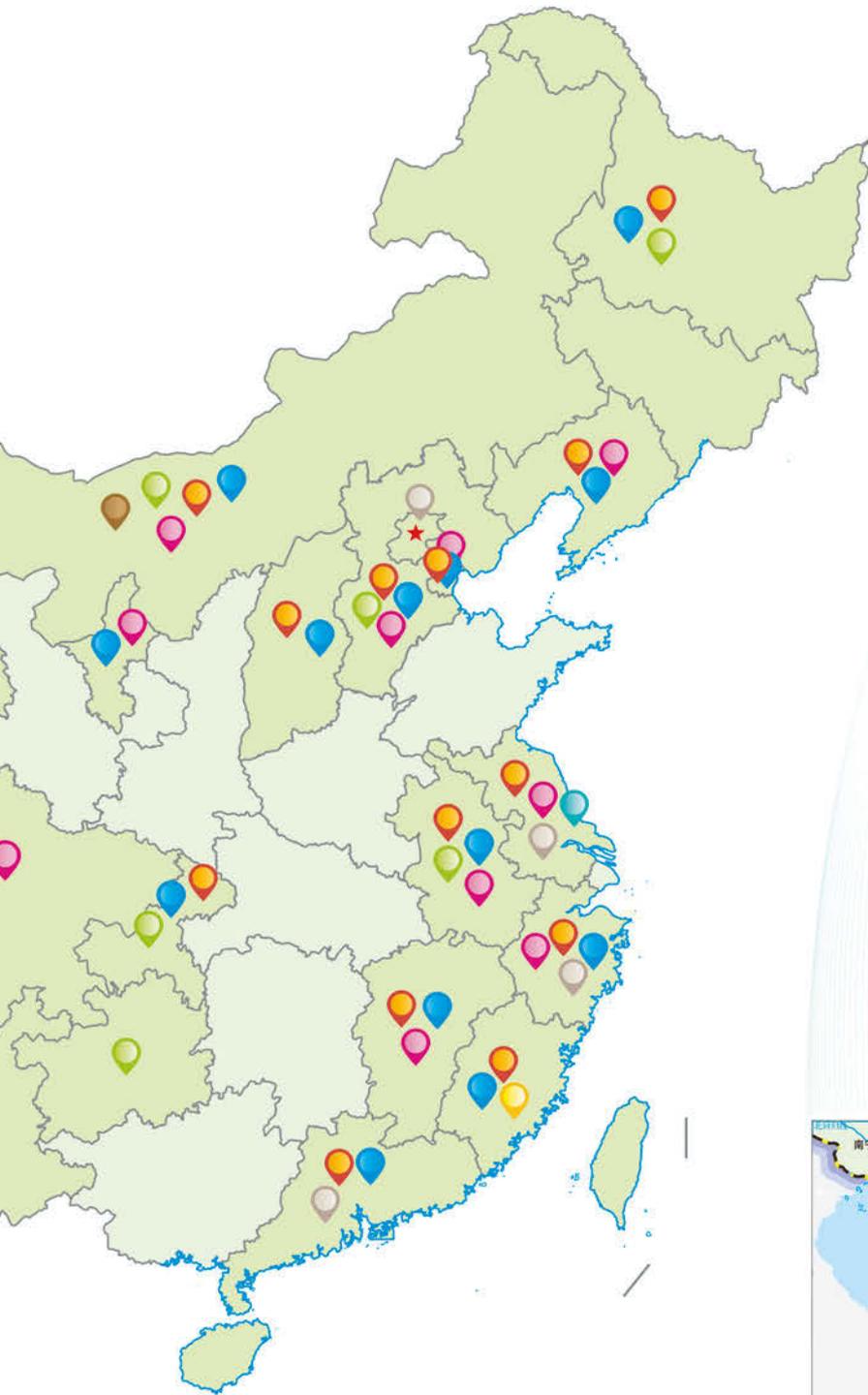
- | | |
|--|---|
|  燃煤發電
Coal-fired Power |  燃氣發電
Gas-fired Power |
|  風力發電
Wind Power |  核能發電
Nuclear Power |
|  水力發電
Hydro Power |  航運項目
Shipping Project |
|  光伏發電
Photovoltaic Power |  煤礦項目
Coal Mine Project |

Note: The map only represents the business type in the region where the Company operates.

註：此地圖僅代表所在地區的業務類型

* Source reference: National Standard Map Service Network
Figure number: GS(2021)5448, 15 April 2022

* 來源參考：國家標準地圖服務網
審圖號GS(2021)5448 號，2022年4月15日



FINANCIAL AND OPERATING HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts expressed in millions of RMB)

For the year ended 31 December	2017	2018	2019	2020	2021
Operating revenue	84,185	93,390	95,453	95,614	103,412
Profit/(loss) before tax	2,858	4,166	4,619	7,144	(11,244)
Income tax expense	(677)	(1,379)	(1,721)	(1,891)	(631)
Profit/(loss) for the year attributable to:					
– Ordinary shares	1,495	1,232	391	1,830	(10,707)
– Other equity instruments	–	–	595	1,159	1,437
– Non-controlling interests	686	1,555	1,911	2,264	(2,606)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in millions of RMB)

As at 31 December	2017	2018	2019	2020	2021
Total assets	279,123	288,250	282,415	280,471	296,100
Total liabilities	207,044	217,760	200,386	188,962	219,825
Other equity instruments	–	5,000	22,935	31,316	32,845
Non-controlling interests	19,832	20,015	16,903	18,322	14,011
Equity attributable to owners of the Company	52,247	45,475	42,191	41,871	29,419

Financial and Operating Highlights

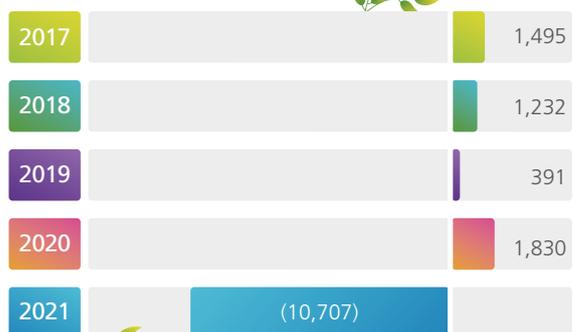
CONSOLIDATED OPERATING REVENUE

(RMB million)



CONSOLIDATED PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHARES

(RMB million)



CONSOLIDATED ASSETS

(RMB million)



TOTAL INSTALLED CAPACITY

(MW)



TOTAL POWER GENERATION

(billion kWh)



TOTAL ON-GRID POWER GENERATION

(billion kWh)



CHAIRMAN'S STATEMENT

2021 was an extremely unforgettable, extraordinary and unusual year for Datang Power. In face of the complex and severe business situation and various risks and challenges, Datang Power adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and resolutely implemented the major decisions and deployments of the Party Central Committee. We experienced tribulations, overcame difficulties, made progresses and moved forward under pressures, and started a new journey of "second entrepreneurship" in an all-round way, and all work has achieved positive results.

This year, we have kept the top priorities of the China in mind, clarified "the individual and the collective", and won the encounter, tough battle and protracted war of energy supply guarantee in stages. In the face of political test, ability test, party spirit test and work style test for political power protection and energy supply guarantee, the Party Committee of the Company has improved the "three political powers", strengthened political leadership, demonstrated political responsibility, successfully completed the 100th anniversary of the founding of the CPC, "two festivals" and "two sessions" and other political power protection tasks, and fully prepared for the power protection work of the Winter Olympics, demonstrating the style of pillar central enterprise. In 2021, our total power generation amounted to 272.925 billion kWh, achieving overall steady progress.



This year, we implemented the “three news and one high”, practiced the “double carbon” goal, and achieved a major breakthrough in green transformation and development. We actively integrated into the national and regional coordinated development strategy. Focusing on large-scale wind and solar bases, competitive configuration of new energy as well as clean and efficient coal power, we gathered development synergies, maintained strategic focus, and fully promoted the green transformation development and high-quality development of the Company. We have 85 clean energy projects approved and filed throughout the year, with a total capacity of 7.3672GW. Inner Mongolia Tuoketuo Power 2GW base project and Hebei Yuxian 1GW base project have been approved as the first batch of large-scale wind power and photovoltaic base projects in China, achieving a good start in the “14th Five-Year Plan”.

This year, we adhered to the system concept and bottom-line thinking, insisted on seeking truth from facts and advancing with the times, and effectively prevented and resolved various risks and challenges. We proactively responded to the severe situation in the electricity, heat and fuel markets, and solidly carried out special actions to improve quality and efficiency centering on “three improvements, two reductions and one governance”, which firmly stabilized the fundamentals of operation. We insisted on coordinating safety and development, and maintained a stable situation of safe production and pandemic prevention and control. In 2021, the coal consumption of the Company for power supply reached 291.72g/kWh. 31 units were awarded in the efficiency competition of thermal power units in China, and 5 units won the national reliable gold medal units.

This year, we adhered to the people-centered principle, relied wholeheartedly on employees, and gathered a strong joint force of entrepreneurship. We always adhered to serving the people, listened to the voice of employees, cared about the well-being of employees, and built a warm enterprise. We thoroughly carried out the activity of “Contributing to the General Public with Practical Actions”, earnestly responded to the “urgent needs, difficulties, worries and expectations”,

and maximized the sharing of development and reform achievements with employees. Thanks to the contributions of our employees who followed the Party and took overall interests into account, withstood great pressure, went through difficulties and devoted great effort due and diligently, we achieved remarkable results.

This year, we proactively fulfilled our social responsibilities, supported rural revitalization, enthusiastically served the public welfare, and established a good corporate image. We proactively designated a work team and staff to rural areas and villages, improved the quality of the rural revitalization work, and constantly promoted the comprehensive rural revitalization. We invested RMB10,155,000 in helping targeted subjects, improved the infrastructure, expanded the collective economy and beautified rural areas. We actively participated in social public welfare undertakings, organized and carried out public welfare activities such as respect for the elderly and voluntary assistance, and promoted the harmonious and stable development of society.

Time never stays stagnant despite constant changes. In the new year, we will adhere to the principle of taking the lead in maintaining stability, seeking progress while maintaining stability, adhering to high-quality development and systematically implementation, embark on a new way with a higher attitude, work hard and move forward bravely, strive to build a first-class listed company with standardized governance, excellent performance, good image, responsible for shareholders, employees, society and preferred by investors, and welcome the victory of the 20th CPC National Congress with excellent achievements!

Chairman

Liang Yongpan

MANAGEMENT DISCUSSION AND ANALYSIS

In 2021, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and resolutely implemented the major decisions and deployments of the CPC Central Committee. Under the complex situation of high coal price operation, fierce competition in green transformation, severe safety production situation and huge pressure on energy supply, we pushed forward under pressure and forged ahead, and all work has achieved positive results.



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 (the "Group") 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.

(II) Review on the Operating Results of Principal Businesses

1. Maintained stable production and strong supply. The Company has always adhered to goal orientation, system concept and bottom-line thinking, strengthened safety management and control, and focused on the implementation of responsibilities, ensuring that the safety risk is manageable and within control, and production safety is stable and orderly. The Company continued to play the role of main force in power guarantee, and successfully completed a series of power guarantee tasks such as the 100th anniversary of the founding of the Party, the "two festivals" and "two sessions". The Company strived to improve the efficiency of units, and actively promoted the transformation of coal-fired power flexibility. The Company strengthened reliability management, and continued to improve equipment health, energy consumption and operational level of environmental protection facilities. The Company has been prudent to prevent and control the pandemic as always, strictly followed the normalized prevention and control of the pandemic, improved the emergency response system, and maintained "double zero" for pandemic prevention and control. The Company strived to promote scientific and technological innovation, and actively carried out technical research on the integrated operation of power, wind, fire and heat storage in Tuoketuo Power.



Management Discussion and Analysis

2. Achieved remarkable results in quality and efficiency improvement. During the reporting period, the Company conducted in-depth special actions to improve quality and efficiency focusing on “three improvements, two reductions and one governance”. Facing the extreme pressure of operation during the year, the Company has taken measures such as actively purchasing long-term coal with price advantage, making good use of electricity price policy, taking the rhythm of power generation, and making every effort to reduce financial expenses and comprehensive financing costs, so as to firmly stabilize the operation base.
3. Achieved great breakthrough in transformation and development. The Company fulfilled the requirements of the “double carbon” goal, accelerated the structural adjustment, and achieved a good start in the “14th Five-Year Plan” green transformation. In 2021, the capacity of new units put into operation of the Company totaled 774.15MW, including wind power projects of 446.05MW and photovoltaic projects of 328.10MW. During the reporting period, there were a total of 85 power generation projects obtained approval with approved capacity of 7,367.16MW, including six wind power projects with approved capacity of 1,862MW, 78 photovoltaic projects with approved capacity of 4,585.16MW and one coal power project with approved capacity of 920MW. The total capacity of the Tuoketuo Power and Yuxian bases is 3,000MW, which obtained the approval for the first batch of large-scale wind power and photovoltaic bases in China. The Company achieved layout optimization and breakthrough progress of the new energy industry in Guangdong, Anhui, Jiangxi, Tianjin and other regions, and the transformation and development of the Company have been greatly improved in quality and speed.
4. Continued deepening in reform and governance. The Company accelerated the promotion of modernization of corporate governance system and governance capability, with modern corporate system improving and governance and risk control system perfecting. The Company continuously enhanced the operation management of the Company, regulated the management of “three committees”, connected transactions and information disclosure, with the Company’s governance level improving.

(III) Major Financial Indicators and Analysis

1. Operating Revenue

During the year, the Group realised operating revenue of approximately RMB103,412 million, representing an increase of approximately 8.16% compared with the previous year, which was mainly attributable to the 7.76% year-on-year increase in operating revenue from power generation segment.

2. Operating Costs

During the year, total operating costs of the Group amounted to approximately RMB111,142 million, representing an increase of approximately RMB26,402 million or approximately 31.16% compared with the previous year, which was mainly attributable to the rise in coal prices.

3. Net Finance Costs

During the year, finance costs of the Group amounted to approximately RMB6,619 million, representing a decrease of approximately RMB260 million or approximately 3.78% over the previous year. The decrease was primarily due to the increase in proportion of equity financing and lower interest rates of borrowings.

4. Total Loss

During the year, the Group reported total loss before tax from continuing operations amounting to approximately RMB11,244 million, representing a year-on-year decrease of approximately 257.39% compared with the previous year. Net loss attributable to equity holders of the Company amounted to approximately RMB9,269 million, while net profit attributable to equity holders of the Company for the year of 2020 amounted to approximately RMB2,989 million.

Power generation segment of the Company realised total loss before tax from continuing operations of approximately RMB12,719 million, representing a year-on-year decrease of approximately RMB20,078 million.

5. Financial Position

As at 31 December 2021, total assets of the Group amounted to approximately RMB296,100 million, representing an increase of approximately RMB15,628 million compared with the end of 2020. The increase in total assets was mainly due to the increase in inventories, prepayments to suppliers and prepayments for properties, plant and equipment.

Total liabilities of the Group amounted to approximately RMB219,825 million, representing an increase of approximately RMB30,863 million compared with the end of 2020. The increase in total liabilities was mainly due to the increase in the principal of the loan.

Net loss attributable to equity holders of the Company amounted to approximately RMB9,269 million, representing a decrease of approximately RMB12,258 million compared with the end of 2020. Net asset value per share attributable to ordinary shareholders of the Company amounted to approximately RMB1.59, representing a decrease of approximately RMB0.67 per share compared with the end of 2020.

6. Liquidity

As at 31 December 2021, the debt ratio of the Group was approximately 74.24%. The net debt-to-equity ratio (i.e. (loans + short-term financing bonds + long-term bonds – cash and cash equivalents)/owner's equity) was approximately 207.30%.

As at 31 December 2021, cash and cash equivalents of the Group amounted to approximately RMB11,258 million, among which deposits that were equivalent to approximately RMB108 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the year.

As at 31 December 2021, short-term loans of the Group amounted to approximately RMB39,277 million, bearing annual interest rates ranging from 1.38% to 5.20%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB102,616 million and long-term loans



Management Discussion and Analysis

repayable within one year amounted to approximately RMB11,770 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.20% to 5.39%. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

7. Welfare Policy

As at 31 December 2021, the staff of the Group totaled 32,641. The evaluation and distribution system of the Group has been further improved. The Group has enhanced the management and control of compensation distribution procedures, promoted in-depth the matching between work and performance, pushed ahead the further tilt of salary to core backbone personnel and front-line production personnel, and established a “three-in-one” performance evaluation system of “monthly evaluation, annual evaluation and special evaluation”. It has achieved timely process control, highlighted key objectives, and made obvious differences in incentives. 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. In 2021, the Group adhered to the principle of adaptation to local conditions and personal aptitudes, designated the educational training to entities, gave full play to the roles of the enterprises as training entities and professional training bases, clarified responsibilities and duties, highlighted the focus, the training echelon covering all staff has become more mature, with an aim to develop the talent team with expertise, skills and innovation concept of the Group.

(IV) Outlook for 2022

In 2022, in face of more complex tasks and challenges, the Company will always uphold high-quality development, systematic decision-making, continuously deepen the special actions to improve quality and efficiency focusing on “three improvement, two reductions and one governance”, conduct operations and seek for development while maintaining steady growth, accelerate the adaptability to the construction of unified power market system of the PRC, firmly promote the “second entrepreneurship” in a deep and strong manner, ensuring the achievement of steady growth in operating performance and bringing more profits and returns to the shareholders.

1. Improve the safety management and control ability. The Company will deeply implement the important remarks in safety production proposed by General Secretary Xi Jinping, uphold coordinated development and safety, apply the safety concept into the whole course of development fields. The Company will commit to maintaining the red bottom line of safety production, improve the system and



Management Discussion and Analysis

optimize the procedures, further perfect the dual prevention mechanism, so as to build the intrinsically safe enterprise. The Company will resolutely consolidate the safety defense line in pandemic prevention and control, strengthen contingency management, refine contingency measures and complete key political power guarantee tasks in different timelines and in a high-quality manner.

2. Improve market competitiveness. The Company will insist on seeking benefits from lean management, firmly and unswervingly adhere to the profit target, and implement policies over times to promote the deepening and upgrading of quality and efficiency improvement. The Company will always maintain a keen market sense, optimize the procurement strategy of thermal coal, build a low-cost supply chain, and effectively achieve fuel supply and price control. In addition, the Company will refine our marketing management and strive to generate profitable electricity. The Company will also innovate the marketing model, improve customer stickiness, strengthen the whole-process cost control, and strive for policy subsidies to create benefits.
3. Improve the ability of transformation and development. The Company will serve the goals of "carbon peaking" and "carbon neutrality", unremittingly optimize inventory and expand increments; and the Company will concentrate on building bases and grasp indicators; make every effort to start construction and ensure production; accelerate the increase in the proportion of new energy; accelerate the layout of new business formats such as energy storage and comprehensive smart energy services, and fight the tough battle of new energy speed and efficiency enhancement and new industry revitalization and expansion. In addition, the Company will coordinate and promote the

optimization and development of regional stock assets, incremental assets and reduced assets; research and support coal power enterprises to transform into multi-energy complementary enterprises and "power generation +" comprehensive energy service enterprises; realize the optimal combination of coal power and new energy, make every effort to win the tough battle of coal power quality improvement and optimization.

4. Improve the ability of reform and innovation. The Company will persist in comprehensively deepening reforms and strive to obtain vitality from reforms. The Company will also focus on innovation-driven development and strive to gain momentum from innovation. In addition, the Company will improve the corporate governance structure to ensure legal rights and responsibilities and their transparency. The Company will also improve the market-oriented employment mechanism to fully stimulate the vitality of employees; and scientifically verify the quota, strictly control the quality of employment, and improve labor productivity. The Company will comprehensively deepen the management of enterprises by law and the construction of central enterprises under the rule of law; and improve the level of legal construction, audit supervision, and risk management and control. The Company will further strengthen investor relationship management, boost market confidence and stimulate the vitality of the listed company.



FULFILLMENT OF SOCIAL RESPONSIBILITIES

I. Our responsibility



Innovation and synergy for value creation enhancement

Innovation is the inexhaustible driving force for development. Datang Power actively improves the innovation management system, continuously optimizes the innovation team, promotes the multi-dimensional application of scientific and technological achievements, and strives to build an innovative enterprise. The Company responds to the requirements of power market reform, optimize the electricity price structure, establish mutually beneficial and win-win relations with various parties, create market value as well as better life.

Solid barrier for promotion of safe development

Datang Power adheres to the “people first” and “life first” and firmly establishes the concept of safe development. The Company actively publicizes and implements the new “Production Safety Law”, fully implements the production safety deployment and requirements of the Group, strengthens the implementation of safety responsibilities, strengthens safety production control, consolidates the foundation of safety production, and firmly upholds the bottom line of safety production.

Low carbon and environmental protection for accelerating green transformation

Datang Power adheres to green development, actively implements the requirements of “Three New and One High” and the goal of “dual carbon”, deeply develops clean energy, promotes the improvement and upgrading of coal power, actively promotes energy conservation and consumption reduction, takes the initiative to respond to climate change, performs the “Convention on Biological Diversity”, and makes contributions to reducing environmental pollution.

People-orientation for sharing development achievements

Datang Power always adheres to people-orientation, fully respects the basic rights and interests of employees, carefully constructs an employee growth platform, cares about the work and life of employees, and develops with employees.

Work together to promote harmony and win-win results

Datang Power adheres to the concept of win-win cooperation and makes common development and progress with stakeholders. The Company comprehensively promotes rural revitalization, highlighting the feelings of home and country, and promotes local economic and social development and pushes ahead common prosperity. The Company actively participates in social public welfare undertakings to convey warmth and love.

II. Stakeholder management

We are concerned about the communication and participation with stakeholders. We positively accept public supervision by regularly releasing social responsibility reports. We listen to the voices from all parties and respond to their aspirations via diversified communication mechanisms and communication channels.

Stakeholders	Expectations and Requirements	Communication Methods	Performance Indicators
 Shareholders and investors	<ul style="list-style-type: none"> Stable income Sound risk management Corporate governance and operations Operation in compliance Improving profitability Increasing market value Reducing the operational risk of the Company ESG performance 	<ul style="list-style-type: none"> Annual report of Datang Power General meeting of shareholders Reverse roadshow Investor conference Daily communication ESG report 	<ul style="list-style-type: none"> Communicating closely with investors Improving the timeliness of information disclosure Enhancing the profitability of the Company Adopting market suggestions to improve the management of Datang Power
 Customers	<ul style="list-style-type: none"> Contract fulfillment Quality assurance Service guarantee Mutual benefit Protection of customers' rights and interests Customer privacy protection Caring for vulnerable groups 	<ul style="list-style-type: none"> Weibo, WeChat official account, official website Customer satisfaction survey 	<ul style="list-style-type: none"> Strictly keeping business secrets Protecting customer information Providing high-quality, efficient, safe and green Energy
 Staff	<ul style="list-style-type: none"> Safeguarding the legitimate rights and interests of employees Ensuring occupational safety and health Providing reasonable remuneration and benefits Access to equitable career development opportunities Caring for retired employees 	<ul style="list-style-type: none"> Workers' congress and labor union Employee seminar Organizing vocational training Employee mutual care activities Feasible suggestions Business disclosure Daily communication Employee physical examination 	<ul style="list-style-type: none"> Signing and complying with labor contracts according to law and adopting democratic management Establishing occupational safety management system and strengthening occupational health protection of employees Providing sound salary and welfare guarantee Providing systematic career planning and employee Development Training Visiting retired employees and providing services for retired employees
 Partner	<ul style="list-style-type: none"> Win-win partnership Clean business environment Establishing harmonious and interactive friendly relations Promoting the sustainable development of the industry Achieving win-win cooperation and common development 	<ul style="list-style-type: none"> Industry associations Cooperation agreement High-level mutual visits Strategic cooperation Regular communication meeting 	<ul style="list-style-type: none"> Constantly expanding Communication and cooperation channels Strengthening communication and cooperation with stakeholders

Fulfillment of Social Responsibilities

Stakeholders	Expectations and Requirements	Communication Methods	Performance Indicators
 <p>Government and Regulatory Agencies</p>	<ul style="list-style-type: none"> • Legal compliance • Compliance operation • Paying taxes according to law • Energy conservation and emission reduction • Promoting employment • Responding to national strategies 	<ul style="list-style-type: none"> • Attending meetings • Work reports • Information submission • Reporting materials regularly • Participating in relevant seminars organized by government or regulatory agencies 	<ul style="list-style-type: none"> • Accelerating the transformation of the mode of economic development • Complying with laws and regulations • Actively communicating with relevant regulatory authorities
 <p>Communities</p>	<ul style="list-style-type: none"> • Improving people's livelihood • Community communication • Charity • Supporting regional economic development • Protecting living environment of communities • Establishing harmonious community relations 	<ul style="list-style-type: none"> • Cooperation and joint construction • Charitable activities • Publicity activities • Organizing volunteer activities • Carrying out donation activities 	<ul style="list-style-type: none"> • Driving the economic development of areas where our operations are located • Organizing charitable activities on environmental protection • Launching community-based volunteering activities
 <p>Environment</p>	<ul style="list-style-type: none"> • Environmental protection • Effective utilization of resources • Energy conservation and emissions reduction • Addressing climate change 	<ul style="list-style-type: none"> • Organizing public welfare activities on environmental protection • Green operation 	<ul style="list-style-type: none"> • Developing circular economy • Developing green office • Ensuring all pollutants to be discharged up to standard
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Long-term cooperation • Keeping promise • Open, fair and impartial procurement • Common development • Mutual benefit 	<ul style="list-style-type: none"> • Supplier conference • Bidding information disclosure • Strategic cooperation • Cooperation agreement 	<ul style="list-style-type: none"> • Implementing open and transparent business principles and processes • Standardizing management and honoring contracts and agreements • Implementing responsible procurement



HUMAN RESOURCES OVERVIEW

1. Composition of employees (specialty, educational background)

Total number of employees: 32,641. By major: management: 6,855; professional technicians: 5,467; production personnel: 18,598; other staff: 1,721. By educational background: postgraduate and above: 913; undergraduate: 18,241; college graduate: 8,103; secondary technical: 2,775; high-school graduate or below: 2,609.

2. Staff management

In 2021, on the human resources management front, by focusing on core tasks of the enterprise, we vigorously implemented the strategy of strengthening the enterprise with talents. We focused on optimizing the allocation of human resources, continued to strengthen the construction of leadership and cadre teams at all levels, continuously improved and strengthened salary incentives and performance evaluation, further increased training efforts, consolidated the foundation for talent growth, successfully implemented various reform measures of the Company, and successfully completed various tasks of the year.

3. Staff training

The Company always pays attention to the implementation of hierarchical and classified training for all employees. We have established and improved a long-term mechanism for talent training, and enhanced the core competitiveness of the Company. We organized targeted professional trainings, continuously consolidated the training foundation, increased investments in staff training and promoted the implementation of career training for the staff, attracting various types of talents to join the Company and

building up talent reserve for the sustainable and healthy development of the Company. In 2021, the Group adhered to the principle of “adaptation to local conditions and personal aptitudes”, designated the educational training to entities, gave full play to the roles of the enterprises as training entities and professional training bases, clarified responsibilities and duties, highlighted the focus, and the training echelon covering all staff has become more mature, with an aim to develop the talent team with expertise, skills and innovation concept of the Group. During the year, the Company organized systematic trainings for 669,928 staff, including trainings for management personnel and professional technicians with 183,074 participants, trainings for production personnel with 470,125 participants and other trainings with 16,729 participants.

4. Implementation measures

- (1) The construction of the cadre team has been further strengthened. We focused on increasing the selection of young cadres, which has promoted the younger generation of the Company’s cadres. We focused on exercising and training, strengthened cadre communications, and accelerated the experience and growth of cadres. We also focused on assessment and evaluation, actively responded to the pandemic, and innovatively developed the “Internet +” cadre evaluation system, which provided important support for the selection and appointment of cadres. We focused on capacity building and compiled the “General Handbook of Know-hows for Leaders” to accelerate the improvement of new cadres’ ability to perform their duties.



Human Resources Overview

- (2) The deepening of reform has achieved practical results. In accordance with the three-year action plan for the reform of state-owned enterprises, enterprises inside the company system have fully implemented reforms in the managerial tenure system and contractual management, and reforms in the pilot reform of the professional manager system. The dynamism of reform was gradually reflected. We have further deepened the construction of a market-oriented employment mechanism, formulated a new energy-oriented labor employment plan, explored and implemented independent maintenance and contracted operation and maintenance within the system, promoted the flow of human resources in the system, and fully stimulated the human resources. The vitality of resources effectively improved labor productivity.
- (3) The vitality of the talent team has been stimulated. We paid attention to the training and recommendation of talents, and strived to play the leading and exemplary role of high-level talents. During the year, there were several national technical experts, central enterprise technical experts, electric power industry craftsmen, etc. We continued to deepen the multi-channel construction of employees' careers focusing on professional technical and production skilled talents, which promoted the growth and success of employees based on their positions, effectively mobilized the internal motivation of the majority of employees in the system to become talents, and played an important role in accelerating the construction of the Company's talent team.
- (4) Assessment and distribution system has been further improved. We have strengthened the management and control of the salary distribution process, further promoted the matching of work efficiency, and promoted the salary to be further inclined to the core backbone personnel and front-line production personnel. We also have strengthened the performance appraisal of all employees, and established a three-in-one performance evaluation system of "monthly evaluation, annual evaluation and special rewards" to achieve timely process control, prominent key objectives, obvious differences in incentives, and further played the role of salary incentives.

5. Directors, Supervisors and senior management (as at the date of this report)

Biographies of Directors



Liang Yongpan

Chairman, Executive Director, General Manager

Mr. Liang, aged 56, is a senior engineer with a bachelor's degree. He participated in work in Lanzhou No. 2 Thermal Power Factory since August 1988. He has been a director of the tenth session of the Board of the Company since 1 July 2019. He was once the General Manager of Lanzhou Xigu Thermal Power Co. Ltd., Member of Party Committee, Deputy General Manager and Chairman of the Labour Union of Datang Gansu Power Generation Co., Ltd., Deputy Head of Planning, Investment and Financing Department of CDC, as well as the Secretary of Party Committee and General Manager of Datang Gansu Power Generation Co., Ltd., the Head of Planning and Marketing Department of CDC, the Director of Safety Production Department of CDC, the Assistant of the General Manager of CDC and the Chairman and the Party Secretary of Datang Jingjinji Power Development Company Limited and the Head of Beijing-Tianjin-Hebei Branch Company of Datang International Power Generation Co., Ltd. He is currently the Chairman, Party Committee Secretary and General Manager of the Company.



Ying Xuejun

Non-executive Director

Mr. Ying, aged 55, is a senior engineer with a bachelor's degree. He participated in work in Douhe Power Plant since July 1985 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He was once the Deputy General Manager of Douhe Power Plant, the Deputy General Manager of Tuoketuo Power Generation Company Limited, a Member of Party Committee and the Deputy General Manager of Inner Mongolia Branch Company of Datang, the General Manager of Tuoketuo Power Generation Company Limited. He served as the Chief of the Integrated Planning Department, the Deputy Chief Economist and the Chief of the Integrated Planning Department, Chief Economist and the Chief of the Securities and Capital Department, Deputy General Manager, Party Committee Member and the Chief of the Securities and Capital Department of the Company, Deputy General Manager, Party Committee Member, Secretary to the Board, Chairman of the Labour Union of the Company and the General Manager of Guangdong Branch Company. He is currently a Director of the Company and the Executive Director and Party Committee Secretary of Guangdong Branch Company.

Human Resources Overview

Biographies of Directors



Liu Jianlong

Non-executive Director

Mr. Liu, aged 59, is a senior engineer with a master degree in engineering, has been a director of the tenth session of the Board of the Company since 17 November 2021. He successively served as a member of the Party Group, deputy general manager and head of discipline inspection committee of Hunan Huayin Electric Power Co., Ltd. (湖南華銀電力股份有限公司) (currently known as Datang Huayin Electric Power Co., Ltd.); deputy director of the safety and production department of China Datang Corporation; secretary of the Party committee and deputy general manager of Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司); director of science, technology and informatization department of China Datang Corporation Ltd.; general manager and deputy secretary of the Party committee of Jiangxi branch of China Datang Corporation Ltd.; general manager and deputy secretary of the Party committee of Jiangxi branch of Datang International; general manager and secretary of the Party committee of Datang Hubei Energy Development Co., Ltd. (大唐湖北能源開發有限公司); director of Yangtze River Economic Belt Planning and Development Center of China Datang Corporation (中國大唐集團長江經濟帶規劃發展中心); secretary of the Party committee and deputy general manager of Hunan branch of China Datang Corporation Ltd.; secretary of the Party committee, deputy general manager and a Director of Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司) (600744.SH). He is currently a fulltime director of China Datang Corporation Ltd., non-executive director of China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (1798.HK) and a Director of the Company.



Su Min

Non-executive Director

Mr. Su, aged 59, is a senior engineer with a master degree in engineering, has been a director of the tenth session of the Board of the Company since 17 November 2021. He successively served as a specialist engineer in Wuxi branch of the No. 703 Institute of China State Shipbuilding Corporation (中國船舶總公司第703研究所); an engineer of engine department, deputy chief engineer, deputy director, deputy director and deputy manager of Construction and Commissioning Company, and director of Northwest Electricity Construction Commissioning and Construction Research Institute (西北電建調試施工研究所); vice general manager of Northwest (Shaanxi) Electricity Construction Corp. Co. (西北(陝西)電建集團公司); deputy director of the infrastructure department of Shandong Electricity Bureau; chief of the infrastructure department of Shaanxi Electricity Company (陝西省電力公司); vice general manager and chief of infrastructure department as well as chief of preparation and construction department of technical improvement project in Huxian of Shaanxi Electricity Generation Company (陝西電力發電有限公司); chief of Datang Luoyang Thermal Power Plant (大唐洛陽熱電廠); general manager of Luoyang Shuangyuan Thermal Power Co., Ltd. (洛陽雙源熱電有限責任公司); general manager of Datang Luoyang Thermal Power Co., Ltd. (大唐洛陽熱電有限責任公司); deputy general manager of Henan branch of China Datang Corporation Ltd.; deputy general manager and general manager of Datang Jilin Power Generation Co., Ltd. (大唐吉林發電有限公司); and director of the engineering management department of China Datang Corporation Ltd. He is currently a full-time director of China Datang Corporation Ltd. and a Director of the Company.

Biographies of Directors



Xiao Zheng

Non-executive Director

Mr. Xiao, aged 57, is a senior economist with a bachelor degree, has been a director of the tenth session of the Board of the Company since 30 December 2021. He has served as secretary of the Youth League General Branch of the Taiji Engineering Division of Shanxi Electric Power Construction No. 1 Engineering Company (山西省電力建設第一工程公司); deputy secretary of the Youth League Committee of Shanxi Electric Power Construction No. 4 Engineering Company (山西省電力建設第四工程公司); director of the office of Shanxi Electric Power Huaqing Enterprise Company (山西電力華青企業公司); director of the office of Diversified Operation and Management Administration of Shanxi Electric Power Company (山西省電力公司); deputy director of the General Manager Work Department of Shanxi Jinneng Group Co., Ltd. (山西晉能集團有限公司); cadre and deputy director of the Diversified Operation Division of the Human Resources Department of the State Power Corporation (國家電力公司); deputy director (in charge of the work) of the Comprehensive Utilization Division of the Diversified Operation and Management Department of Huaneng Power International, Inc. (600011.SH, 0902.HK, HNP.N); deputy director (in charge of the work), and director of the Diversified Operation and Management Division of the Human Resources Department, and deputy director of the Human Resources Department of China Datang Corporation Ltd. (中國大唐集團有限公司); secretary of the Party group and deputy general manager of Datang Yunnan Power Generation Co., Ltd. (大唐雲南發電有限公司); secretary of the Party Committee and deputy general manager of Datang Yunnan Power Generation Co., Ltd.; and secretary of the Party Committee and deputy general manager of Datang Shaanxi Power Generation Co., Ltd. (大唐陝西發電有限公司). He is currently a Director, the deputy secretary of the Party Committee and chairman of the Labour Union of the Company.



Zhu Shaowen

Non-executive Director

Mr. Zhu, aged 57, is a master's degree holder and a senior engineer with postgraduate qualifications and has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Zhu has successively served as an Engineer and the Deputy Head of Specialty Department at Tianjin Electric Power Science Research Institute, Head of Planning and Design Department of State Grid Tianjin Electric Power Company, Deputy Head of Project Department, Vice-manager (Person-in-Charge) and Manager of Power Development Department and Manager of Project Development Department of Tianjin Jinneng Investment Co., Ltd., General Manager (concurrent) of Tianjin Jinneng Wind Power Co., Ltd. He is currently the Manager of Electric Power Department of Tianjin Energy Investment Group Limited and a Director of the Company.

Human Resources Overview

Biographies of Directors



Cao Xin
Non-executive Director

Mr. Cao, aged 50, is a principal senior economist and a doctoral candidate from Renmin University of China. Mr. Cao started to work at Hebei Construction Investment Company in July 1992 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He served as the Project Manager and Assistant to Manager of the Industrial Branch Office of Hebei Construction Investment Company, Assistant to Manager and Deputy Manager of the Asset Management Branch Company of Hebei Construction Investment Company, Manager of Public Utilities Second Department of Hebei Construction Investment Company cum General Manager of Hebei Construction Investment New Energy Co., Ltd., Assistant to General Manager of Hebei Construction Investment Company cum Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd., a standing member of the Party Committee of Hebei Construction Investment Company and Secretary of Party Committee and President of China Suntien Green Energy Corporation Ltd. (0956.HK), Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd. He is currently a member of the standing committee of Party Committee and Deputy General Manager of Hebei Construction & Investment Group Co., Ltd., the Chairman of China Suntien Green Energy Corporation Ltd. (600956.SH, 0956.HK) and a Director of the Company.



Zhao Xianguo
Non-executive Director

Mr. Zhao, aged 53, is a senior engineer with a postgraduate degree. Mr. Zhao started his career in the electric branch of Xingtai Power Generation Plant in 1990 and has been a director of the tenth session of the Board of the Company since 1 July 2019. He has been the Engineer Head of the Office of the Electric Repair Branch of Xingtai Power Generation Plant, an Assistant to the Head of the Electric Repair Branch and an Assistant to the Head, Deputy Head and Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy Chief Economist and the Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy General Manager of Hebei Construction & Investment Xuanhua Thermal Power Company Limited. He is currently the Deputy General Manager of the Appraisal and Evaluation Department of Hebei Construction & Investment Group Co., Ltd. and a Director of the Company.

Biographies of Directors



Jin Shengxiang

Non-executive Director

Mr. Jin, aged 47, a principal senior engineer with a postgraduate degree and a master degree of engineering and has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Jin was a cadre of Turbine Research Institute of Beijing Electric Power Research Institute, a cadre of Turbine Research Institute of North China Electric Power Research Institute Co., Ltd., the Manager of the Infrastructure Commissioning Project of Turbine Research Institute and the Deputy Head of Turbine Research Institute. He served as the Manager of the Production Safety Department and the Vice President of Beijing Jingneng International Energy Co., Ltd., and the Deputy Director and the Director of Electricity Production and Operation Department and the Director of the Production Management Department of Beijing Energy Investment Holding Co., Ltd. He has been the Director of the Production Management Department of Beijing Energy Holding Co., Ltd., and the Director of Beijing Jingneng Clean Energy Co., Limited (0579.HK). He is currently the safety director and the head of Safety, Technology and Environmental Protection Department of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司), a director of Beijing Jingneng Power Co., Ltd. (600578.SH) and a Director of the Company.



Sun Yongxing

Non-executive Director

Mr. Sun, aged 55, is a senior engineer with a bachelor degree. He participated in work in July 1989 and has been serving as a director of the tenth session of the Board of the Company since 18 December 2020. He successively served as a chief engineer of Inspection Branch of Beijing Jingneng Thermal Power Co., Ltd.; project manager of the power investment department of Beijing International Power Development and Investment Company; deputy director (presiding work) of the preparation division of Ningxia Shuidonggou Power Plant; deputy general manager (presiding work) of Ningxia Jingneng Ningdong Electric Power Co., Ltd.; manager of Jingneng (Chifeng) Energy Development Co., Ltd. (京能(赤峰)能源發展有限公司); deputy officer of the security and technological environmental department of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司); deputy officer of the security and technological environmental department of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司). He is currently a fulltime director of invested enterprises of Beijing Energy Group Co., Ltd., a director of Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) (600578.SH) and a Director of the Company.

Human Resources Overview

Biographies of Directors



Liu Jizhen

Independent Non-executive Director

Mr. Liu, aged 70, is a professor, a tutor of doctoral students and an academican of the Chinese Academy of Engineering. He has been a director of the tenth session of the Board of the Company since 1 July 2019. Mr. Liu has successively served as the Head of the Faculty of Power of North China Power College; served as the Vice Dean of the North China Power College, the Vice Principal of the North China Electric Power University and the Principal of Baoding Campus; served as the Principal of the School of Water Resources and Hydropower Engineering, Wuhan University; and served as the Principal of the North China Electric Power University. He currently serves as the Head of the State Key Laboratory of Alternate Electrical Power System with Renewable Energy Sources, the chief scientist of the “973 Programme” and Independent Director of Huaneng Power International Inc. (600011.SH, 00902.HK). He concurrently serves as the Vice President of Chinese Society for Electrical Engineering, a Fellow of the Institution of Engineering and Technology (FIET) and the Vice President of the China Association for Public Safety.



Niu Dongxiao

Independent Non-executive Director

Mr. Niu, aged 59, is a professor and doctoral supervisor with a doctoral degree majoring in technology economics and management. He has been serving as a director of the tenth session of the Board of the Company since 29 April 2020. He served as a professor in the Department of Basic Sciences of North China Electric Power University, a professor and dean of the School of Economics and Management of North China Electric Power University. He is a distinguished professor under the Yangtze River Scholars Programme, a national candidate for the multi-million talent project in the new century and a decision making consultant expert of the China Association for Science and Technology, and is entitled to special government allowances by the State Council and served as the director of the China Energy Economic Management Research Center. He is currently a professor in the School of Economics and Management of North China Electric Power University; the deputy director of the North China Electric Power University Academic Committee and the director of China Green Power Development Research (111) Discipline Innovation Base; member of Academic Committee of Chinese Society for Electrical Engineering; executive director of the Chinese Committee of the International Association for Energy Economics (IAEE); vice chairman of the Chinese Society of Technical Economics; chairman of the Overall Planning Department of Chinese Society of Optimization, Overall Planning and Economical Mathematics.

Biographies of Directors



Kou Baoquan

Independent Non-executive Director

Mr. Kou, aged 54, holds a doctorate degree in electrical machinery and electrical appliances, and is a professor and a doctoral supervisor, has been a director of the tenth session of the Board of the Company since 17 November 2021. He is currently a professor of the School of Electrical Engineering and Automation and the executive deputy director of the Key Laboratory of Energy Storage and Power Conversion Technology of the Ministry of Industry and Information Technology of Harbin Institute of Technology. He is also an IEEE member, a senior member of the China Electrotechnical Society and an editorial board member of "Smart Grid". He is a communication review expert for the National Natural Science Foundation of China and the National Key R&D Programmes, and a communication review expert for the Provincial Science and Technology Award and the National Science and Technology Award. He was selected into the New Century Excellent Talent Support Program of the Ministry of Education in 2008.



Zong Wenlong

Independent Non-executive Director

Mr. Zong, aged 48, holds a doctorate degree in accounting, has been a director of the tenth session of the Board of the Company since 17 November 2021. He served as an independent director of many companies including Huadian Power International Corporation Limited (華電國際電力股份有限公司) (600027.SH), Beijing Aerospace Changfeng Co., Ltd. (北京航天長峰股份有限公司) (600855.SH), Beijing Dongfang Guoxin Technology Co., Ltd. (北京東方國信科技股份有限公司) (300166.SZ) and Datang Telecom Technology Co., Ltd. (大唐電信科技股份有限公司) (600198.SH). He is currently a professor of the School of Accounting and the head of the Department of Financial Accounting of Central University of Finance and Economics, an independent director of China Television Media Ltd. (中視傳媒股份有限公司) (600088.SH) and an independent director of Ningxia Jiaze Renewables Corporation Limited (寧夏嘉澤新能源股份有限公司) (601619.SH).

Human Resources Overview

Biographies of Directors



Si Fengqi

Independent Non-executive Director

Mr. Si, aged 49, holds a doctorate degree in power machinery and engineering, and is a professor and a doctoral supervisor, has been a director of the tenth session of the Board of the Company since 17 November 2021. He was a visiting scholar at Lehigh University in the United States and a visiting scholar at the University of Alberta in Canada. He is currently the professor of Southeast University School of Energy and Environment and deputy director of the Key Laboratory of Energy Thermal Conversion and Its Process Measurement and Control of the Ministry of Education. He is also a director of Chinese Society of Power Engineering, vice chairman of Automatic Control Special Committee, deputy director of the Steam Turbine Special Committee of China Electricity Technology Market Association, director of Jiangsu Society for Engineering Thermophysics and director of Energy Research Association of Jiangsu Province.

Biographies of Supervisors



Guo Hong

Chairman of the Supervisory Committee

Ms. Guo, aged 53, is a senior economist with a postgraduate degree. She has been a member of the tenth session of the Supervisory Committee of the Company since 17 November 2021. Since 2003, she has successively served as the deputy officer of the human resources department, the officer of the human resources department, Deputy Economist and Manager of Import and Export Company of China National Water Resources & Electric Power Materials & Equipment Co., Ltd., the department head of the senior management personnel office of the human resources department of CDC, the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of Datang International and the director of the human resources department, a supervisor, the deputy general manager and chairman of the Labour Union of the Company. She is currently the chairman of the Supervisory Committee, the Party Committee Member and the Secretary of Committee for Discipline Inspection of the Company.



Zhang Xiaoxu

Vice Chairman of the Supervisory Committee

Mr. Zhang, aged 58, is a senior accountant with a bachelor degree. He has been a supervisor of the tenth session of the Supervisory Committee of the Company since 1 July 2019. Mr. Zhang commenced his career in Liaoning Fushun First Construction Company in 1982. He served as an accountant in Liaoning Fushun First Construction Company, Accountant and Chief Accountant of Financial Department of Liaoning Power Plant; and Deputy Head and Head of Finance Department, Deputy Chief Accountant, Chief Accountant of Liaoning Nenggang Power Generation Co., Ltd., and the Vice Manager and Manager of Financial Department of Tianjin Jinneng Investment Co., Ltd., the Manager of the settlement center of Tianjin Energy Investment Group Co., Ltd., and the General Manager of Tianjin Energy Group Finance Co., Ltd. He currently serves as the chairman of Tianjin Energy Group Finance Co., Ltd., and the vice chairman of the Supervisory Committee.

Human Resources Overview

Biographies of Supervisors



Xu Xiangyang

Member of the Supervisory Committee

Mr. Xu, aged 50, is a bachelor's degree holder and senior engineer, has been a Supervisor of the tenth session of the Supervisory Committee of the Company since 2 December 2021. Mr. Xu successively served as the Director, Deputy Manager of the Thermal Control Room of the Equipment Department and the Deputy Manager, Director of the Human Resource Department of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, the Deputy Director, Director of the Human Resource Department of Inner Mongolia Branch Company of Datang, Head of Labor Organization Division of the Human Resource Department of Datang International Power Generation Co., Ltd., the Deputy Director of Human Resources Department of Datang Jingjinji Power Development Company Limited, the Deputy Director of Human Resources Department of the Company. He currently serves as the Director of Human Resources Department of the Company.



Wang Tongliang

Member of the Supervisory Committee

Mr. Wang, aged 42, is a master's degree holder and an auditor, has been a Supervisor of the tenth session of the Supervisory Committee of the Company since 2 December 2021. He successively served as the Deputy Chief Staff Member of the Economic and Trade Audit Office, the Deputy Chief Staff Member and the Chief Staff Member of the Enterprise Audit Office of the Xi'an Special Commissioner's Office of the National Audit Office, the Chief Staff Member of the Administrative Business Audit Office of the Nanjing Special Commissioner's Office of the National Audit Office, and the Director of the Second Division of Supervision and Audit Department, Director of the Audit Division of the Datang International, the Deputy Director of the Supervision and Audit Department, the Deputy Director of the Disciplinary Committee Office (Audit Department) of Datang Jingjinji Power Development Company Limited, the Deputy Director of the Securities Capital Department (Audit Department) of the Company, the Deputy Director of the Disciplinary Committee Office (Audit Department), Deputy Director of the Disciplinary Committee Office and Deputy Director of the Asset Management Department (in charge of the work) of Datang Jingjinji Power Development Company Limited, the Deputy Director of Disciplinary Committee Office, Deputy Director (in charge of the work), Director of the Asset Management Department of the Company. He is currently the Director of the Legal Risk Control Department (Audit Department) of the Company.

Biographies of senior management



Liang Yongpan

Chairman, Executive Director, General Manager

Mr. Liang, aged 56, is a senior engineer with a bachelor's degree. He participated in work in Lanzhou No. 2 Thermal Power Factory since August 1988. He has been a member of the senior management of the Company since 30 August 2019. He was once the General Manager of Lanzhou Xigu Thermal Power Co. Ltd., Member of Party Committee, Deputy General Manager and Chairman of the Labour Union of Datang Gansu Power Generation Co., Ltd., Deputy Head of Planning, Investment and Financing Department of CDC, as well as the Secretary of Party Committee and General Manager of Datang Gansu Power Generation Co., Ltd., the Head of Planning and Marketing Department of CDC, the Director of Safety Production Department of CDC, the Assistant of the General Manager of CDC and the Chairman and the Party Secretary of Datang Jingjinji Power Development Company Limited and the Head of Beijing-Tianjin-Hebei Branch Company of Datang International Power Generation Co. Ltd. He is currently the Chairman, Party Committee Secretary and General Manager of the Company.



Wang Zhenbiao

Deputy General Manager

Mr. Wang, aged 57, is a senior engineer with a postgraduate degree. He has been a member of the senior management of the Company since 28 October 2021. He successively served as deputy director of the power generation division of the production technology department of North China Power Group Company (華北電力集團公司); chief engineer of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (內蒙古大唐國際托克托發電有限責任公司); deputy manager, manager, deputy chief engineer, chief engineer and deputy general manager of the engineering construction department of the Company; general manager and deputy secretary of the Party Committee of Datang Heilongjiang Power Generation Company Limited (大唐黑龍江發電有限公司); secretary of the Party Committee and assistant dean of China Datang Corporation Science and Technology Research Institute (中國大唐集團科學技術研究院); dean and deputy secretary of the Party Committee of China Datang Corporation Science and Technology Research Institute (中國大唐集團科學技術研究院); chairman and secretary of the Party Committee of China Datang Corporation Science and Technology General Research Institute Co., Ltd. (中國大唐集團科學技術研究總院有限公司). He is currently the Party Committee Member and Deputy General Manager of the Company.

Human Resources Overview

Biographies of senior management



Jiang Jinming

Chief Accountant, Joint Company Secretary

Mr. Jiang, aged 58, is a senior accountant with a bachelor's degree. He has been a member of the senior management of the Company since 6 August 2018. Mr. Jiang served as the Deputy General Manager of Datong First Power Plant (大同第一熱電廠); Deputy General Manager of Jinneng Datong Energy Development Company (晉能大同能源發展公司); Deputy General Manager and Chief Accountant of Shanxi Datang Pingwang Heat and Power Co., Ltd. (山西大唐平旺熱電有限責任公司); Deputy General Manager and Chief Accountant of Shanxi Datang Yungang Heat and Power Co., Ltd. (山西大唐雲岡熱電有限責任公司); Deputy Chief Accountant and Chief Accountant of Datang Shaanxi Power Generation Co., Ltd. (大唐陝西發電有限公司); a Party member, Deputy General Manager and Chief Accountant of Datang Shandong Power Generation Co., Ltd. (大唐山東發電有限公司); Deputy General Manager and a Party member, the Party Secretary and Deputy General Manager, the General Manager and Party Secretary of China Datang Group Finance Company Limited. He is currently a member of the Party Committee, Chief Accountant and the Secretary to the Board of the Company.



Duan Wenwei

Deputy General Manager

Mr. Duan, aged 50, is a senior engineer with a bachelor degree. He has been a member of the senior management of the Company since 28 April 2021. Since 2005, he has successively served as the director of the Sci-Tech and Project Division and the director of the Equipment Technology Division of the Production Department of Datang International, chief engineer, deputy general manager and executive deputy general manager of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, general manager of Chongqing Datang International Pengshui Hydropower Development Company Limited, general manager of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, secretary of the Party Committee and deputy general manager of Shanxi Branch of China Datang Corporation, general manager and deputy secretary of the Party Committee of Ningxia branch of China Datang Corporation Ltd., chairman and secretary of the Party Committee of Datang Hebei Power Generation Co., Ltd., chairman and secretary of the Party Committee of North China Electric Power Operation Branch of China Datang Corporation Ltd. (中國大唐集團有限公司華北電力運營分公司), chairman and secretary of the Party Committee of Datang North China Electric Power Operation Co., Ltd., and member of the Party Committee of Datang Jingjinji Power Development Company Limited. He is currently a member of the Party Committee and the Deputy General Manager of the Company.

Biographies of senior management



Lu Ping
Deputy General Manager

Mr. Lu, aged 51, is a senior economist with a postgraduate degree. He has been a member of the senior management of the Company since 30 December 2021. Since 1995, he has served as the deputy general manager of Yan'an Electric Power Kaiyuan Industrial Corporation (延安電力開源實業總公司), executive deputy general manager of Yan'an Power Plant Kaiyuan Corporation (延安發電廠開源總公司), deputy director of Datang Yan'an Power Plant (大唐延安發電廠), executive deputy general manager (in charge of the work) of Ordos Yinhe Hongtai Coal Power Company Limited (鄂爾多斯市銀河鴻泰煤電有限責任公司), deputy director of Datang Shaanxi Power Generation Fuel Management Center (大唐陝西發電燃料管理中心), deputy general manager of Datang Shaanxi Power Generation Fuel Company (大唐陝西發電燃料公司), director of the Planning and Transportation Division of the Fuel Management Department of China Datang Corporation Ltd. (中國大唐集團有限公司), deputy director of the Fuel Management Department of China Datang Corporation Ltd. (中國大唐集團有限公司), deputy director of the Fuel Allocation Center of China Datang Corporation Ltd. (中國大唐集團有限公司), and deputy general manager and member of the Party Committee of Datang Power Fuel Co., Ltd. (大唐電力燃料有限公司). He is currently a member of the Party Committee and the Deputy General Manager of the Company.

6. Resigned Directors, Supervisors and senior management (as at the date of this report)

- (1) As considered and approved by the Shareholder's general meeting of the Company, Mr. Qu Bo, the non-executive Director, ceased to act as the non-executive Director since 30 December 2021 due to work adjustment; Mr. Liu Quancheng, the Supervisor, ceased to act as the Supervisor since 17 November 2021 due to work adjustment; Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu, the independent non-executive Directors, ceased to act as the independent non-executive Directors since 17 November 2021 due to the expiration of their term of office.
- (2) As considered and approved by the Congress of Employee and Workers of the Company, Mr. Song Bo and Mr. Liu Genle ceased to act as the Supervisors since 2 December 2021 due to work adjustment.
- (3) As considered and approved by the meeting of the Board of Directors of the Company, Mr. Chang Zheng and Mr. Bai Fugui ceased to act as the deputy general managers since 6 August 2021 due to work adjustment; and Ms. Guo Hong ceased to act as the deputy general manager since 28 October 2021 due to work adjustment.
- (4) On 5 August 2021, Mr. Chen Feihu tendered a written resignation to the Board of the Company and ceased to serve as the non-executive Director due to work adjustment; on 30 November 2021, Mr. Wang Qiyang tendered a written resignation to the Board of the Company and ceased to serve as the deputy general manager; and on 8 March 2022, Mr. Wan Yong tendered a written resignation to the Board of the Company and ceased to serve as the deputy general manager.
- (5) Biographies of the Directors, Supervisors and senior management who resigned before the date of this report, are as follows:

Chen Feihu, aged 59, is a senior accountant with a bachelor's degree. He participated in work since August 1981 and has been the Deputy Chief of the Electric Enterprise Division of Economic Regulation Bureau of Ministry of Energy; the Deputy Chief of Finance Department of China Electricity Council; the Chief and Deputy Director of the Economic Regulation Division of Economic Regulation Bureau of the Ministry of Electric Power; the Deputy Head of Financial and Economic Department, Deputy Head of the General Manager Service Department (office) and the Head of the Office for Structural Reform, Head of the General Manager Department (office), and the Chief Economist of State Power Corporation; the Deputy General Manager and a member of the Party Committee of China Huadian Corporation, the Director, General Manager, a member of the Party Committee, the Director, General Manager and the Deputy Party Committee Secretary of China Guodian Corporation; the Chairman of GD Power Development Co., Ltd. (600795.SH); the Director, General Manager and the Deputy Party Committee Secretary, the Chairman and the Secretary of the Party Committee of China Datang Corporation Ltd.; and concurrently serves as the Chairman of China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (1798.HK) and the Chairman of the Company. He is currently a full-time external director of central enterprises of the SASAC.



Human Resources Overview

Qu Bo, aged 56, is a principal senior engineer with a doctoral degree. He participated in work since October 1987 and has been an engineer of the Installation Engineering Division of Tianjin Electric Power Construction Company; deputy chief engineer, deputy manager and chief engineer of Tianjin Electric Power Construction Company First Engineering Company; deputy manager of the Power Station Construction Department of North China Power Group Company; deputy manager and manager of Beijing Electric Power Construction Company; Deputy Director (person-in-charge) and Director of Engineering Management Department of CDC; Deputy Chief Engineer and Director of Engineering Management Department of CDC; Chief Engineer of CDC; Chief Engineer of CDC and General Manager, Party Secretary of CDC Shanghai Branch, and leader of the preparatory group of China Datang Group Engineering Construction Co., Ltd. He is the Chief Engineer, Head of Party Office and Office of CDC, Chairman of Datang Environment Industry Group Co., Ltd. (1272.HK), and a director and Party Secretary of the Company. He is currently a member of the Party Group and Deputy General Manager of China Datang Corporation Ltd..

Luo Zhongwei, aged 66, holds a doctorate degree in Economics. Mr. Luo served as an Independent Director of Zhejiang China Commodities City Group Co., Ltd. (600415.SH) and Sichuan Langsha Holding Ltd. (600137.SH). and a director of Beijing Red Date Technology Co., Ltd., and Independent Director of Greatwall Wealth Asset Management Co., Ltd. and an Independent Non-executive Director of the Company. Mr. Luo is currently a researcher of the Institute of Industrial Economics of Chinese Academy of Social Sciences, a professor and doctoral supervisor of Chinese Academy of Social Sciences. He concurrently serves as a Councilor of Chinese Society of Technology Economics and Investment Advisory Committee of the Investment Association of China, a member of the Management Modernisation Working Committee of China Enterprise Confederation.

Liu Huangsong, aged 53, is a Master of Science and holds a doctorate degree in Economics from Fudan University. Mr. Liu served as Deputy Section Chief and Officer of Shanghai Municipal Bureau of Statistics and Director of the Bureau's Statistics and Industry Development Center, the General Manager of the investment planning department, the General Manager of the development and research department and a Supervisor of China Worldbest Group, the Deputy General Manager of a listed company under the group and the assistant to the group president, the director, researching professor and Doctoral Supervisor of Research Centre for Economic Prosperity of Shanghai Academy of Social Sciences, as well as the Independent Director of Hengdeli Holdings Limited, Shanghai Prime Machinery Company Limited (02345.HK), Jingwei Textile Machinery Co., Ltd. (00350.HK), Changan Fund Management Co., Ltd., Changan International Trust Co., Ltd. and Shanghai Xinhua Media Co., Ltd. (600825.SH), the Independent Director of Shanghai Zijiang Enterprise Group Co., Ltd. (600210.SH) and the Independent Non-executive Director of the Company. Mr. Liu is currently the Chief Economist of Hengdeli Holdings Limited, the Deputy Director of the Center for Securities Studies of Fudan University (concurrent) and Vice President of Shanghai Finance Society.

Jiang Fuxiu, aged 52, has a doctorate degree in Economics and is a Postdoctoral Scholar in Management (Accounting). Mr. Jiang served as the Independent Director of Lancy Co., Ltd. (002612.SZ), Northcom Group Co., Ltd. (002359.SZ), Beijing UTour International Travel Service Co., Ltd. (002707.SZ), Yantai Longyuan Power Technology Co., Ltd. (300105.SZ) and the Independent Non-executive Director of the Company. He is currently the professor and Doctoral Supervisor of the Finance Department of the School of Business of Renmin University of China, the Independent Director of Beijing Zui Chun Technology Co., Ltd. (838372.NQ) and Zhejiang Unifull Industrial Fibre Co., Ltd. (002427.SZ).



Human Resources Overview

Song Bo, aged 49, is a bachelor's degree holder and senior economist. Since 1999, he has successively served as the Deputy Director of the Planning Department, the Head of Operational Audit Department and the Deputy Chief Economist of Shandong Huangdao Power Generation Plant, a member of the Party Committee and the Deputy General Manager of Shandong Huangdao Electric Power Group Company* (山東黃島電力集團公司), the Director of Jinan Representative Office of Datang Shandong Power Generation Co., Ltd.* (大唐山東發電有限公司), the General Manager and the Party Committee Secretary of Datang Shandong Power Fuel Co., Ltd.* (大唐山東電力燃料有限公司), the Secretary of the leading party members' group, the Director of General Manager's Office and the Director of Human Resources Department of Datang Shandong Power Generation Co., Ltd.* (大唐山東發電有限公司), a member of the Party Committee and the Secretary of Committee for Discipline Inspection of China National Water Resources & Electric Power Materials & Equipment Group Co. Ltd., and a Party Committee member and the Secretary of Committee for Discipline Inspection of Datang Jingjinji Power Development Company Limited, a Party Committee member, the Secretary of Committee for Discipline Inspection and the Chairman of Labour Union of the Company, the Party Secretary of the Chongqing Branch of the Company, the Party Secretary and Deputy General Manager of Yunnan Branch of the Company, and the chairman of the Supervisory Committee of the Company.

Liu Quancheng, aged 58, is a senior accountant with a bachelor's degree. He started his career as the Chief Accountant of Xinxiang Coal-fired Plant in August 1983. He served the Chief Accountant of Luoyang Shouyangshan Electricity Plant; the Head of the supervisory audit department, the Deputy Chief Accountant and the Head of financial and asset management department and the Chief Accountant of Henan Branch of CDC; the Deputy Head of financial management department of CDC; the Chief Accountant of the Company and the Head of financial management department of China Datang Corporation Ltd., the director of the Financial Division of China Datang Corporation Ltd., Chairman of China Datang Group Finance Company Limited, a Director of Datang Environment Industry Group Co., Ltd. (1272.HK) and a Supervisor of the Company. He is currently the Chairman of China Datang Corporation Capital Holding Co., Ltd., the Chairman of the Supervisory Committee of China Datang Corporation Renewable Power Co., Limited (1798.HK) and a Director of Datang Huayin Electric Power Co., Ltd. (600744.SH).

Liu Genle, aged 50, is a bachelor's degree holder and senior economist. Since 2005, he successively served as the Director of Corporate Planning Department and Human Resource Department of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, the Assistant to the General Manager of Shanxi Zhongqiang Economic and Trade Co., Ltd.* (山西中強經貿有限公司), the Director of the Preparatory Office of Shanxi Datang International Fushan Coal Chemical Project* (山西大唐國際浮山煤化工項目籌備處), the Head of the Compensation Insurance Division of Human Resource Department, the Head of Compensation and Performance Assessment Division and the Deputy Director of Human Resources Department of the Company, the Deputy Director of Human Resources Department of Datang Jingjinji Power Development Company Limited, the Deputy Director of Human Resources Department of the Company, and the Supervisor and Director of Human Resources Department of the Company.



Human Resources Overview

Wang Qiying, aged 59, is a senior engineer and senior political engineer (高級政工師) with a bachelor's degree. Since 1996, he has served as the Deputy General Manager and General Manager of Baoding Heat Power Plant (保定熱電廠); a Party Committee member and the Deputy General Manager of Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司); the General Manager and Party Committee Secretary of Datang Xinjiang Power Generation Co., Ltd. (大唐新疆發電有限公司); the Chief of the planning and development department of China Datang Corporation Ltd.; the Chief of the planning and development department of China Datang Corporation Ltd. and the General Manager and Party Committee Secretary of the Tibet Branch Company of China Datang Corporation Ltd. (中國大唐集團有限公司西藏分公司), the Party Committee Member and the Deputy General Manager of the Company. He is currently the Full-time Director of China Datang Corporation Ltd. and the Director of China Datang Corporation Renewable Power Co., Limited (1798.HK).

Chang Zheng, aged 56, is a senior engineer with a bachelor's degree. Since 1997, he has served as the head of the production and technology department, deputy chief engineer and deputy dean of Heilongjiang Electricity Science Research Institute, the chief of the production safety department, deputy chief engineer, Party Committee member and deputy general manager of Datang Heilongjiang Power Generation Co., Ltd., the Party Committee secretary and deputy dean, dean and deputy Party Committee secretary of China Datang Corporation Science and Technology Research Institute Co., Ltd., as well as the chief of the information technology department and chief of the technology innovation department of China Datang Corporation Ltd., the Party Committee Member and the Deputy General Manager of the Company.

Bai Fugui, aged 59, is a senior economist with a bachelor's degree. He has been a member of the senior management of the Company since 30 August 2019. Since 2002, he has successively serves as the Assistant of the General Manager of Beijing Guohua Logistics Co., Ltd.*(北京國華物流有限公司), the Deputy General Manager of Safety Production Department of Datang International, the Manager of Fuel Management Department of Datang International (concurrently the General Manager of Beijing Datang Fuel Company Limited), the General Manager of Wangtan Power Generation of Datang International, the Head of Fuel Management Department of Datang International, and the Deputy General Manager of Beijing-Tianjin-Hebei Branch Company of Datang International, the Party Committee Member and the Deputy General Manager of the Company. He is currently the consultant of the Company.

Wan Yong, aged 51, is a senior engineer with a master degree. Since 2009, he has successively served as the deputy general manager of Huaneng Jinling Power Generation Co., Ltd. (華能金陵發電有限公司), general manager (plant manager) of Huaneng Jinling Gas Turbine Thermal Power Co., Ltd. (Jinling Gas Turbine Plant) (華能金陵燃機熱電有限公司(金陵燃機電廠)), manager of Huaneng Nanjing Power Plant, general manager and secretary of the Party Committee of Huaneng Nantong Power Generation Co., Ltd. (華能南通發電有限公司), general manager (plant manager) of Jiangsu Nantong Power Generation Co., Ltd. (Sutong Power Plant) (江蘇南通發電有限公司(蘇通電廠)), member of the Party Committee, deputy general manager, chairman of the labour union of Datang Jiangsu Power Generation Co., Ltd. (大唐江蘇發電有限公司), deputy officer of China Datang Group Jingjinji Planning Development Center (中國大唐集團京津冀規劃發展中心), member of the Party Committee of Datang Jingjinji Power Development Company Limited, and deputy general manager of the Company.

The resignations of the abovementioned Directors, Supervisors and senior management were all in compliance with the listing rules of the place where the Company's shares are listed and the relevant procedures and relevant regulations of The Stock Exchange of Hong Kong Limited.



MANAGEMENT OF INVESTOR RELATIONS

Since its listing, Datang Power has always attached great importance to the management of investor relations. The philosophy of Datang Power's investor relations practice hinges on integrity as the basis and communication as the means. In order to maintain smooth communication with investors, a special office has been set up and specialised personnel have been assigned to be responsible for the management of investor relations work, and various channels have been set up to enable investors to establish contact with the Company. In 2021, the Company conducted active and sincere communication with investors and analysts by various channels including results presentations, telephone conferences and through answering enquiry phone calls. During the reporting period, the Company met 280 investors and analysts.

INVESTOR Q&A

1. What plans does the Company have in terms of green and low-carbon transformation and development?

The Company will focus on green and low carbon, accelerate the construction of large-scale and intensive clean energy bases, actively follow up and research high-efficiency photovoltaic power generation technology, building photovoltaic integration and various "photovoltaic+" technologies, and vigorously promote the application implementation of "new technologies, new scenarios, new model" of photovoltaic. The Company adheres to the onshore and offshore parallel development to accelerate the development of wind power industry, intensifies the planning and development of hydropower (pumped storage) projects, strives to increase the development scale of nuclear power projects, accelerates the research and application of new business forms of technologies such as hydrogen energy and CCUS, and fully realizes the optimization and adjustment of power sources structure.

2. What progress did the Company make in obtaining approval for its projects and project operation in 2021?

For the year of 2021, the approved capacity of the Company's power supply projects was 7,367.16MW, including the approved capacity of wind power projects of 1,862MW; the approved capacity of photovoltaic projects of 4,585.16MW; the approved capacity of thermal power and gas turbine projects of 920MW. In 2021, the new total installed capacity of the Company was 774.15MW, including new installed capacity of wind power projects of 446MW; and new installed capacity photovoltaic projects of 328.15MW.

3. What are the Company's performance of capital expenditure for 2021 and capital expenditure plans for 2022?

The Company's capital expenditure on a consolidated basis actually incurred in 2021 was approximately RMB14,386 million, and the plan of capital expenditure on a consolidated basis to be incurred in 2022 is expected to be approximately RMB30,895 million.



CORPORATE GOVERNANCE REPORT

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

Compliance with the Corporate Governance Code

In 2021, the actual situation of corporate governance of the Company did not deviate substantially from the rules and requirements under the China Securities Regulatory Commission (the "CSRC") and other relevant regulatory authorities. None of the Company, the Board or the Directors of the Company was subject to the inspection, administrative punishment or criticism by means of circular by the CSRC, or punishment by other regulatory authorities and condemnation from stock exchanges.

The Company has been in full compliance with all the code provisions under the Corporate Governance Code (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the period from 1 January 2021 to 31 December 2021 (the "Year"), with the exception of the following:

During the Year, since 6 July 2021, the positions of Chairman and Chief Executive Officer (President) of the Company are both held by Mr. Liang Yongpan. The Company considered that Mr. Liang Yongpan held two positions would contribute to promote the continuity of the Company's policies and the stability and efficiency of the Company's operations, it is appropriate and in the best interests of the Company. In addition, the Board also met regularly to review the Company's operations led by Mr. Liang Yongpan. Therefore, the Board considered that the arrangement would not have an impact on the balance of power and authority between the Board and the management of the Company. Based on the above reasons, the Company did not separate the roles of Chairman and Chief Executive Officer and hold by different persons as required under code provision A.2.1 (which has been re-numbered as C.2.1 since 1 January 2022) of the Code.

During the Year, the legal action which the Directors of the Company 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 (which has been re-numbered as C.1.8 since 1 January 2022) of the Code.



Corporate Governance Report

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 (which have been re-numbered as B.3.1, E.1.2 and D.3.3 respectively since 1 January 2022) of the Code. The only discrepancies that existed were the expressions or sequence between such terms of reference and the aforesaid code provisions.

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

Corporate governance organization and its operation

1. Shareholders and General Meeting

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

During the year, the Company held a total of five general meetings, considering and approving 13 ordinary resolutions and 4 special resolutions, and a professional lawyer was invited to each general meeting as a witness to ensure all shareholders were treated equally and exercised their rights adequately. The matters considered at the general meetings of the Company in 2021 mainly included work reports of the Board (Supervisory Committee) of the Company for the year 2020, changes in Directors of the Company, financing budget plan, final annual accounts, finance guarantees, major connected transactions, profit distribution, amendments to the Articles of Association and appointment of accounting firm, etc.

As of the year end of 2021, the implementation of the resolutions in the general meetings are as follows:

1. The guarantees: Provision of guarantees by the parent company of Datang International in 2021, amounting to RMB920 million in total, to its subsidiaries, companies invested by it and its associated companies, based on their actual needs for the construction of projects.
2. Financing: In terms of debt financing in 2021, the Company issued super short-term debentures of RMB18.0 billion in total, sustainable linkage debentures of RMB2.0 billion, carbon neutralization bonds of RMB1.2 billion, borrowings from financial institutions of approximately RMB29.0 billion. In terms of equity financing, the Company issued carbon neutralization perpetual medium term notes of RMB1.5 billion.
3. Completion of the change of Directors of the Company.

4. Connected transactions were carried out in compliance with the approval of the general meeting, and entering of the Comprehensive Product and Service Framework Agreement with CDC for the years 2022-2024.
5. Completion of the profit distribution of RMB0.091 per share (tax inclusive) for the year 2020.
6. Appointment of Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as certified public accountants for carrying out the domestic and overseas audits of financial statements and internal control of the Company for the year 2021.
7. Amendments to the Articles of Association of the Company, the Rules of proceedings for the General Meeting and the Board according to the governance requirements of listed companies.

For details about the resolutions passed at general meetings for the year 2021, please refer to the announcements on such resolutions published by the Company on the Hong Kong Stock Exchange's website.

CDC, the controlling shareholder of the Company, adhering to the principle of not competing with the Company directly or indirectly, has made relevant undertakings at the initial public offering of A shares by the Company in 2006 and in October 2010, respectively, so as to address the issue of business competition. CDC has provided supplementation and improvement to the above-mentioned undertakings in June 2014, May 2015 and September 2015, respectively. As at 31 December 2021, CDC has strictly and actively complied with the relevant undertakings. For details, please refer to the announcements of the Company dated 27 June 2014, 1 June 2015 and 13 October 2015.

For the year 2021, the Company placed particular emphasis on shareholders' relations, maintaining communication with shareholders through various channels to facilitate mutual understanding between the Company and its shareholders. In particular, the Company has established a division and assigned designated staff to receive visitors, making its contact numbers publicly available and to answer telephone enquiries at any time. In addition, the Company's website was set up to present the latest updates and past results of the Company as well as the management body of the Company, so as to facilitate shareholders' and investors' comprehensive understanding of the Company.

For details about the Company's communication with shareholders and investors for the year 2021, please refer to the "Management of Investor Relations" section of this annual report.

2. Directors and the Board

The Company has established a Board with members coming from diverse backgrounds. The Board members possess remarkable professional characteristics. In the overall composition of the Board, the knowledge mix and the area of expertise of each of the Directors are both specialised and complementary, thus ensuring that the Board can make decisions in a scientific manner. Pursuant to the Articles of Association, the Board of the Company currently comprises 15 members, including five Independent Non-executive Directors (the "Independent Directors"). The Directors have extensive experiences in various areas such as macro economy management, management of power industry and financial accounting management, thus ensuring that major decisions made by the Company are effective and scientific.





Corporate Governance Report

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

Liang Yongpan, Ying Xuejun, Liu Jianlong, Su Min, Xiao Zheng, Zhu Shaowen, Cao Xin, Zhao Xianguo, Jin Shengxiang, Sun Yongxing, Liu Jizhen*, Niu Dongxiao*, Kou Baoquan*, Zong Wenlong*, Si Fengqi*

(* Independent non-executive Directors)

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

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

The Board formulated the Rules of Proceedings for Board Meetings, which, amongst others, clarified matters to be decided by the Board, its scope of power and the rules of proceedings. During the Year, the Board held 10 meetings. The convening and voting procedures of the meetings were in compliance with the requirements under the Articles of Association and the Rules of Proceedings for Board Meetings of the Company. Major particulars of the resolutions made at the Board meetings include:

1. Consideration of work reports related to the Company, which primarily include:
 - (1) the 2020 work report of the Board and work report of president of the Company;
 - (2) the 2020 internal control evaluation report and internal control audit report of the Company;
 - (3) 2020 Social Responsibility Report of the Company (Environmental, Social and Governance Report).
2. Consideration of matters related to the operating results of the Company, which primarily include:
 - (1) the 2020 final accounting report and 2021 financial budget plan;
 - (2) 2021 First Quarterly, Interim and Third Quarterly Reports of the Company;
 - (3) the 2020 profit distribution plan of the Company.

3. Consideration of matters related to capital operation and investment of the Company, which primarily include:
 - (1) participation in the second round of restructuring of joint-stock system of Zhejiang and Chongqing Power Trading Centers, increased investment in China Datang Group Finance Company Limited and China Datang Corporation Nuclear Power Company Limited, acquisition of 50% equity interest of Sichuan Ganze Datang International New Energy Co., Ltd. held by TBEA Xinjiang New Energy Co., Ltd., and investment in China Communications Offshore Wind Power Development Company Limited. (中交海上風電發展股份有限公司);
 - (2) transfer of the preliminary assets of Guangdong Nuclear Power Project, disposal of asset retirement related to units shutdown of Douhe Power Plant, and disposal of partial idle assets of the Company;
 - (3) investment and development of new energy projects of large-scale wind power and photovoltaic bases with capacity of 3,000MW in total in Tuoketuo and Yuxian, Tianjin Baodi Zhongdian Tianrui 30MW distributed wind power project, Guangdong Qingyuan Lianzhou Xingzi Town 40MW agricultural photovoltaic power project, Heilongjiang Heihe Sunwu 100MW wind power project, Hebei Fengning Dahexi Phase II 90MW wind power project, Anhui Feidong Gucheng 50MW photovoltaic project, Anhui Fengyang Zongpu 80MW photovoltaic project, Anhui Huaibei Qinggu 15MW photovoltaic projects, etc.;
 - (4) liquidation and cancellation of Fujiang Datang Tongzhou Yicai Environmental Technology Co., Ltd. (福建大唐同舟益材環保科技有限公司) and application for bankruptcy and liquidation of Erdos Silicon and Aluminium, etc.



Corporate Governance Report

4. Consideration of guarantee and financing plans:
 - (1) financing plan of the Company for 2021 and 2022;
 - (2) provision of entrusted loans, and guarantee financing for certain enterprises;
5. Consideration of related financial matters:
 - (1) provisions of asset impairment, asset retirement and write-off of preliminary expenses of certain entities;
 - (2) information on non-operating fund occupation by substantial shareholders and other related parties;
 - (3) deposit and actual use of proceeds;
 - (4) permanent replenishment of working capital with idle funds;
 - (5) changes in accounting estimates for fixed assets.
6. Consideration of connected transactions:
 - (1) confirmation of connected transactions of the Company for the year 2020 and the first half of 2021;
 - (2) entering into the Integrated Products and Services Framework Agreement (2022- 2024) and Leasing and Factoring Business Cooperation Agreement with related parties.
7. Changes in the composition of the Board and the management:
 - (1) adjustment of the Company's Chairman, it is agreed that Mr. Liang Yongpan was to serve as the Chairman of the tenth session of the Board of the Company, and Mr. Chen Feihu no longer served as the Chairman of the tenth session of the Board of the Company;

- (2) adjustment of the Company's Directors and independent non-executive Directors. Mr. Liu Jianlong and Mr. Su Min were proposed to serve as non-executive directors of the tenth session of the Board of the Company; Mr. Kou Baoquan, Mr. Zong Wenlong and Mr. Si Fengqi were proposed to serve as independent non-executive directors of the tenth session of the Board of the Company; and Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu no longer served as independent non-executive directors of the tenth session of the Board of the Company;
 - (3) adjustment of the Company's Directors. Mr. Xiao Zheng was proposed to serve as a non-executive director of the tenth session of the Board of the Company, and Mr. Qu Bo no longer served as a non-executive director of the tenth session of the Board of the Company;
 - (4) making adjustment to the joint company secretary of the Company;
 - (5) making adjustment to the composition of members of the specialised committees under the Board according to the changes in the Directors of the Company;
 - (6) making adjustment to the senior management of the Company.
8. Engagement of the Company's accountants for the year 2021:
 - (1) engaged Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as domestic and overseas auditors of financial statements and internal control for the year 2021 of the Company.
 9. Amendments to regulations and rules:
 - (1) amendments to the Articles of Association, and improvement of relevant articles thereof;
 - (2) amendments to the Rules of Proceedings for the General Meetings and the Rules of Proceedings for the Board;
 - (3) amendments to three rules including the Management Regulations Governing Information Disclosure.

The Board of the Company reviewed the 2021 Internal Control Evaluation Report and confirmed that the existing internal control management system of the Company was in compliance with the requirements of relevant state laws and regulations and regulatory authorities. The Board confirmed that there were no funds of the listed companies utilised by substantial shareholders.

For the year 2021, the Board members of the Company attended all the meetings either in person or by authorising other Directors to attend the meetings on their behalf.

Ten Board meetings were held in 2021, of which five were on-site meetings and five were meetings held through various ways of communication.

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	Attendance at Board meetings			
	Attendance at general meetings Attendance rate (%)	Attendance in person/ by proxy/ attendance required	Attendance rate (%)	Attendance rate (in person) (%)
Executive Directors				
Liang Yongpan (Chairman)*	100	10/0/10	100	100
Non-executive Directors				
Ying Xuejun	80	9/1/10	100	90
Liu Jianlong*	100	3/0/3	100	100
Su Min*	100	3/0/3	100	100
Xiao Zheng*	/	1/0/1	100	100
Zhu Shaowen	100	10/0/10	100	100
Cao Xin	20	10/4/6	100	60
Zhao Xianguo	100	10/0/10	100	100
Jin Shengxiang	60	10/0/10	100	100
Sun Yongxing	100	10/0/10	100	100
Chen Feihu [#]	0	2/2/4	100	50
Qu Bo [#]	20	7/2/9	100	77.78
Independent Non-executive Directors				
Liu Jizhen	60	8/2/10	100	80
Niu Dongxiao	100	10/0/10	100	100
Kou Baoquan*	100	3/0/3	100	100
Si Fengqi*	100	3/0/3	100	100
Zong Wenlong*	100	3/0/3	100	100
Luo Zhongwei [#]	50	7/0/7	100	100
Liu Huangsong [#]	50	7/0/7	100	100
Jiang Fuxiu [#]	75	7/0/7	100	100

* Mr. Liang Yongpan served as the chairman of the Company since 6 July 2021 as approved by the Board of Directors; Mr. Liu Jianlong and Mr. Su Min served as the Company's Directors as approved at the general meeting, with effect from 17 November 2021; Mr. Kou Baoquan, Mr. Zong Wenlong and Mr. Si Fengqi served as the Company's Independent Directors as approved at the general meeting, with effect from 17 November 2021; and Mr. Xiao Zheng served as the Company's Director as approved at the general meeting, with effect from 30 December 2021.

[#] Mr. Chen Feihu submitted a written resignation to the Company on 5 August 2021 and ceased to serve as the Company's Director; due to expiration of their terms of office, Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu no longer served as the Company's Directors, with effect from the appointment of new independent non-executive Directors as elected at the general meeting of the Company on 17 November 2021; Mr. Qu Bo no longer served as Director of the Company, with effect from the appointment of new Director as elected at the general meeting of the Company on 30 December 2021.

3. Supervisors and the Supervisory Committee

Pursuant to the Articles of Association, the Company's Supervisory Committee comprises four members, of whom two are employee representative Supervisors. The membership and composition of the Supervisory Committee are in compliance with the requirements of the laws and regulations in the PRC. Supervisory Committee members shall exercise their supervisory duties as mandated by the laws, regulations, the Articles of Association and the authorisation granted by the general meeting, and shall be accountable to the general meeting in order to ensure that the shareholders' rights, the Company's interests and the staff's lawful interests are not violated. During the reporting

period, the Supervisory Committee held five meetings, and attended all Board meetings and Audit Committee meetings. Through various channels and methods, the Supervisory Committee carried out regular inspections on the Company's finances and substantial matters, as well as supervising the lawfulness and compliance of the Directors, the President and other senior members in discharging their duties.

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

Guo Hong (Chairman of the Supervisory Committee), Zhang Xiaoxu (Vice Chairman of the Supervisory Committee), Xu Xiangyang, Wang Tongliang

Shareholder representative Supervisor	Attendance rate (%)	Attendance rate (in person) (%)
Guo Hong (Chairman of the Supervisory Committee)*	100	100
Zhang Xiaoxu (Vice Chairman of the Supervisory Committee)	100	80
Liu Quancheng*	100	100
Employee representative Supervisor	Attendance rate (%)	Attendance rate (in person) (%)
Xu Xiangyang*	100	100
Wang Tongliang*	100	100
Song Bo (Chairman of the Supervisory Committee)*	100	100
Liu Genle*	100	100

* Ms. Guo Hong served as the shareholder representative Supervisor of the Company as approved at the general meeting, with effect from 17 November 2021; Mr. Liu Quancheng no longer served as the shareholder representative Supervisor of the Company on same day; Mr. Xu Xiangyang and Mr. Wang Tongliang served as the employee representative Supervisors of the Company as approved at the general meeting, with effect from 2 December 2021; Mr. Song Bo and Mr. Liu Genle no longer served as the employee representative Supervisors of the Company on same day.

4. Non-executive Directors and Independent Directors

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

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

The Independent Directors of the Company discharged the relevant duties faithfully with integrity and diligence towards the Company and all shareholders (especially minority shareholders). During the year, the Independent Directors actively attended the general meetings, board meetings and relevant meetings of the specialised committees; discharged their duties conscientiously; offered positive recommendations on the business development and operational management of the Company by making full use of their expertise and experience in financial, corporate management and other aspects; and conducted cautious review and presented independent opinions on the material connected transactions, external guarantees and other matters of the Company. During the preparation of the 2021 Annual Report, the Independent Directors played an active role in the Company as they supervised and inspected carefully details of the Company’s annual production and operations which are in strict compliance with the requirements of the securities regulatory authorities and the “Annual Report Work System for Independent Directors”; maintained communication with the accountants for the annual audit to acquire a comprehensive understanding of, supervised and inspected the Company’s annual audit arrangements and process; bringing into full play of their responsibility as Independent Directors.

5. Chairman and Chief Executive Officer (President)

Under code provision A.2.1 (which has been re-numbered as C.2.1 since 1 January 2022), the roles of chairman and chief executive officer should be separate and performed by different individuals. Since 6 July 2021, the positions of Chairman (chairman of the Board) and President of the Company are both held by Mr. Liang Yongpan. The Company considered that Mr. Liang Yongpan held two positions would contribute to promote the continuity of the Company's policies and the stability and efficiency of the Company's operations, it is appropriate and in the best interests of the Company. In addition, the Board of Directors also met regularly to review the Company's operations led by Mr. Liang Yongpan. Therefore, the Board of Directors considered that the arrangement would not have an impact on the balance of power and authority between the Board of Directors and the management of the Company. Based on the above reasons, the Company did not separate the roles of Chairman and Chief Executive Officer and hold by different persons as required under code provision A.2.1.

The responsibilities and authorities of the Chairman and the President are expressly provided in the Articles of Association. The main duties of the Chairman include presiding over the general meetings, convening and presiding over Board meetings and reviewing the status of the implementation of the Board's resolutions. The main duties of the President include: (1) to take charge of the production and operation management of the Company, and coordinate the implementation of the Board resolutions and report to the Board; (2) to coordinate the implementation of the Company's annual operation plans and investment proposals; (3) to formulate the plan for establishing the Company's internal management institutions; (4) to lay down the Company's fundamental management system; (5) to formulate the

fundamental constitution of the Company; (6) to propose the appointments or dismissals of the Vice President and the person in charge of finance; and (7) to appoint or dismiss other officers who are not appointed or dismissed by the Board.

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

Training of Directors

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

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Details of the trainings attended by the Directors in 2021 are set out below:

Director	Position	Type of Training Participated	Training Type
Liang Yongpan*	Chairman	A, B, C, D	A. Training provided by regulators/counsels B. Attending seminars/forums
Ying Xuejun	Director	A, B, C, D	C. Reading economic, financial and business articles, as well as articles and information related to the duties of a director and the Company
Liu Jianlong*	Director	A, B, C	
Su Min*	Director	A, B, C, D	D. Conducting on-site inspections on the Company's business
Xiao Zheng*	Director	A, B, C, D	
Zhu Shaowen	Director	B, C	
Cao Xin	Director	B, C	
Zhao Xianguo	Director	B, C, D	
Jin Shengxiang	Director	B, C, D	
Sun Yonxing	Director	A, B, C, D	
Chen Feihu [#]	Chairman	B, C	
Qu Bo [#]	Director	A, B, C	
Liu Jizhen	Independent Director	B, C	
Niu Dongxiao	Independent Director	B, C, D	
Kou Baoquan*	Independent Director	A, B, C, D	
Zong Wenlong*	Independent Director	A, B, C, D	
Si Fengqi*	Independent Director	A, B, C, D	
Luo Zhongwei [#]	Independent Director	B, C	
Liu Huangsong [#]	Independent Director	B, C	
Jiang Fuxiu [#]	Independent Director	B, C	

* Mr. Liang Yongpan served as the chairman of the Company since 6 July 2021 as approved by the Board of Directors; Mr. Liu Jianlong and Mr. Su Min served as the Company's Directors as approved at the general meeting, with effect from 17 November 2021; Mr. Kou Baoquan, Mr. Zong Wenlong and Mr. Si Fengqi served as the Company's Independent Directors as approved at the general meeting, with effect from 17 November 2021; and Mr. Xiao Zheng served as the Company's Director as approved at the general meeting, with effect from 30 December 2021.

[#] Mr. Chen Feihu submitted a written resignation to the Company on 5 August 2021 and ceased to serve as the Company's Director; due to expiration of their terms of office, Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu no longer served as the Company's Directors, with effect from the appointment of new independent non-executive Directors as elected at the general meeting of the Company on 17 November 2021; Mr. Qu Bo no longer served as Director of the Company, with effect from the appointment of new Director as elected at the general meeting of the Company on 30 December 2021.

Remuneration of Directors, Supervisors and senior management

As of 31 December 2021, the annual remuneration of the Company's senior management (excluding Directors and Supervisors) by band are as follows:

RMB100,001 to RMB400,000	3 persons
RMB400,001 to RMB800,000	3 persons
RMB800,001 and above	4 persons

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

Details of remuneration of Directors, Supervisors and senior management in 2021 are set out in Notes 14 and 15(c) to the Financial Statements from page 174 to page 179.

Duties and operation of specialised committees under the Board

1. Strategic Development and Risk Control Committee

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

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

Chairman: Liang Yongpan

Members:

Liu Jizhen (Independent Director), Cao Xin, Zhu Shaowen, Liu Jianlong, Su Min, Sun Yongxing

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

(3) Major Duties:

- (i) to conduct research and make recommendations on the Company's long-term strategic development plan;
- (ii) to conduct research and make recommendations on major investment and financing plans which are subject to the Board's approval according to the Articles of Association;
- (iii) to conduct research and make recommendations on major capital operations and asset management projects which are subject to the Board's approval according to the Articles of Association;

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- (iv) to conduct research and make recommendations on other significant matters that may have an impact on the development of the Company;
- (v) to conduct prior risk assessments and discussions on matters set out in (i) to (iv) above, and recommend corresponding control and prevention measures;
- (vi) to conduct risk assessment and make recommendations on the sectors or industries in which the Company intends to operate;
- (vii) to guide the implementation of general legal advisor system of the Company and promote the construction of legal governance of the Company;
- (viii) to inspect the execution of the above matters, and to conduct follow-up research on the risk factors that may exist or occur during the execution process, and to make recommendations accordingly;
- (ix) the Committee is accountable to the Board. Any proposals made by the Committee shall be submitted to the Board for consideration and decision.

(4) Meetings:

In 2021, 1 meeting was held to consider the completion of the planning and development work of the Company in 2020 and work plan for 2021.

Committee	Attendance in person/ by proxy/attendance required
Liang Yongpan*	1/0/1
Liu Jizhen (Independent Director)	1/0/1
Cao Xin	1/0/1
Zhu Shaowen	1/0/1
Liu Jianlong *	/
Su Min *	/
Sun Yongxing *	/
Chen Feihu*	1/0/1
Luo Zhongwei (Independent Director)*	1/0/1
Qu Bo*	1/0/1

* Since 6 July 2021, some members of the Committee were changed, Mr. Liang Yongpan served as the convener of the Strategic Development and Risk Control Committee in replace with Mr. Chen Feihu who ceased to be a member and the convener of the Strategic Development and Risk Control Committee; since 17 November 2021, some members of the Committee were changed, Mr. Su Min, Mr. Liu Jianlong and Mr. Sun Yongxing serve as the members of the Strategic Development and Risk Control Committee, and Mr. Luo Zhongwei and Mr. Qu Bo ceased to be members of the Strategic Development and Risk Control Committee.

2. Nomination Committee

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

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

Chairman: Niu Dongxiao
(Independent Director)

Members:
Kou Baoquan (Independent Director),
Si Fengqi (Independent Director),
Liu Jianlong, Su Min

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

(3) **Major Duties:**

- (i) to make recommendations to the Board with respect to the scale, constitution and composition (including skills, knowledge and experience) of the Board with reference to the operating activities, asset scale and shareholding structure of the Company;
- (ii) to examine the selection criteria and procedures of Directors and managers to make recommendations to the Board;
- (iii) to identify broadly candidates suitably qualified to become Directors and managers;
- (iv) to investigate the candidates of Directors and managers and other senior management staff, and to make recommendations;
- (v) to assess the independence of independent Directors;
- (vi) to execute other matters as authorised by the Board.

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(4) Meetings:

Five meetings were held in 2021, at which changes to Directors and senior management of the Company were considered, and resolutions were passed and approved to be submitted to the Board for consideration and approval.

Committee Members	Attendance in person/ by proxy/attendance required
Niu Dongxiao (Independent Director)*	5/0/5
Kou Baoquan (Independent Director)*	2/0/2
Si Fengqi (Independent Director)*	2/0/2
Liu Jianlong*	2/0/2
Su Min*	2/0/2
Liu Huangsong (Independent Director)*	3/0/3
Jiang Fuxiu (Independent Director)*	3/0/3
Ying Xuejun*	3/0/3
Zhao Xianguo*	3/0/3

* On 17 November 2021, some members of the Committee were changed, Mr. Niu Dongxiao served as the convener of the Nomination Committee in replace with Mr. Liu Huangsong who ceased to be a member and the convener of the Nomination Committee; Mr. Kou Baoquan, Mr. Si Fengqi, Mr. Su Min and Mr. Liu Jianlong serve as the members of the Nomination Committee, and Mr. Jiang Fuxiu, Mr. Ying Xuejun and Mr. Zhao Xianguo ceased to be members of the Nomination Committee.

(5) Policy for the Diversification of Board Membership

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

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

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

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

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

Age group					
41 to 45	46 to 50	51 to 55	56 to 60	61 to 65	66 to 70
0%	26.67%	26.67%	40%	0%	6.66%

Cultural and educational background		
Bachelor's degree holder	Postgraduate degree holder	Doctorate degree holder
26.67%	33.33%	40%

Professional experience	
Engineering	Accounting, Economics and Finance
73.33%	26.67%

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

- (a) Experience in the industry related to power generation;
- (b) Strategic planning;
- (c) Finance (including accounting, finance, corporate finance, tax etc.);
- (d) Legal and compliance; and
- (e) Familiarity with the business environment of China.

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



3. Audit Committee

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

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

Chairman: Zong Wenlong
(Independent Director)

Members:
Niu Dongxiao (Independent Director),
Si Fengqi (Independent Director),
Jin Shengxiang, Ying Xuejun

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

(3) **Major Duties:**

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

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

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

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

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

(vi) to review the internal control system of the Company and audit the major connected transactions;

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

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

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

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

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

(4) Meetings:

The Audit Committee under the Board held three meetings in 2021 to review the 2020 Internal Control Report, the Audit Report, and the Special Report on Deposit and Actual Utilization of Proceeds.

Committee Members	Attendance in person/ by proxy/attendance required
Zong Wenlong (Independent Director)*	/
Niu Dongxiao (Independent Director)	3/0/3
Si Fengqi (Independent Director)*	/
Jin Shengxiang	3/0/3
Ying Xuejun *	/
Jiang Fuxiu (Independent Director)*	3/0/3
Luo Zhongwei (Independent Director)*	3/0/3

* On 17 November 2021, some members of the Committee were changed, Mr. Zong Wenlong served as a member and the convener of the Audit Committee in replace with Mr. Jiang Fuxiu; Mr. Si Fengqi and Mr. Ying Xuejun serve as the members of the Audit Committee, and Mr. Luo Zhongwei ceased to be a member of the Audit Committee.

4. Remuneration and Appraisal Committee

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

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

Chairman: Niu Dongxiao
(Independent Director)

Members:
Kou Baoquan (Independent Director),
Zong Wenlong (Independent Director),
Liu Jianlong, Zhao Xianguo

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

(3) Major Duties:

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

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- (ii) to make remuneration plan or proposal according to the major scopes of work, duties and significance of the Directors, Supervisors and senior management positions as well as the remuneration levels of comparable positions in other comparable companies; remuneration plan or proposal include but not limited to performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty plans and systems;
- (iii) to review the fulfillment of the responsibilities of the Company's Directors, Supervisors and senior management and to conduct annual performance appraisal thereon;
- (iv) to supervise the implementation of the remuneration system of the Company's Directors, Supervisors and senior management;
- (v) to execute other matters as authorised by the Board.

(4) Meeting:

One meeting was held in 2021 to review the remuneration packages of the Directors, Supervisors and senior management of the Company for 2020 and the remuneration proposal for 2021.

Committee Members	Attendance in person/ by proxy/attendance required
Niu Dongxiao (Independent Director)*	1/0/1
Kou Baoquan (Independent Director)*	/
Zong Wenlong (Independent Director)*	/
Liu Jianlong*	/
Zhao Xianguo	1/0/1
Liu Huangsong (Independent Director)*	1/0/1
Jiang Fuxiu (Independent Director)*	1/0/1
Ying Xuejun*	1/0/1

* On 17 November 2021, some members of the Committee were changed, Mr. Niu Dongxiao served as the convener of the Remuneration and Appraisal Committee in replace with Mr. Liu Huangsong who ceased to be a member and the convener of the Remuneration and Appraisal Committee; Mr. Kou Baoquan, Mr. Zong Wenlong and Mr. Liu Jianlong serve as the members of the Remuneration and Appraisal Committee, and Mr. Jiang Fuxiu and Mr. Ying Xuejun ceased to be the members of the Remuneration and Appraisal Committee.

Corporate Governance Responsibilities

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

The duties of the Board in corporate governance primarily include:

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

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

- The Articles of Association
- Rules of proceedings for the Board, the Supervisory Committee and general meetings
- Rules of proceedings for specialised committees under the Board
- Provisions for information disclosure management
- Administrative provisions for shares held by Directors, Supervisors and senior management and its changes
- Work system for Independent Directors
- Work rules for secretary to the Board
- Registration System for Informed Parties with Access to Inside Information
- Management System for Investor Relations, etc.



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The Audit Committee under the Board has been delegated the corporate governance functions by the Board to supervise and facilitate the Company's compliance with the internal corporate governance code. A specialised office has been set up within the Company to assist the Audit Committee to review the Company's corporate governance structure on an ongoing basis and advise on the latest requirements of corporate governance and day-to-day operation of the Company's corporate governance office. The 2021 Internal Control Evaluation Report compiled by the Company pursuant to the requirements of the Chinese domestic regulators has been reviewed by the Audit Committee, considered by the Board and audited by the accountants. For details of the Company's internal control, please refer to the "Establishment of the Company's Internal Control System" section.

Joint Company Secretaries

On 17 November 2021, the Company appointed Ms. Mak Po Man Cherie, the Vice President of corporate secretarial department of SWCS Corporate Services Group (Hong Kong) Limited, as the joint company secretary of the Company, to provide assistance to Mr. Jiang Jinming, the chief accountant and joint company secretary of the Company to discharge his duties as a company secretary; and Ms. Ko Mei Ying ceased to be a joint company secretary of the Company, with effect from 17 November 2021. The primary contact person of Ms. Ko Mei Ying and Ms. Mak Po Man Cherie during their tenure is Mr. Jiang Jinming.

During the reporting period, Mr. Jiang Jinming, Ms. Ko Mei Ying and Ms. Mak Po Man Cherie have taken no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules.

Establishment of the Company's Internal Control System

Improving and effectively implementing the internal control is an ongoing responsibility of the Board and the management of the Company. The objectives of the Company's internal control are to provide reasonable assurances that the Company's operation management is lawful and compliant, the assets are safe, the financial statements and related information are truthful and complete, and operational efficiency and effectiveness are enhanced, thereby promoting the achievement of the development strategy of the Company. Since its incorporation, the Company has been continuously building and improving the internal control system to safeguard its sustainable, rapid, healthy, stable and orderly development, and to protect the interests of its shareholders pursuant to the requirements of the Company Law, the Securities Law, the Governance Standards for Listed Companies, the Basic Standards for Internal Control of Enterprises, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange and the Listing Rules as well as other relevant laws, regulations, rules and normative documents, and in line with any changes in the internal and external environments. The Board has conducted an assessment of the internal control pursuant to the requirements of the Basic Standards for Internal Control of Enterprises and considered that it was effective as of 31 December 2021 (being the benchmark date).

1. Establishment of Internal Control System

Datang Power attaches great importance to the construction of the internal control system. In 2021, according to the requirements of the corporate internal control standard system, the Company continuously optimized internal control process with a developmental vision and innovative thinking on the basis of continuously sorting out the business process; accurately identified and evaluated various internal and external risks, and improved internal control measures; strengthened internal supervision, carried out regular internal control self-evaluation and supervision and evaluation; improved the internal control system, and formed an internal control system with a good internal environment, scientific decision-making procedures, clear rights and responsibilities, standardized management, and effective risk control.

2. Internal Control Work Plan

In 2022, the Company will continue to improve various internal control systems, build a mutually integrated, collaborative and efficient internal control system, and continue to improve the level of internal control work. First, we will continue to do a good job in daily work to ensure the effective operation of the internal control system; second, we will use the annual risk assessment as a starting point to identify and study various risks, formulate effective and feasible risk management strategies, and ensure that various risks are controllable and under control; third, we will strengthen team building, organize professional training on internal control and risk management, and continuously improve professional level of full-time staff; fourth, we will strengthen the use of internal control evaluation results and carry out in-depth internal control evaluation and risk assessment work, strengthen the rectification of internal control defects, and continue to track the effects of rectification.



Corporate Governance Report

Risk Management and Internal Control

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

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

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

The risk management structure of the Company is guided under the "Three Defence Lines (三道防線)" risk management model. The first defence line refers to the relevant functional departments and affiliated enterprises, the second defence line refers to the risk management department, and the third defence line refers to the internal audit department. The relevant functional departments and affiliated enterprises of the Company regularly conduct identification, response and monitoring for risks. The Company earnestly analyses its situation within the industry on the basis of the study and judgement of the general domestic and international macro-economic situation annually and conducts comprehensive risk management according to the strategic objective and control requirements.

The risk management department of the Company organises the headquarters and affiliated enterprises of the Company to conduct annual risk assessment, internal control evaluation and internal control audit, report to the Board on the internal control evaluation and internal control audit, and follow up the rectification progress of defects in prevention and control of material and significant risks so identified and internal control. The internal audit department prepares annual audit plan based on problems and risks, supervises internal audit, and submits the results of audit supervision to the Audit Committee and the senior management of the Company for consideration and approval. Also, the internal audit department follows up the rectification progress of the problems identified in the audit and reports to the senior management of the Company. The review period of the risk management and internal control system covered is within the reporting period.

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

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

Corporate Governance Report

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

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

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

Preparation Phase

- The risk management departments of the Company prepare the annual work proposal for overall risk assessment and internal control evaluation, while the affiliated enterprises prepare the annual work proposal for self-assessment and self-evaluation. The work proposals shall set out the objectives of assessment and evaluation, the basis of implementation, the scope of work, the work plan, the work procedures, measures for assurance and other relevant content.

Implementation Phase

- An assessment and evaluation working group is established to conduct on-site assessment and evaluation. On-site assessment and evaluation mainly involve understanding the control environment of the Company, carrying out the risk assessment, conducting the effectiveness test on the design and operation of internal control system, summarising and evaluating the defects in the internal control system, identifying such defects, and concluding the significant risks in the Company and whether the internal control system is effective.

Rectification Phase and Reporting Phase

- The rectification principles, division of responsibilities, accountability, follow-up and reporting are determined. The affiliated enterprises prepare and submit the risk assessment and internal control evaluation report, and the Company prepared a comprehensive risk management report of the Group.

Inside Information

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

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

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

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

The statement of the auditor in relation to their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on pages 97 to 102.

Company's Auditors

In 2021, the Company engaged Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as its domestic and international auditors respectively, which are responsible for providing impartial and objective opinion on the Company's financial statements. The Company's Audit Committee has confirmed the independence and objectivity of the auditors. In 2021, the fee payable by the Company to Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited for the provision of audit service and internal control audit service amounted to RMB11.585 million and RMB1.80 million respectively.



Corporate Governance Report

Communication with Shareholders and the Rights of Shareholders

Shareholders can convene an extraordinary general meeting or share class meeting

Pursuant to the Articles of Association, shareholders severally or collectively holding more than 10% of the voting shares of the Company shall request in writing the Board for convening an extraordinary general meeting or share class meeting and set out the meeting agenda. The Board shall feedback in writing for agreeing or not agreeing the convening the meeting upon receipt of the aforesaid written request.

At the annual general meeting held by the Company, shareholders who severally or collectively hold more than 3% of the voting shares of the Company are entitled to put forward new proposals to the Company in writing. Shareholders who severally or collectively hold more than 3% of the voting shares of the Company may put forward ad hoc proposals and submit them to the convener in writing 10 days before the general meeting; and the convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal to announce the contents of the ad hoc proposals.

Procedures for shareholders to inquire information

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

- (1) the Articles of Association will be available upon payment of costs by shareholders;
- (2) the shareholders have the right to inspect and make copies of the register of all classes of shareholders upon payment of a reasonable fee;
- (3) the personal data of the Company's Directors, Supervisors, managers and other senior management;
- (4) the status of the Company's share capital;
- (5) the total nominal value, the number as well as the highest and lowest prices of the shares of each class repurchased by the Company since the previous fiscal year, and a report on the Company's payment of all the relevant fees;
- (6) the minutes of the general meetings;
- (7) the shareholders have the right to inspect the copies of corporate bonds;
- (8) the resolutions made at Board meetings;
- (9) the resolutions made at the meetings of Supervisory Committee;
- (10) financial and accounting reports, etc.

Shareholders can access information through the following means

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

- (1) served by hand;
- (2) served by mail;
- (3) served by fax or e-mail;
- (4) published on the Company's website and/or the website designated by the stock exchange of the place where the Company's shares are listed, provided that such publishing is in compliance with the laws and administrative regulations as well as the relevant rules of the securities regulators of the place where the Company's shares are listed;
- (5) announcements on newspapers and/or other designated media;
- (6) other forms approved by the securities regulators of the place where the Company's shares are listed;
- (7) shareholders and investors of the Company can visit the Company's website (www.dtpower.com) to access the Company's relevant information timely and efficiently.

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

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

No. 9 Guangningbo Street, Xicheng District, Beijing, the PRC
Fax: 86 (10) 8800 8264
E-mail: shijiang@dtpower.com

Dividend Policy

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

Amendments to the Articles of Association

In 2021, amendment to the Articles of Association was made. Please refer the announcements of the Company dated 6 July 2021, 27 August 2021, 28 October 2021 and 17 November 2021 and the circulars dated 12 July 2021 and 28 October 2021.



REPORT OF THE DIRECTORS

The directors are pleased to present the audited results of the Company for the year ended 31 December 2021.

Company results

During the Year, operating revenue of the Group was approximately RMB103,412 million, representing an increase of approximately 8.16% as compared to the previous year. Losses before tax amounted to approximately RMB11,244 million, representing a decrease of approximately 257.39% as compared to the previous year. Basic losses per share attributable to equity holders of the Company amounted to approximately RMB0.5785, while the basic earnings per share attributable to equity holders of the Company for last year amounted to approximately RMB0.0989. Net losses attributable to equity holders of the Company amounted to approximately RMB9,269 million, while the net profit attributable to equity holders of the Company for last year amounted to approximately RMB2,989 million. Please refer to the “Management Discussion and Analysis” section for details of the Company’s results.

The Board did not recommend the distribution of cash dividend for 2021.

Issue and listings of shares

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

Use of proceeds

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

1. Use of proceeds from the A-Share Issuance as at 31 December 2021

Details of the use of proceeds from the A-Share Issuance as at 31 December 2021 are as follows:

	Intended use of the proceeds <i>Approximately</i> <i>RMB0'000</i>	Utilisation of proceeds during the year ended 31 December 2021 <i>Approximately</i> <i>RMB0'000</i>	Remaining balance of un-utilised proceeds as at 31 December 2021 <i>Approximately</i> <i>RMB0'000</i>
Investments in power plant projects	278,400	244,368	34,032
(i) Investment in "Replacing Small Units with Larger Units" Newly-constructed Project of Liaoning Datang International Huludao Thermal Power Plant (遼寧大唐國際葫蘆島熱電廠「上大壓小」新建工程項目) (the "Huludao Project")	108,200	108,200	–
(ii) Investment in Jiangsu Datang International Jintan Gas Turbine Thermal Power Cogeneration Project (江蘇大唐國際金壇燃機熱電聯產項目) (the "Jiangsu Project")	92,200	58,906	33,294
(iii) Investment in Guangdong Datang International Gaoyao Jintao Heating, Power and Cooling Supply Co-generation Project (廣東大唐國際高要金淘熱電冷聯產項目) (the "Guangdong Project")	78,000	77,262	738
Repayment of borrowings for project infrastructure	555,000	555,000	–
Total	833,400	799,368	34,032

The sixteenth meeting of the tenth session of the Board and the eleventh meeting of the tenth session of the Supervisory Committee of the Company were convened on 30 December 2020, the Resolution regarding Utilizing Idle Funds to Temporarily Replenish the Working Capital of Jintan Thermal Power Company (《關於金壇熱電公司利用閒置募集資金暫時補充流動資金的議案》) was considered and approved. It was approved that Jintan Thermal Power Company would use idle funds not exceeding RMB165 million to temporarily replenish the working capital, for a term of no more than 12 months from date of consideration and approval at the Board meeting of the Company. The Independent Directors expressed their opinions on the above matter and clearly expressed their agreement. Pursuant to the provisions, Jintan Thermal Power used the funds raised of RMB163.00 million in accumulative to temporarily replenish the working capital from February to April 2021. As at August 2021, Jintan Thermal Power has returned all the used idle funds raised of RMB163.00 million.

Report of the Directors

All of the investment projects funded by proceeds of the Company have reached the intended use status, and based on the actual operating condition of the Company, the Company improved the efficiency of the use of proceeds. According to the relevant provisions of the Administrative Measures for Funds Raised by Companies Listed on the Shanghai Stock Exchange, the Company used the surplus proceeds of RMB350,044,397.89 (amount of raised proceeds that have not been used and the interest on demand deposits generated by the raised proceeds after deducting the relevant transfer fees) for permanent replenishment of working capital. As at 31 December 2021, the proceeds raised by the Company from the A-Share Issuance were totally utilised.

2. Use of proceeds from the H-Share Issuance as at 31 December 2021

Details of the use of proceeds from the H-Share Issuance as at 31 December 2021 are as follows:

	Intended use of the proceeds <i>Approximately RMB0'000</i>	Utilisation of proceeds during the year ended 31 December 2021 <i>Approximately RMB0'000</i>	Remaining balance of un-utilised proceeds as at 31 December 2021 <i>Approximately RMB0'000</i>
General corporate purposes (including loan and bond payment)	502,272	501,906	366

The following table sets out the details of the un-utilised proceeds from the H-Share Issuance as at 31 December 2021:

Intended use of the proceeds not yet utilised	Expected amount <i>Approximately RMB0'000</i>	Expected timeline
General corporate purposes (including loan and bond payment)	366	Before end of December 2022

During the year ended 31 December 2021, the proceeds raised by the Company from the H-Share Issuance were utilised, or were proposed to be utilised, according to the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

Performance of the Company's A shares and H shares during 2021 (No adjustment)

Performance of the Company's H shares during 2021:

Closing price of H shares as at 31 December 2021	HK\$1.76 per share
Highest trading price between 1 January and 31 December 2021	HK\$1.93 per share
Lowest trading price between 1 January and 31 December 2021	HK\$1.00 per share
Total number of trading between 1 January and 31 December 2021	4.498 billion shares

Performance of the Company's A shares during 2021:

Closing price of A shares as at 31 December 2021	RMB3.24 per share
Highest trading price between 1 January and 31 December 2021	RMB3.88 per share
Lowest trading price between 1 January and 31 December 2021	RMB2.19 per share
Total number of trading between 1 January and 31 December 2021	19.136 billion shares

Public float

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, i.e. 27 April 2022, and as at 31 December 2021, the Company confirms that the public float of the Company's H shares and A shares has complied with the requirements under the Listing Rules.

Accounts

The Company and its subsidiaries' audited results for the year ended 31 December 2021 are set out in the Consolidated Statement of Profit or Loss and Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 103 to page 104. The financial position of the Company and its subsidiaries as at 31 December 2021 is set out in the Consolidated Statement of Financial Position on page 105 to page 106.

The Company and its subsidiaries' consolidated cash flows for the year ended 31 December 2021 are set out in the Consolidated Statement of Cash Flows on page 109 to page 110.

Principal businesses and business review

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

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

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2021.

Report of the Directors

Environmental policies and performances

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

Compliance with laws and regulations

In 2021, the Company has strictly complied with relevant laws, regulations and practices of the industry which have material impact on the operation of the Company.

Major suppliers and customers

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

	2021	2020
Purchases		
The largest supplier	11.12%	16.86%
Top five suppliers	27.55%	35.93%
Sales		
The largest customer	12.21%	14.20%
Top five customers	40.74%	41.41%

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

Subsidiaries, joint ventures and associates

Details of subsidiaries, joint ventures and associates of the Company are set out in Note 50 to the Financial Statements from page 237 to page 249, Note 23 to the Financial Statements from page 197 to page 199 and Note 22 to the Financial Statements from page 191 to page 196, respectively.

Dividend and earnings per share

The Board did not recommend the distribution of cash dividend for 2021.

Details of dividends and earnings per share are set out in Notes 16 and 17 to the Financial Statements on page 180.

Relationship with employees

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

Relationship with suppliers and customers

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

Reserves

Movements in reserves during the Year are set out in Note 31(b) to the Financial Statements on page 209, among which distributable reserves attributable to the shareholders amounted to approximately RMB9.842 billion.

Property, plant and equipment

Details of movements in property, plant and equipment during the Year are set out in Note 18 to the Financial Statements from page 181 to page 184.

Pledge of Assets

Details on pledge of assets as at the end of the year were set out in Note 48 to the financial statements on page 226.

Donation

During the Year, the Company and its subsidiaries have made charitable donations of approximately RMB10.155 million.

Share capital

There was no change in total share capital of the Company during the Year. As at 31 December 2021, total share capital of the Company amounted to 18,506,710,504 shares, divided into 18,506,710,504 shares of a nominal value of RMB1 each, including 12,396,089,106 A shares and 6,110,621,398 H shares.



Report of the Directors

Pledge of H-shares by controlling shareholder

As disclosed in the announcement of the Company dated 12 February 2018, China Datang Overseas (Hong Kong) Co., Limited (“CDOHKC”) (as borrower), an indirect wholly-owned subsidiary of CDC (the controlling shareholder of the Company), entered into a facility agreement with Wing Lung Bank Limited (as mandated lead arranger and bookrunner, facility agent and security agent) in connection with a term loan facility of HK\$5,300 million which shall be applied by CDOHKC for the payment of part of the H-Share Issuance Proceeds (as defined in that announcement). As a condition precedent to the utilisation of the facility by CDOHKC, CDOHKC entered into a share charge with Wing Lung Bank Limited, pursuant to which all the 480,680,000 H-shares of the Company held in the name of CDOHKC and the 2,794,943,820 H-Share Subscription Shares (as defined in that announcement) to be subscribed by CDOHKC shall be pledged to Wing Lung Bank Limited. During the year of 2021, H shares of the Company held by CDOHKC were continuing to be pledged to Wing Lung Bank Limited from 19 March 2021 to 17 March 2022. For details, please refer to the overseas regulatory announcement of the Company issued on 18 March 2021. In the event of default by CDOHKC, Wing Lung Bank Limited shall be entitled to enforce the share charge which may result in a transfer of voting rights in respect of such pledged securities.

In 2022, the Company was informed that CDOHKC would continue to pledge the H shares it holds of the Company to Wing Lung Bank Limited from 17 March 2022 to 17 March 2025. For details, please refer to the overseas regulatory announcement of the Company issued on 18 March 2021.

Number of shareholders

Details of the shareholders as recorded in the register of members of the Company as at 31 December 2021 were as follows:

Total number of shareholders	206,795
Holders of domestic shares	206,318
Holders of foreign shares	477

Shares held by substantial shareholders

So far as the Directors of the Company are aware, as at 31 December 2021, the interests or short positions of the persons (other than Directors, supervisors or chief executive of the Company) in the shares or underlying shares of the Company as required to be disclosed under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the “SFO”), were as follows:

Name of Shareholder	Class of Shares	No. of Shares Held	Approximate Percentage to Total Issued Share Capital of the Company (%)	Approximate Percentage to Total Issued A Shares of the Company (%)	Approximate Percentage to Total Issued H Shares of the Company (%)
China Datang Corporation Ltd. (Note 1)	A shares	6,540,706,520	35.34	52.76	/
	A shares	8,738,600	0.05	0.07	/
	H shares	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Tianjin Jinneng Investment Co., Ltd. (Note 2)	A shares	1,285,748,600	6.95	10.37	/
Hebei Construction & Investment Group Co., Ltd. (Note 3)	A shares	1,281,872,927	6.93	10.34	/
Beijing Energy Investment Holding Co., Ltd. (Note 4)	A shares	1,081,730,854	5.85	8.73	/

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

Notes:

- (1) Mr. Liu Jianlong and Mr. Su Min, non-executive Directors, are employees of CDC.
- (2) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Co., Ltd.
- (3) Mr. Cao Xin and Mr. Zhao Xianguo, non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.
- (4) Mr. Jin Shengxiang and Mr. Sun Yongxing, non-executive Directors, are employees of Beijing Energy Investment Holding Co., Ltd.
- (5) Information disclosed above is based on the information provided on the website of Hong Kong Stock Exchange and the information available to the Company as at 31 December 2021.

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

As of 31 December 2021, save as disclosed below, so far as is known to the Board, none of the Directors, supervisors and chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in the SFO (Chapter 571 of the Law of Hong Kong)) that were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 of the SFO or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

Name of Director	Class of Share	Capacity/ Nature of Interest	Number of A Shares Held	Approximate Percentage of the Total Issued Share Capital of the Company
Mr. Liu Jizhen	A shares	Beneficial interest	9,100 (L)	0.000049% (L)

(L) = Long Position

Report of the Directors

Change in information of Directors, supervisors and chief executive

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

Name of Director	Details of Change
Liu Jianlong	Ceased to serve as the director of Datang Huayin Electric Power Co., Ltd. since December 2021
Zong Wenlong	Ceased to serve as the independent director of Datang Telecom Technology Co., Ltd. since January 2022
Si Fengqi	Served as the deputy director of the Steam Turbine Special Committee of China Electricity Technology Market Association since January 2022
Jin Shengxiang	Ceased to serve as the deputy secretary of Party Committee and general manager of Beijing Jingneng Power Co., Ltd. since November 2021; served as the safety director and the director of the safety and technology and environmental protection department of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) since November 2021
Ying Xuejun	Ceased to serve as the general manager of Guangdong Branch of Datang International Power Generation Co., Ltd. since November 2021; served as the executive director of Guangdong Branch of Datang International Power Generation Co., Ltd. since November 2021

Name of Supervisor	Details of Change
Liu Quancheng	Ceased to serve as the director of Datang Environment Industry Group Co., Ltd. since September 2021
Zhang Xiaoxu	Ceased to serve as the general manager of Tianjin Energy Group Finance Co., Ltd. since December 2021; served as the chairman of Tianjin Energy Group Finance Co., Ltd. since December 2021

Directors' and supervisors' service contracts

As at 31 December 2021, the Company has not entered into any service contracts with its Directors and supervisors. Therefore, none of the Directors and supervisors has or proposed to have any service contracts with the Company which are not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors and supervisors

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

Interests of Directors and supervisors in contracts

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

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

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

Interests of substantial shareholders in contracts

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

Equity-linked agreement

The Company did not enter into any equity-linked agreement for the year ended 31 December 2021.

Remuneration of Directors, Supervisors and Senior Management

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

All of the highest paid individuals of the Company during the Year were Directors and senior management. Details of their remunerations are set out in Notes 14 and 15(c) to the Financial Statements from page 174 to page 179.

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

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

Bank borrowings, overdrafts and other borrowings

Apart from the loans from China Datang Group Finance Company Limited, short-term bank loans, other short-term loans, long-term bank loans, other long-term loans, short-term bonds and long-term bonds set out in Note 41, Note 34, Note 42 and Note 35 to the Financial Statements on page 221, page 213 to page 214, page 221 and page 215, respectively, there were no other loans of the Company and its subsidiaries as at 31 December 2021.

Report of the Directors

Issuance of debentures

As of 31 December 2021, the issuance of debentures by the Company is as follows:

Completion date of issuance	Types of issued debentures	Coupon rate (%)	Financing Amount (RMB'00 million)	Reason for issuance
24 November 2021	Super short-term bonds	2.39	20	Applying in coal procurement of coal-fired subsidiaries, etc.
20 October 2021	Super short-term bonds	2.55	20	Repaying outstanding debt financing instruments
27 September 2021	Super short-term bonds	2.35	20	Repaying the Company's interest bearing debts due in the future and replenishing the liquidity
9 September 2021	Medium-term notes	3.2	15	Repaying the borrowings for the previous period for wind power and photovoltaic power projects
17 August 2021	Super short-term bonds	2.06	20	Repaying the Company's interest bearing debts due in the future and replenishing the liquidity
4 August 2021	Medium-term notes	2.8	12	Repaying the borrowings for the previous period for wind power and photovoltaic power projects
20 October 2021	Super short-term bonds	2.55	20	Repaying the Company's interest bearing debts due in the future
13 July 2021	Super short-term bonds	2.1	20	Repaying the Company's interest bearing debts due in the future
13 May 2021	Super short-term bonds	2.33	20	Repaying the Company's interest bearing debts due in the future and replenishing the liquidity
7 May 2021	Medium-term notes	3.09	20	Repaying the Company's outstanding borrowings from financial institution and replenishing working capital, etc.
21 April 2021	Super short-term bonds	2.17	20	Repaying the Company's interest bearing debts due in the future and replenishing the liquidity
8 March 2021	Super short-term bonds	2.45	20	Repaying the Company's interest bearing debts due in the future

Pre-emptive rights

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

Connected transactions

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

I. Continuing connected transactions in 2021

Currency: RMB Unit: '00 million

No.	Terms of Transaction	Annual Caps	Actual Amount
I.	Transactions under the Comprehensive Product and Service Framework Agreement between Datang International and CDC		
	(I) Products and services provided by CDC to Datang International		
	1 Procurement of production and infrastructure materials and relevant auxiliary services	78	25.62
	2 Coal supply	450	210.99
	3 Technological transformation, operations management and repair and maintenance	15	1.48
	4 Technical supervision and technical services	4	3.39
	5 Infrastructure EPC contracting	18	7.36
	6 Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	17	0.61
	7 Alternative power generation	1	0.20
	8 Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	27	24.05
	9 Research and development in technological projects	0.8	0.10
	10 Information system development	1	0.82
	11 Property rights brokerage services	0.3	0
	12 Property management and other logistical services	0.55	0.26
	(II) Products and services provided by Datang International to CDC		
	1 Coal supply and coal transportation	150	1.96
	2 Sale of electricity	7	0.11
	3 Alternative power generation	9	0
	4 Operations management and repair and maintenance	1.9	1.87
	5 Water, electricity and gas fee in respect of Flue Gas Environmental Protection Facilities Franchising	6.8	6.75
II.	Transaction under the Financial Services Agreement with China Datang Group Finance Company Limited ("Datang Finance Company")		
	1 Balance of the average daily deposit in Datang Finance Company	180	148.81
III.	Transaction under the Financial Business Cooperation Agreement with Datang Finance Leasing Company Limited ("Datang Leasing Company")		
	1 Lease payments with Datang Leasing Company	100	18.94
IV.	Transaction under the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Co., Ltd. ("Shanghai Datang Financial Lease Company")		
	1 Lease payments with Shanghai Datang Financial Lease Company	100	9.35
V.	Transaction under the Factoring Business Cooperation Agreement entered into with Datang Commercial Factoring Company Limited ("Datang Factoring Company")		
	1 Factoring business with Datang Factoring Company	20	7.93



Report of the Directors

Details of the above continuing connected transactions are as follows:

1. On 23 January 2019, the Company entered into the Comprehensive Product and Service Framework Agreement with CDC. CDC Group agreed to provide products and services (including (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Technological Transformation, Operations Management and Repair and Maintenance, (iv) Technical Supervision and Technical Services, (v) Infrastructure EPC Contracting, (vi) Sale of Electricity (including sale of water, gas and other resources) and Electricity Entrustment Agency, (vii) Alternative Power Generation, (viii) Flue Gas Environmental Protection Facilities Franchising, (ix) Research and Development in Technological Projects, (x) Information System Development, (xi) Property Rights Brokerage Services and (xii) Property Management and Other Logistical Services) to the Group during the term of the Comprehensive Product and Service Framework Agreement. The Group agreed to provide products and services (including (i) Coal Supply and Coal Transportation, (ii) Alternative Power Generation, (iii) Sale of Electricity, (iv)

Operations Management and Repair and Maintenance and (v) the supply of water, electricity and gas in respect of Flue Gas Environmental Protection Facilities Franchising) to CDC Group during the term of the Comprehensive Product and Service Framework Agreement. The transactions can ensure the Company in obtaining reliable and guaranteed comprehensive products and services, such as coal, materials and services, reducing its operating risks and costs as well as improving work efficiency, which is conducive to the normal commencement of the production and operation of the Company.

CDC and its subsidiaries collectively hold approximately 53.09% of the issued share capital of the Company and are the controlling shareholder of the Company. Therefore, CDC is a connected person of the Company.

For the year ended 31 December 2021, the annual caps and actual aggregate transaction amounts are as follows:

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

Currency: RMB Unit: '00 million

No.	Transactions	Annual Caps	Actual Amount
1	Procurement of production and infrastructure materials and relevant auxiliary services	78	25.62
2	Coal supply	450	210.99
3	Technological transformation, operations management and repair and maintenance	15	1.48
4	Technical supervision and technical services	4	3.39
5	Infrastructure EPC contracting	18	7.36
6	Sale of electricity (including sales of water, gas and other resources) and electricity entrustment agency	17	0.61
7	Alternative power generation	1	0.20
8	Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	27	24.05
9	Research and development in technological projects	0.8	0.10
10	Information system development	1	0.82
11	Property rights brokerage service	0.3	0
12	Property management and other logistical services	0.55	0.26

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

Currency: RMB Unit: '00 million

No.	Transactions	Annual Caps	Actual Amount
1	Coal supply and coal transportation	150	1.96
2	Sale of electricity	7	0.11
3	Alternative power generation	9	0
4	Operations management and repair and maintenance	1.9	1.87
5	Water, electricity and gas fee in respect of Flue Gas Environmental Protection Facilities Franchising	6.8	6.75



Report of the Directors

During the term of the agreement, all of the aforesaid transaction amounts did not exceed the annual caps as set out in the agreement. For details of the transactions, please refer to the announcements of the Company dated 23 January 2019 and 28 August 2020 and the circulars dated 11 March 2019 and 30 October 2020. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcements and circulars.

Due to the expiration of the foregoing agreement and its annual caps on 31 December 2021, the Company has renewed the Comprehensive Product and Service Framework Agreement with CDC on 15 November 2021, and proposed the annual caps for the three years ending 31 December 2024.

2. On 16 October 2019, the Company and Datang Finance Company entered into the Financial Services Agreement. Pursuant to the agreement, Datang Finance Company agreed to provide the Group with deposit businesses, loan businesses and other financial businesses. Among them, for deposit business, the maximum daily balance of the deposits should not exceed RMB18,000 million; and for comprehensive credit business, the comprehensive credit limit was RMB27,000 million. The term of the agreement commenced from 1 January 2020 to 31 December 2022.

Datang Finance Company is a subsidiary of Datang Group, the controlling shareholder of the Company, and Datang Finance Company is therefore a connected person of the Company.

As of 31 December 2021, the daily balance of the deposits of the Group with Datang Finance Company was RMB14,881 million and did not exceed the annual cap as set out in the agreement, which complied with the relevant provisions of the agreement. For details please refer to the announcement of the Company dated 16 October 2019 and the circular dated 20 November 2019.

3. On 25 July 2019, the Company entered into the Financial Business Cooperation Agreement with Datang Lease Company. Pursuant to the agreement, Datang Lease Company shall provide financial support (including financial leasing, factoring and entrustment loan services and economic advisory service) to the Group for an aggregate value of not exceeding RMB10,000 million for every 12 months from the effective date of the agreement. The term of the agreement commenced from 20 December 2019 to 31 August 2022.

Datang Leasing Company is a subsidiary of Datang Group, the controlling shareholder of the Company, and Datang Leasing Company is therefore a connected person of the Company.

In 2021, the actual transaction amount under the Financial Business Cooperation Agreement was RMB1,894 million and did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 25 July 2019 and the circular of 18 October 2019. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

4. On 4 July 2018, the Company entered into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company, a controlled subsidiary of CDC, pursuant to which, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries with a principal of not exceeding RMB10,000 million for every 12 months from the effective date of the agreement for a term of 36 months commencing from the effective date of the agreement.

Shanghai Datang Financial Lease Company is an indirect holding subsidiary of CDC, the controlling shareholder of the Company, and Shanghai Datang Financial Lease Company is therefore a connected person of the Company.

In 2021, the actual transaction amount under the Leasing and Factoring Business Cooperation Agreement was RMB935 million and did not exceed the annual cap as set out in the agreement. For details of the agreement, please refer to the announcement of the Company dated 4 July 2018 and the circular dated 31 July 2018. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

Due to the expiration of the foregoing agreement and its annual caps on 20 December 2021, the Company has renewed the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company on 16 December 2021, and proposed the annual caps for the three years ending 31 December 2024.

5. On 21 May 2020, the Company entered into the Factoring Business Cooperation Agreement with Datang Factoring Company, pursuant to which, Datang Factoring Company will provide factoring business support in an aggregate value of not more than RMB2,000 million for every 12 months to the Company and its subsidiaries (including but not limited to businesses such as account receivables factoring and reverse factoring). The term of the agreement is 36 months from the effective date of the agreement.

Datang Factoring Company is a subsidiary of CDC, the controlling shareholder of the Company, and Datang Factoring Company is therefore a connected person of the Company.

For the year ended 31 December 2021, actual aggregate transaction amount under the Factoring Business Cooperation Agreement was approximately RMB793 million and did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcements of the Company dated 27 May 2019 and 21 May 2020 and the circular dated 5 June 2020. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

The Company has followed the pricing policies and guidelines as specified in its relevant announcements and/or circulars when determining the price and terms of the continuing connected transactions conducted during the year ended 31 December 2021.

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

The Company's auditor was engaged to report on its continuing connected transactions for the year ended 31 December 2021 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with rule 14A.56 of the Listing Rules, confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the cap. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

For details of related party transactions entered into by the Group during the year are disclosed in Note 49 to the consolidated financial statements. Save as disclosed in the section headed "Connected Transactions" in this annual report, the related party transactions disclosed in Note 49 did not constitute connected transactions under Chapter 14A of the Listing Rules, or were exempted from the requirements of reporting, announcement and Shareholders' approval pursuant to the Listing Rules. The Company has complied with all the relevant requirements under Chapter 14A of the Listing Rules and made disclosure in this annual report.

II. Other connected transactions in 2021

1. On 2 June 2021, the Company and CDC entered into the Capital Increase Agreement, pursuant to which the Company and CDC agreed to increase the registered capital in Datang Nuclear Company by way of cash. In particular, the Company agreed to contribute RMB86.2400 million to Datang Nuclear Company and CDC agreed to contribute RMB129.3660 million to Datang Nuclear Company based on the proportion of their respective shareholding in Datang Nuclear Company. Upon completion of this capital increase, the accumulated amount of capital contribution by the Company to Datang Nuclear Company would become RMB496.8163 million whereas its proportion of total shareholding would remain at 40%; the accumulated amount of capital contribution by CDC to Datang Nuclear Company would become RMB745.2304 million whereas its proportion of total shareholding would remain at 60%.

CDC is the controlling shareholder of the Company, which together with its subsidiaries holds in aggregate approximately 53.09% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company.

For details of the transaction, please refer to the announcement of the Company dated 2 June 2021. Unless otherwise specified, the expressions above shall have the same meanings as defined in the announcement.

2. On 30 November 2021, the Company and CDC entered into the Capital Increase Agreement, pursuant to which the Company and CDC agreed to increase the registered capital in Datang Nuclear Company by way of cash. In particular, the Company agreed to contribute RMB187.6000 million to Datang Nuclear Company and CDC agreed to contribute RMB281.4000 million to Datang Nuclear Company based on the proportion of their respective shareholding in Datang Nuclear Company. Upon completion of this capital increase, the accumulated amount of capital contribution by the Company to Datang Nuclear Company would become RMB684.4163 million whereas its proportion of total shareholding would remain at 40%; the accumulated amount of capital contribution by CDC to Datang Nuclear Company would become RMB1,026.6304 million whereas its proportion of total shareholding would remain at 60%.

CDC is the controlling shareholder of the Company, which together with its subsidiaries holds in aggregate approximately 53.09% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company.

For details of the transaction, please refer to the announcement of the Company dated 30 November 2021. Unless otherwise specified, the expressions above shall have the same meanings as defined in the announcement.

Retirement scheme

In accordance with the State's employee retirement scheme, the Group has to pay a basic pension insurance premium on behalf of the employees at a rate of 16% of the staff's salaries whereby the employees will receive a monthly pension payment after retirement. The scheme takes immediate effect for the contributions of foregoing defined contribution pension scheme, and the Group has no forfeited contribution to reduce the existing contribution.



Report of the Directors

In addition, the Company has also implemented an enterprise annuity plan, whereby employees will make monthly contributions at fixed amounts as individual savings pension insurance funds, while the Company will contribute proportionate amounts of the employees' contributions as supplementary pension insurance funds. The Company may at its discretion provide additional non-recurring individual savings pension insurance funds depending on the operating results of the year. When retired, an employee will receive individual savings pension insurance fund and corporate supplemental savings pension insurance fund by the Company. Provided that employees are dismissed or cancelled the employment contract due to the violation of laws or disciplines, unvested contributions to the supplementary pension insurance funds by the Company will be transferred back to the Company's enterprise annuity account. The amount of forfeited contributions is not material.

Apart from such contributions, the Company has no other liabilities towards the staff retirement scheme.

Interest capitalization

During the Year, the interest capitalised in respect of construction-in-progress amounted to approximately RMB338,057,000.

Compliance of the Model Code

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

Independent non-executive directors

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

Auditors

Provided that ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited (collectively "ShineWing") are also the accountants responsible for the annual auditing of China Datang Corporation Ltd. ("CDC"), the controlling shareholder of the Company, and has provided services for CDC for five years, ShineWing can no longer serve as the annual auditor of CDC and its subsidiaries since 2020 and shall be subject to change pursuant to the relevant provisions on the number of years of audit by accounting firms as stipulated in the Measures for the Administration of the Final Account Reports of Central Enterprises 《(中央企業財務決算報告管理辦法)》 and the Notice on Strengthening the Auditing of Final Accounts of Central Enterprises 《(關於加強中央企業財務決算審計工作的通知)》 issued by the State-owned Assets Supervision and Administration Commission of the State Council. Accordingly, ShineWing no long serves as the Company's domestic and international auditor upon expiration of the 2019 annual general meeting. Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited were successively appointed as the Company's domestic and international auditor for 2020 and 2021 respectively as approved at the 2020 second extraordinary general meeting and the 2020 annual general meeting of the Company, responsible for the audit work of the Company's domestic and international financial reports. Save as disclosed above, there has been no change in the auditors of Company in any of the preceding three years.

By order of the Board
Liang Yongpan
Chairman

29 March 2022



REPORT OF THE SUPERVISORY COMMITTEE

Dear supervisors,

In 2021, in the spirit of being accountable to all shareholders of Datang International Power Generation Co., Ltd. (“Datang International” or the “Company”) and in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Articles of Association of Datang International Power Generation Co., Ltd. (the “Articles of Association”), the Rules of Procedure of the Supervisory Committee Meeting of Datang International Power Generation Co., Ltd. (the “Rules of Procedure of the Supervisory Committee Meeting”) and the relevant requirements of the listing rules in the jurisdictions where the Company

is listed, members of the Supervisory Committee of the Company dutifully and conscientiously fulfilled their monitoring duties with promotion in lawful and compliant operation of the Company. In 2021, members of the Supervisory Committee attended all general meetings, Board meetings and meetings of the specialised committees under the Board. They also actively participated in the review of the Company’s major decisions and examined the Company’s operation and financial position from time to time, striving to protect the rights of the shareholders, the benefits of the Company as well as the legal interests of staff within legal limits. The detailed report on the work of the Supervisory Committee for 2021 is as follows:

I. Supervisory Committee Meetings

No.	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
1	12th meeting of the tenth session of the Supervisory Committee	26 March 2021	On-site meeting	Considered and approved the working report for 2020 of the Supervisory Committee, financial budget report for 2020, financial budget report for 2021, provision of asset impairment, retirement and write-off of certain affiliated enterprises, special report on the deposit and actual use of proceeds for 2020, profit distribution plan in 2020, internal control and appraisal report and audit report in 2020, and resolution on publication of 2020 annual report
2	13th meeting of the tenth session of the Supervisory Committee	28 April 2021	Communication conference	Considered and approved the resolution on the first quarterly report in 2021
3	14th meeting of the tenth session of the Supervisory Committee	30 August 2021	Communications conference	Considered and approved the resolution on publication of the 2021 interim report and the special report on the deposit and actual use of proceeds of the Company in the first half of 2021, provision of asset impairment of the headquarter of the Company and certain subsidiaries and changes in accounting estimation of fixed assets
4	15th meeting of the tenth session of the Supervisory Committee	28 October 2021	Communications conference	Considered and approved the resolution on adjustment of shareholders’ representative supervisors and 2021 third quarterly report
5	16th meeting of the tenth session of the Supervisory Committee	17 November 2021	Communications conference	Considered and approved the resolution on adjustment of the chairman of the supervisory committee and the asset retirement related to units shutdown of Douhe Power Plant of Datang International



Report of the Supervisory Committee

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

1. The Company's Operation in Compliance with Laws

During the reporting period, members of the Supervisory Committee acquired understanding of the major operating decision – making process through attending (or attending as observers) the general meetings, Board meetings and major internal integrated or professional meetings of the Company, and inspected and monitored the financial position and the operation of the Company. The Supervisory Committee is of the view that in 2021 the Company's business was regulated and operated in strict compliance with the Company Law and the Articles of Association and other relevant regulations and systems and its operation and decisions were scientific and rational. Meanwhile, the Company has established and continued to enhance its internal management and internal control systems and developed an effective internal control mechanism. In fulfilling their duties, directors and senior management of the Company acted diligently and dutifully, abided by the State laws and regulations and the Articles of Association and systems of the Company and safe guarded the interests of the Company. No act which constituted violation of laws and regulations or contravention of the Company's interests and minority shareholders' lawful interests was discovered.

2. Financial Management of the Company

During the reporting period, the Supervisory Committee conscientiously and carefully examined and reviewed the Company's financial statements and financial information, expressed opinions on asset impairment, changes in accounting policies and retirement of assets, took part in reviewing the auditor's report and provided opinions and recommendations on the auditor's work. The Supervisory Committee is of the view that the preparation of the Company's financial statements complies with the relevant requirements of the Accounting Standards for Business Enterprises and Financial Accounting Systems of the Company, and that the Company's 2021 financial report and the standard unqualified audit report issued by the accountants truthfully reflect the financial position and the operating results of the Company.

3. Acquisition and Disposal of Assets of the Company

The Supervisory Committee reviewed resolutions in relation to acquisition and disposal of assets which were considered and approved by the Board, including the "Resolution on the the Acquisition of 50% Equity Interest of Ganze Datang New Energy Held by TBEA New Energy", "Resolution on the Transfer of Preliminary Assets of Guangdong Nuclear Power Project", etc..

The Supervisory Committee is of the view that in the work involved in the above resolutions, the Company adopted strict systems and decision-making procedures to ensure that the transaction prices of acquisition and disposal of the Company's assets were fair and reasonable. Major operating matters implemented by the Company did not violate the approval procedures and information disclosure obligations, nor did the transaction pricing appear to be unfair. There are no major decisions that do not meet the needs of the Company's business development, and there are no circumstances that damage the rights and interests of the Company and minority shareholders.

4. Use of Proceeds of the Company

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

5. Connected Transactions of the Company

During the reporting period, connected transactions have been considered and approved by the corresponding Board or general meetings of the Company, and during the execution process, the transaction cap for the period from January 2021 to December 2021 did not exceed the maximum limit approved. Major connected transactions conducted by the Company include: 1. connected transactions between the Company and China Datang Corporation Limited (a controlling shareholder) and its subsidiaries in respect of procurement of production or infrastructure materials, sale and purchase of fuels, technical transformation projects, technical services, sale of electricity, alternative power generation, franchising of flue gas environmental protection facilities, infrastructure EPC contracting, repair and maintenance service, financial assistance, financial leasing; and 2. sale and purchase of fuels and coal transportation conducted between the Company and related subsidiaries.

The Supervisory Committee is of the opinion that the connected transactions of the Company in 2021 were conducted on normal commercial terms and were in compliance with the relevant requirements of the PRC laws and regulations and the Articles of Association; and the Company has fulfilled its approval and disclosure processes as required by the Shanghai Stock Exchange Listing Rules and the Hong Kong Listing Rules.

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

The Supervisory Committee of the Company reviewed the Company's 2021 Internal Control Evaluation Report and communicated with the management of the Company and the accounting firm that was responsible for the internal auditing of the Company. The Supervisory Committee believes that the evaluation procedure of the internal control of the Company was in compliance with the Basic Standards of Enterprise Internal Control and other relevant requirements, and the Evaluation Report on Internal Control for 2021 of the Company truthfully and objectively reflected the conditions on the operation and improvement of the internal control system of the Company. The Company has practically complied with the basic principles of internal control, established comprehensive internal control procedures and system, and proactively carried out risk assessment and internal control evaluation. As at the benchmark date of the Evaluation Report on Internal Control, no material defects or important defects of internal control over financial reporting or non-financial reporting were identified by the Company.

The Supervisory Committee agreed with the unqualified audit report on internal control issued by Baker Tilly China (Special General Partnership).

III. Work Plan for 2022

In 2022, the Supervisory Committee of the Company will continue to follow the Company Law, the Articles of Association, and the Rules of Procedure of the Supervisory Committee Meeting. In the spirit of being accountable to all shareholders and employees of the Company, the Supervisory Committee will continue to exercise effective supervision over the Company's major business decisions through ways such as attending (or attending as observers) Board meetings and relevant important business meetings of the Company, as well as to periodically examine the Company's financial position and internal control, supervise the performance of duties fulfillment of directors and senior management of the Company, and ensure the lawful and compliant operation of the Company. Members of the Supervisory Committee will also continue to improve their political quality and operational capacity by studying relevant laws and regulations, so as to perform their function of supervision more effectively.

Datang International Power Generation Co., Ltd.

Supervisory Committee

29 March 2022



TAXATION IN THE UNITED KINGDOM

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

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

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

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

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



CORPORATE INFORMATION

Registered name of the company

大唐國際發電股份有限公司

English name of the company

Datang International Power Generation Company
Limited

Office address of the company

No. 9 Guangningbo Street
Xicheng District
Beijing
People's Republic of China

Principal place of business in Hong Kong

40/F, Dah Sing Financial Centre
No. 248 Queen's Road East, Wanchai
Hong Kong

Legal representative

Liang Yongpan

Authorised representatives

Liang Yongpan
Jiang Jinming

Secretary to the board

Jiang Jinming

Principal bankers

In the PRC:

Industrial and Commercial Bank of China,
Xuanwu Branch
No. 1 Caishikou Street
Xicheng District
Beijing
People's Republic of China

Outside the PRC:

Bank of China (Hong Kong) Limited
One Garden Road Central
Hong Kong

Domestic auditor

Baker Tilly China Certified Public
Accountants (Special General Partnership)
Building 12, Foreign Culture and Creative Garden
No. 19, Chegongzhuang West Road
Haidian District, Beijing
The People's Republic of China

International auditor

Baker Tilly Hong Kong Limited
2nd Floor
625 King's Road, North Point
Hong Kong

Legal advisors

as to PRC law:

King & Capital Law Firm
12/F, Building C, Yuanyang Guanghua International
No. 5 Jinghua South Street
Chaoyang District
Beijing
People's Republic of China

as to Hong Kong law:

Clifford Chance
27/F, Jardine House
One Connaught Place Central
Hong Kong

Listing information

H Shares

The Stock Exchange of Hong Kong Limited
Stock Code: 00991

A Shares

Shanghai Stock Exchange
Stock Code: 601991

H Shares

The London Stock Exchange Limited
Stock Code: DAT

Share register and transfer office

Computershare Hong Kong Investor Services Limited
17/F, Hopewell Center,
183 Queen's Road East,
Wanchai, Hong Kong

Information of the company

Available at:

Securities and Capital Department
Datang International Power Generation Company
Limited
No. 9 Guangningbo Street
Xicheng District
Beijing
People's Republic of China

and

Hetermedia Services Limited
9/F Infinitus Plaza
199 Des Voeux Road Central
Hong Kong



GLOSSARY OF TERMS

The following terms have the following meaning in this annual report, unless otherwise required by the context:

“Coal consumption for power supply”	The average amount of standard coal consumed by the thermal power generation unit to produce 1 KWh of power; unit of measurement: g/kWh
“Electricity consumption rate of power plants”	The ratio of electricity consumed during power generation to the electricity generated; unit of measurement: %
“Installed capacity”	The highest level of electrical output which a power plant is designed to be able to maintain continuously without causing damage to the plant
“Utilisation hours”	For a specified period, the number of hours it would take for a power plant operating at installed capacity to generate the amount of electricity actually produced in that period
“MW”	1,000,000 watts (equivalent to 1,000 kW)
“kWh”	A unit of power generation equivalent to the output generated by 1,000 watts of power in one hour



TO THE SHAREHOLDERS OF DATANG INTERNATIONAL POWER GENERATION COMPANY LIMITED
(a joint stock company incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Datang International Power Generation Company Limited and its subsidiaries (together the "Group") set out on pages 103 to 250, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

Independent Auditor's Report

KEY AUDIT MATTERS

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

Key Audit Matter

How our audit addressed the key audit matter

Recognition of deferred tax assets

As at 31 December 2021, the Group recognised RMB3,520,775,000 deferred tax assets arising from deductible tax losses.

The recognition of these deferred tax assets involves management judgement and estimations about the timing and the amount of taxable profits to be generated during the forecast period.

Management has prepared the profit forecasts to assess the timing and amount at taxable profits in the foreseeable future and considers that the utilisation of these deferred tax assets is probable.

We have identified the recoverability assessments on the recognition of deferred tax assets as a key audit matter because significant judgement and estimates are involved in recognition of deferred tax assets.

The related disclosures are included in notes 4, 5 and 37 to the consolidated financial statements.

Our procedures in relation to recognition of deferred tax assets included:

- Obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the recoverability assessments of deferred tax assets including testing controls over management's review of the significant assumptions used in the forecasts;
- Obtained the annual tax filling of preceding year, checked the deductible temporary differences and tax losses acknowledged by the tax authority;
- Reviewed the profit forecasts for the future periods approved by management, compared the historical operating results, trends, and future operating, investing and financing plans, assessed the main data and key assumptions adopted by management in the prediction of the future taxable profits, reviewed the reconciliation items between the profit forecast and future taxable profits;
- Assessed the tax positions and the related assumptions with assistance of external tax experts of the Group;
- Assessed the adequacy of the Group's disclosures included in the consolidated financial statements regarding the deferred tax assets.

We found the estimation and judgement made by management in respect of the recognition of deferred tax assets were supportable by the available evidence.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

Impairment of property, plant and equipment

As at 31 December 2021, the carrying amount of property, plant and equipment of the Group was RMB210,201,560,000.

Management identified indicators of potential impairment of certain property, plant and equipment and performed impairment assessments of these assets as at 31 December 2021 by using value-in-use calculations, as recoverable amounts, for each cash-generating units ("CGUs") by preparing discounted cash flow forecasts for each CGU.

The impairment assessments involve a significant degree of management judgement, particularly in relation to the key assumptions adopted, including the future sales volumes and selling prices, future fuel prices and the discount rate applied in the discounted cash flow forecasts.

We identified assessing potential impairment of certain property, plant and equipment as a key audit matter because the carrying amount of property, plant and equipment is material to the consolidated financial statements and because of the significant management judgement and estimation required in assessing potential impairment which could be subject to error or potential management bias.

The related disclosures are included in notes 4, 5 and 18 to the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to impairment of property, plant and equipment included:

- Obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the management's key process of the Group's property, plant and equipment impairment assessment;
- Assessed management's identification of CGUs and the allocation of assets to each CGU and assessing the methodology adopted by management in its preparation of the discounted cash flow forecasts with reference to our understanding of the Group's business;
- Comparing the most significant assumptions used in the discounted cash flow forecasts, including the future sales volumes and selling prices, future fuel prices and discount rate applied, with the historical performance of each CGU, management's budgets and forecasts and industry and other externally available information;
- Performing sensitivity analyses of the significant assumptions described by assessing the changes to the recoverable amounts of the CGUs resulting from change in these assumptions; and
- Assessed the adequacy of the Group's disclosures included in the consolidated financial statements regarding the impairment assessments.

We found the estimation and judgement made by management in respect of the impairment assessment of property, plant and equipment were supportable by the available evidence.



Independent Auditor's Report

OTHER INFORMATION

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



Independent Auditor's Report

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Gao Yajun.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 29 March 2022

Gao Yajun

Practising Certificate Number P06391

Consolidated Statement of Profit or Loss

For the Year Ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Operating revenue	8	103,411,958	95,614,422
Operating costs			
Fuel for power and heat generation	13(a)	(72,339,036)	(46,359,211)
Depreciation	13(a)	(13,283,438)	(14,470,015)
Repairs and maintenance		(3,013,543)	(3,177,683)
Salaries and staff welfare	13(a)	(8,957,181)	(8,122,452)
Local government surcharges		(1,249,776)	(1,329,803)
Others	13(b)	(12,298,945)	(11,281,171)
Total operating costs		(111,141,919)	(84,740,335)
Operating (loss)/profit		(7,729,961)	10,874,087
Share of results of associates	22	2,571,946	1,805,028
Share of results of joint ventures	23	(245,230)	(123,825)
Investment income	13(a)	105,571	343,100
Interest income		82,436	84,192
Other income and other gains and losses, net	10	590,123	1,040,920
Finance costs	11	(6,619,275)	(6,879,659)
(Loss)/profit before tax		(11,244,390)	7,143,843
Income tax expense	12	(630,816)	(1,891,112)
(Loss)/profit for the year	13	(11,875,206)	5,252,731
(Loss)/profit for the year attributable to:			
Holders of equity instruments of the Company			
– Owners of the Company		(10,706,612)	1,829,942
– Holders of other equity instruments		1,437,221	1,158,742
		(9,269,391)	2,988,684
– Non-controlling interests		(2,605,815)	2,264,047
		(11,875,206)	5,252,731
(Loss)/earnings per share			
Basic and diluted (RMB cents)	17	(57.85)	9.89

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

	2021 RMB'000	2020 RMB'000
(Loss)/profit for the year	(11,875,206)	5,252,731
Other comprehensive income/(expense), net of tax (Note 12(b)):		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive income/(expense) of associates	11,222	(456)
Exchange differences on translating foreign operations	1,974	(16,534)
<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	(10,023)	(209,344)
Other comprehensive income/(expense) for the year, net of tax	3,173	(226,334)
Total comprehensive (expense)/income for the year	(11,872,033)	5,026,397
Total comprehensive (expense)/income for the year attributable to:		
Holders of equity instruments of the Company		
– Owners of the Company	(10,682,520)	1,621,737
– Holders of other equity instruments	1,437,221	1,158,742
	(9,245,299)	2,780,479
– Non-controlling interests	(2,626,734)	2,245,918
	(11,872,033)	5,026,397

Consolidated Statement of Financial Position

For the Year Ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Non-current assets			
Property, plant and equipment	18	210,201,560	208,922,692
Right-of-use assets	19	5,205,557	5,073,892
Investment properties	20	500,315	473,183
Intangible assets	21	2,071,345	2,010,821
Interests in associates	22	17,970,978	17,608,093
Interests in joint ventures	23	203,454	453,947
Financial assets at fair value through profit or loss	24	3,876,320	3,839,505
Financial assets at fair value through other comprehensive income	24	916,995	899,309
Deferred tax assets	37	4,221,458	3,915,125
Other non-current assets	25	5,294,832	3,562,559
		250,462,814	246,759,126
Current assets			
Inventories	26	6,244,631	3,145,945
Trade and notes receivables	27	18,970,437	16,732,397
Prepayments and other receivables	28	8,815,919	5,404,839
Tax recoverable		325,510	154,544
Current portion of other non-current assets	25	22,200	–
Cash and cash equivalents and restricted deposits	29	11,258,406	8,274,612
		45,637,103	33,712,337
Current liabilities			
Trade payables and accrued liabilities	40	30,797,484	22,208,032
Contract liabilities	40	1,789,396	1,539,392
Consideration payable		169,216	169,216
Tax payables		1,362,900	1,416,964
Dividend payables		561,668	805,672
Short-term loans	41	39,277,353	29,040,022
Short-term bonds	42	6,329,701	2,622,655
Current portion of lease liabilities	39	215,492	271,946
Current portion of non-current liabilities	34,35,38	15,518,879	20,946,331
		96,022,089	79,020,230
Net current liabilities		(50,384,986)	(45,307,893)
		200,077,828	201,451,233

Consolidated Statement of Financial Position

For the Year Ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Capital and reserves			
Share capital	30	18,506,711	18,506,711
Reserves		10,912,262	23,364,587
		29,418,973	41,871,298
Non-controlling interests		14,010,741	18,321,656
Other equity instruments	33	32,844,824	31,316,377
Total equity		76,274,538	91,509,331
Non-current liabilities			
Long-term loans	34	102,615,860	92,151,095
Long-term bonds	35	9,188,105	5,982,740
Deferred income	36	1,968,218	2,168,887
Deferred tax liabilities	37	681,177	618,048
Lease liabilities	39	1,359,176	1,714,402
Other non-current liabilities	38	7,990,754	7,306,730
		123,803,290	109,941,902
		200,077,828	201,451,233

The consolidated financial statements on pages 103 to 250 were approved and authorised for issue by the board of directors on 29 March 2022 and are signed on its behalf by:

Liang Yongpan
Director

Xiao Zheng
Director

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2021

	Attributable to the owners of the Company											
	Share capital RMB'000	Capital reserve	Statutory surplus reserve	Merger reserve	Discretionary surplus reserve	Foreign currency translation reserve	FVTOCI reserve	Retained earnings	Total	Other equity instruments	Non-controlling interests	Total equity
		(Note 32(a))	(Note 32(b))	(Note 32(c))	(Note 32(d))	(Note 32(e))						
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	18,506,711	15,074,856	6,135,178	(8,579,790)	9,850,897	61,500	(346,938)	1,488,966	42,191,380	22,935,045	16,902,527	82,028,952
Profit for the year	-	-	-	-	-	-	-	1,829,942	1,829,942	1,158,742	2,264,047	5,252,731
Other comprehensive expense, net of tax (Note 12(b)):												
- Share of other comprehensive expense of associates	-	-	-	-	-	-	(456)	-	(456)	-	-	(456)
- Exchange differences on translating foreign operations	-	-	-	-	-	(16,534)	-	-	(16,534)	-	-	(16,534)
- Fair value loss on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(191,215)	-	(191,215)	-	(18,129)	(209,344)
Total comprehensive income/(expense) for the year	-	-	-	-	-	(16,534)	(191,671)	1,829,942	1,621,737	1,158,742	2,245,918	5,026,397
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	508,955	508,955
Acquisition of additional interests in subsidiaries (Note 43(b))	-	(676,506)	-	-	-	-	-	-	(676,506)	-	673,245	(3,261)
Appropriation to statutory surplus reserve	-	-	339,727	-	-	-	-	(339,727)	-	-	-	-
Appropriation to discretionary surplus reserve	-	-	-	-	380,534	-	-	(380,534)	-	-	-	-
Distributions made to holders of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	(764,657)	-	(764,657)
Disposal of a subsidiary (Note 44)	-	-	-	-	-	-	-	-	-	-	13,957	13,957
Share of reserves of associates	-	259	-	-	-	-	-	-	259	-	-	259
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(13,076)	13,076	-	-	-	-
Issue of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	7,987,247	-	7,987,247
Dividends paid (Note 16)	-	-	-	-	-	-	-	(1,202,936)	(1,202,936)	-	-	(1,202,936)
Dividends declared to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,037,048)	(2,037,048)
Others	-	(60,199)	-	-	-	-	-	(2,437)	(62,636)	-	14,102	(48,534)
At 31 December 2020	18,506,711	14,338,410	6,474,905	(8,579,790)	10,231,431	44,966	(551,685)	1,406,350	41,871,298	31,316,377	18,321,656	91,509,331

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2021

	Attributable to the owners of the Company												
	Share capital	Capital reserve	Statutory surplus reserve	Merger reserve	Discretionary surplus reserve	Foreign currency translation reserve	FVTOCI reserve	Retained earnings/ (accumulated losses)	Total		Other equity instruments	Non-controlling interests	Total equity
									Total				
									RMB'000	RMB'000			
At 1 January 2021	18,506,711	14,338,410	6,474,905	(8,579,790)	10,231,431	44,966	(551,685)	1,406,350	41,871,298	31,316,377	18,321,656	91,509,331	
(Loss)/profit for the year	-	-	-	-	-	-	-	(10,706,612)	(10,706,612)	1,437,221	(2,605,815)	(11,875,206)	
Other comprehensive income/ (expense), net of tax (Note 12(b)):													
- Share of other comprehensive income of associates	-	-	-	-	-	-	11,222	-	11,222	-	-	11,222	
- Exchange differences on translating foreign operations	-	-	-	-	-	1,974	-	-	1,974	-	-	1,974	
- Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	10,896	-	10,896	-	(20,919)	(10,023)	
Total comprehensive (expense)/ income for the year	-	-	-	-	-	1,974	22,118	(10,706,612)	(10,682,520)	1,437,221	(2,626,734)	(11,872,033)	
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	264,182	264,182	
Distribution made to holders of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	(1,408,354)	-	(1,408,354)	
De-registration of subsidiaries	-	-	-	-	-	-	-	-	-	-	1,031	1,031	
Share of reserves of associates	-	7,682	-	-	-	-	-	-	7,682	-	3,130	10,812	
Issue of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	1,499,580	-	1,499,580	
Dividends paid (Note 16)	-	-	-	-	-	-	-	(1,684,111)	(1,684,111)	-	-	(1,684,111)	
Dividends declared to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,956,326)	(1,956,326)	
Others	-	(64,641)	-	-	-	-	-	(28,735)	(93,376)	-	3,802	(89,574)	
At 31 December 2021	18,506,711	14,281,451	6,474,905	(8,579,790)	10,231,431	46,940	(529,567)	(11,013,108)	29,418,973	32,844,824	14,010,741	76,274,538	

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Operating activities			
Cash generated from operations	43(a)	9,242,083	28,296,409
Income tax paid		(1,089,921)	(1,965,117)
Interest received		93,178	193,325
Net cash generated from operating activities		8,245,340	26,524,617
Investing activities			
Withdrawal/(placement) of restricted bank balances		208,995	(245,842)
Proceeds on disposal of property, plant and equipment, right-of-use assets, investment properties and intangible assets		264,838	897,725
Purchase of property, plant and equipment		(13,895,488)	(15,780,910)
Purchase of intangible assets		(127,693)	(156,573)
Increase in investments in associates		(166,244)	–
Increase in investments in joint ventures		–	(12,160)
Dividend received from associates		1,181,325	1,001,585
Increase in entrusted loans to an associate		(638,100)	–
Proceeds on disposal of associates and joint ventures		9,766	204,552
Dividend received from equity investments		72,629	233,967
Purchase of equity investments		(36,838)	(58,422)
Disposal of equity investments		–	22,301
Proceeds from disposal of a subsidiary, net of cash and cash equivalents	44	–	258,630
Proceeds from de-registration of subsidiaries		11,378	–
Net cash used in investing activities		(13,115,432)	(13,635,147)

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Financing activities			
Payment for acquisition of additional interests in subsidiaries	43(b)	–	(3,261)
Capital injections from non-controlling interests		264,182	508,955
Net proceeds from issue of perpetual bonds		1,499,580	7,987,247
Raise of new long-term loans		30,102,903	18,696,869
Repayment of long-term loans		(22,157,990)	(25,740,210)
Raise of new long-term bonds		3,200,000	–
Repayment of long-term bonds		(3,000,000)	–
Raise of new short-term loans		66,029,007	50,649,167
Repayment of short-term loans		(59,140,114)	(56,397,823)
Raise of new short-term bonds		18,300,000	12,100,000
Repayment of short-term bonds		(14,600,000)	(9,477,345)
Dividends paid		(3,884,441)	(3,931,672)
Raise of other pledged financing		4,395,160	2,138,900
Repayment to other pledged financing		(3,652,095)	(1,984,790)
Repayment to lease liabilities		(826,421)	(159,065)
Interest paid		(8,592,552)	(7,605,843)
Government grants received		128,897	220,100
Net cash generated from/(used in) financing activities		8,066,116	(12,998,771)
Net increase/(decrease) in cash and cash equivalents		3,196,024	(109,301)
Effect of foreign exchange rate changes		(3,235)	2,016
Cash and cash equivalents at 1 January		7,856,964	7,964,249
Cash and cash equivalents at 31 December, represented by bank balance and cash	29	11,049,753	7,856,964



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

1 GENERAL INFORMATION

Datang International Power Generation Company Limited (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 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 2021 for the preparation of the consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the ISAB issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

The application of 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

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

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 ³
Amendments to IFRS 3	Reference to the Conceptual Framework ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ¹
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 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract ²
Amendments to IFRSs Standards	Annual Improvements to IFRS Standards 2018–2020 ²

¹ Effective for annual periods beginning on or after 1 April 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 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 to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and disclosure requirements by the Hong Kong Companies Ordinance (“CO”).

At 31 December 2021, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2021, the Group had net current liabilities of RMB50,384,986,000. The Group had significant undrawn borrowing facilities, subject to certain conditions, of not less than RMB150 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these consolidated financial statements on a going concern basis.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment ("IFRS 2"), leasing transactions that are accounted for in accordance with IFRS 16 Lease ("IFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets ("IAS 36").

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

Acquisition method for business combination involving entity not under common control

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes ("IAS 12") and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

Acquisition method for business combination involving entity not under common control (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal or partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

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

(a) Sales of electricity and heat supply

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

Revenue is recognised when the electricity and heat is transmitted as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Sales of coal and other goods

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

Revenue is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of IFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

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

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the carrying amount of the relevant right-of-use assets are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group acts as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "foreign currency translation reserve" (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on temporary investment specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "Other income and other gains and losses, net".



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

Pension and other social obligation

The Group contributes to defined contribution schemes including pension and/or other social benefits in accordance with the local conditions and practices in the municipalities and provinces in which it operates. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries and recognised as an expense in profit or loss when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when it recognises any restructuring costs.

Short-term benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the income tax expense currently payable and deferred tax.

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

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

Construction in progress represents buildings and structures under construction and plant and equipment and transportation facilities pending installation. Construction in progress is carried at cost less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Intangible assets other than goodwill

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets other than goodwill (Continued)

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets other than goodwill (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

Impairment on property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, investment properties, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made on the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debts instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debts instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debts instruments/receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debts instruments/receivables. When these debts instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings/accumulated losses.

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(iv) Financial assets at FVTPL

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other income and other gains and losses, net" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets including trade and notes receivables, other receivables and cash and cash equivalents and restricted deposits, and financial guarantee contracts which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables.

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

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

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs (i) when there is a breach of financial covenants by the debtor or (ii) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

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

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available





Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debts instruments/receivables that are measured at FVTOCI and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

For debts instruments/receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments/receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of notes receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings/accumulated losses.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Perpetual capital instruments, which include no contractual obligation for the Group to deliver cash or financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

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

Derecognition of financial liabilities

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

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgement in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the availability of funding from various sources to enable the Group to operate as a going concern and meet its liabilities as they fall due. Details are explained in note 3 to the consolidated financial statements.

Approval of construction in new power plants

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

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

Property, plant and equipment and depreciation

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

The carrying amount of property, plant and equipment as at 31 December 2021 was RMB210,201,560,000 (2020: RMB208,922,692,000).

Estimated impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have suffered any impairment in accordance with relevant accounting policy. An impairment loss is recognised when the carrying amount of property, plant and equipment exceeds their recoverable amount which has been determined based on the higher of its value in use and fair value less cost of disposal.

These calculations of value in use require the use of estimates and judgement on future operating cash flow and discount rate adopted. The fair value less costs of disposal was determined by an independent professional valuer using the depreciated replacement cost approach and/or market comparable approach, as appropriate. Further details on the impairment assessment are set out in note 18.

During the year ended 31 December 2021, impairment losses of RMB1,147,439,000 (2020: RMB1,256,655,000) were recognised in profit or loss.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Estimated impairment of intangible assets including goodwill

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

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

At 31 December 2021, the carrying amount of goodwill was RMB762,979,000 (2020: RMB762,979,000). No impairment loss (2020: impairment loss of RMB32,546,000) was recognised in profit or loss during the year ended 31 December 2021. In respect of other intangible assets amounting to RMB1,308,366,000 (2020: RMB1,247,842,000), no impairment losses was recognised during the year ended 31 December 2021 (2020: Nil). Details of the impairment assessment are disclosed in note 21.

Deferred tax assets

At 31 December 2021, deferred tax assets of RMB3,520,775,000 (2020: RMB3,241,730,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax assets has been recognised on the tax losses of RMB26,552,630,000 (2020: RMB21,616,264,000) due to the unpredictability of future profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place. The information about the Group's deferred tax assets are disclosed in note 37.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Allowance for inventories

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

At 31 December 2021, the carrying amount of inventories is RMB6,244,631,000 (2020: RMB3,145,945,000) in which allowance for inventories amounted to RMB18,117,000 (2020: RMB26,968,000) and no reversal of allowances for inventories (2020: reversal of allowance for inventories of RMB72,000) have been recognised in profit or loss for the year ended 31 December 2021.

Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, for trade receivables which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 6 and 27.

Income taxes

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

During the year ended 31 December 2021, income tax expense of RMB630,816,000 (2020: RMB1,891,112,000) was charged to profit or loss.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Fair value measurement of financial instruments

At 31 December 2021, certain of the Group's financial assets are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Relevant information about the utilisation of valuation techniques and input in the process of determining the fair value is disclosed in note 7.

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt balance, which includes the borrowings disclosed in notes 34, 35, 41 and 42, net of cash and cash equivalents and restricted deposits and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure periodically. As part of this review, the management considers the cost of capital and the risks associates with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts or equity instruments or sell assets to reduce debts.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

(a) Capital risk management (Continued)

	2021 RMB'000	2020 RMB'000
Short-term loans	39,277,353	29,040,022
Short-term bonds	6,329,701	2,622,655
Long-term loans	114,385,881	106,440,968
Long-term bonds	9,384,399	9,220,109
Less: Cash and cash equivalents and restricted deposits	169,377,334 (11,258,406)	147,323,754 (8,274,612)
Net debt	158,118,928	139,049,142
Equity attributable to owners of the Company	29,418,973	41,871,298
Debt to equity ratio	5.37	3.32

(b) Categories of financial instruments

	2021 RMB'000	2020 RMB'000
Financial assets:		
Financial assets at amortised cost	32,231,487	25,574,978
Financial assets at fair value through profit or loss	3,876,320	3,839,505
Financial assets at fair value through other comprehensive income	1,463,356	2,141,116
Financial liabilities:		
Financial liabilities at amortised cost	214,023,688	183,218,841



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Financial risk management

The Group's major financial instruments include financial assets at fair value through profit or loss and other comprehensive income, trade and notes receivables, other receivables, cash and cash equivalents and restricted deposits, trade payables and accrued liabilities, consideration payable, lease liabilities and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate and other price risk), credit risk and liquidity risk. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the group entities. Accordingly, no currency risk sensitivity analysis is presented.

Interest rate risk

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

Most of the bank deposits are maintained in the savings and fixed deposits accounts in the PRC. The interest rates are regulated by the People's Bank of China while the Group closely monitors the fluctuation on such rates periodically. As the average interest rates applied to the deposits are relatively low, the directors are of the opinion that the Group is not exposed to any significant interest rate risk and no sensitivity analysis presented for these assets held as at 31 December 2021 and 2020.

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Financial risk management (Continued)

Interest rate risk (Continued)

Sensitivity analysis

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

At 31 December 2021, if interest rates on loans had been 50 basis points (2020: 50 basis points) lower with all other variables held constant, consolidated loss after tax for the year would have been RMB576,788,000 lower (2020: consolidated profit after tax for the year would have been RMB508,032,000 higher), arising mainly as a result of lower interest expense on the loans. If interest rates on loans had been 50 basis points (2020: 50 basis points) higher with all other variables held constant, consolidated loss after tax for the year would have been RMB576,788,000 higher (2020: consolidated profit after tax for the year would have been RMB508,032,000 lower), arising mainly as a result of higher interest expense on the loans.

Other price risk

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

Credit risk and impairment assessment

Credit risk refer to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primary attributable to trade and notes receivables, other receivables, cash and cash equivalents and restricted bank deposits and the amount of financial guarantee provided by the Group.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Financial risk management (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers

With regard to trade receivables arising from power sales and heat supply, most of the power plants of the Group sell electricity and heat supply to their sole customer, the power grid companies or heat supply companies of their respective provinces or regions where the power plants operate.

For trade receivables arising from sales of electricity and heat supply, the directors are of the opinion that there is no significant credit risk as these power plants of the Group communicate with their individual power grid companies periodically and maintains long-term and stable business relationships with these companies.

In respect of trade receivables arising from tariff premium of renewable energy, pursuant to Caijian [2012] No. 102 Notice on the 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 National Development and Reform Commission and the National Energy Administration in March 2012, a set of new standardised procedures for the settlement of the aforementioned renewable energy tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies. As at 31 December 2021, 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. 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 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.

For trade receivables arising from coal sales and others operation, the Group assesses the credit quality of the customers, taking into account their financial positions, past experience and other factors. It will also collect advanced payments from their customers. The Group performs periodic credit evaluations of its customers and believes that adequate allowance for credit losses has been made in the consolidated financial statements.

The Group uses internal credit rating to assess the impairment for its customers in relation to its sales of coal and others operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB270,439,000 as at 31 December 2021 (2020: RMB1,005,908,000) were assessed individually.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Financial risk management (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

At 31 December 2021, trade receivables due from the top five debtors amounted to RMB7,314,272,000 (2020: RMB5,525,255,000), representing 39.36% (2020: 34.48%) of the total trade receivables. Except for trade receivables, the Group has no significant concentrations of credit risk.

For the quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 27.

Notes receivables, other receivables, cash and cash equivalents and restricted bank deposits and financial guarantee

For notes receivables, the credit risk is limited because the notes are guaranteed by banks for payments and the banks are either the state-owned banks or other creditworthy financial institutions in the PRC.

For other receivables, management makes periodic individual assessment on their recoverability based on historical settlement records and also quantitative and qualitative information that is reasonable and supportive forward-looking information. At 31 December 2021, the Group had made an accumulated lifetime loss allowance on credit-impaired other receivables amounting to RMB460,243,000 (2020: RMB1,383,473,000).

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

For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was RMB279,614,000 (2020: RMB1,147,669,000) as at 31 December 2021. At the end of the reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Details of the financial guarantee contracts are set out in note 45.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Financial risk management (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

As at 31 December 2021, the Group has net current liabilities of approximately RMB50,384,986,000 (2020: RMB45,307,893,000). The Group relies on borrowings as a significant source of liquidity. As at 31 December 2021, the Group has available undrawn borrowing facilities of not less than RMB150 billion (2020: RMB150 billion).

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

	Less than 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At 31 December 2021						
Long-term loans	15,655,102	23,295,042	44,883,294	79,994,304	163,827,742	114,385,881
Long-term bonds	398,400	3,397,801	6,445,018	–	10,241,219	9,384,399
Other non-current liabilities	3,652,519	3,184,626	4,337,050	2,276,081	13,450,276	11,543,318
Trade payables and accrued liabilities	30,797,484	–	–	–	30,797,484	30,797,484
Consideration payables	169,216	–	–	–	169,216	169,216
Dividends payables	561,668	–	–	–	561,668	561,668
Short-term loans	40,530,749	–	–	–	40,530,749	39,277,353
Short-term bonds	6,363,581	–	–	–	6,363,581	6,329,701
Lease liabilities	371,826	438,372	1,321,412	1,496,010	3,627,620	1,574,668
	98,500,545	30,315,841	56,986,774	83,766,395	269,569,555	214,023,688
Financial guarantee issued maximum amount guarantee (Note)	279,614	–	–	–	279,614	–

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Financial risk management (Continued)

Liquidity risk (Continued)

	Less than 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At 31 December 2020						
Long-term loans	18,072,831	15,682,654	38,890,867	77,958,573	150,604,925	106,440,968
Long-term bonds	3,347,043	308,395	6,285,715	–	9,941,153	9,220,109
Other non-current liabilities	3,957,787	2,729,416	4,446,361	1,186,784	12,320,348	10,725,819
Trade payables and accrued liabilities	22,208,032	–	–	–	22,208,032	22,208,032
Consideration payables	169,216	–	–	–	169,216	169,216
Dividends payables	805,672	–	–	–	805,672	805,672
Short-term loans	29,726,160	–	–	–	29,726,160	29,040,022
Short-term bonds	2,634,579	–	–	–	2,634,579	2,622,655
Lease liabilities	353,824	317,791	1,085,234	1,422,995	3,179,844	1,986,348
	81,275,144	19,038,256	50,708,177	80,568,352	231,589,929	183,218,841
Financial guarantee issued maximum amount guarantee (Note)	1,147,669	–	–	–	1,147,669	–

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Certain Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages independent qualified valuers to perform the valuation. The finance department works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The finance department reports findings to the directors of the Company at each reporting date to explain the cause of fluctuations in the fair value.

Disclosures of level in fair value hierarchy at 31 December 2021:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s)	Significant input(s)	Relationship of unobservable input(s) to fair value
	31 December 2021	31 December 2020				
Equity instruments measured at fair value through profit or loss	Unlisted equity shares, amount of RMB3,876,320,000	Unlisted equity shares, amount of RMB3,839,505,000	Level 3	Market comparable approach	Discount for lack of marketability 21.11%– 38.57% (2020: 10.47%– 44.18%) (Note (i))	The higher the discount rate, the lower the fair value
Equity instruments measured at fair value through other comprehensive income	Listed equity shares, amount of RMB189,438,000	Listed equity shares, amount of RMB165,563,000	Level 1	Quoted bid prices in an active market	N/A	N/A
	Unlisted equity shares, amount of RMB727,557,000	Unlisted equity shares, amount of RMB733,746,000	Level 3	Market comparable approach	Discount for lack of marketability 21.11%– 30.30% (2020: 10.47%– 44.18%) (Note (ii))	The higher the discount rate, the lower the fair value

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s)	Significant input(s)	Relationship of unobservable input(s) to fair value
	31 December 2021	31 December 2020				
Notes receivables at fair value through other comprehensive income	RMB546,361,000	RMB1,241,807,000	Level 2	Discounted cash flow	Estimated future cash flows are discounted at market interest rate that reflects the time value to the date of settlement	N/A

Notes:

- (i) The fair value of unlisted equity instruments is determined using the net assets ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2021, it is estimated that with all other variable held constant, a decrease/increase in discount for lack of marketability by 5% would have decrease/increase the Group's consolidated loss after tax for the year by RMB80,445,000.
- (ii) The fair value of unlisted equity instruments is determined using the net assets ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2021, it is estimated that with all other variable held constant, a decrease/increase in discount for lack of marketability by 5% would have increased/decreased the Group's consolidated other comprehensive income by RMB7,746,000.

During the year ended 31 December 2021, there were no transfers between level 1 and level 2, or transfers into or out of level 3 (2020: Nil).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

- (a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of financial assets:

	Equity instruments at FVTPL RMB'000	Equity instruments at FVTOCI RMB'000
At 1 January 2020	4,203,692	925,540
Additions	–	58,422
Disposals	–	(22,301)
Fair value change recognised in profit or loss	(364,187)	–
Fair value change recognised in other comprehensive income	–	(227,915)
At 31 December 2020 and 1 January 2021	3,839,505	733,746
Additions	–	36,838
Fair value change recognised in profit or loss	36,815	–
Fair value change recognised in other comprehensive income	–	(43,027)
At 31 December 2021	3,876,320	727,557

- (b) Fair value of the Group's financial assets and financial liabilities that are measured at amortised cost

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statement approximate their fair values.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

8 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:

	2021 RMB'000	2020 RMB'000
Sales of electricity and heat supply	97,417,687	90,398,770
Sales of coal	631,066	1,268,774
Others	5,363,205	3,946,878
	103,411,958	95,614,422

9 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 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 aluminum smelting products, etc., and are included in "other segments".

Senior Management assesses the performance of the operating segments based on a measure of (loss)/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 aluminum 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

9 SEGMENT INFORMATION (CONTINUED)

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 2021

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
SEGMENT REVENUE				
Revenue from external customers	97,417,687	631,066	5,363,205	103,411,958
Inter-segment revenue (Note)	1,197,427	8,632,286	148,409	9,978,122
	98,615,114	9,263,352	5,511,614	113,390,080
Segment (loss)/profit	(12,719,062)	1,473,918	(23,245)	(11,268,389)

Year ended 31 December 2020

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

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

9 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

	2021 RMB'000	2020 RMB'000
SEGMENT ASSETS		
Power and heat generation segment	287,300,864	270,225,400
Coal segment	4,012,449	4,829,265
Other segments	4,654,387	5,278,843
Total reporting segment assets	295,967,700	280,333,508
SEGMENT LIABILITIES		
Power and heat generation segment	211,534,491	180,134,312
Coal segment	2,589,036	2,811,237
Other segments	5,677,134	5,995,403
Total reporting segment liabilities	219,800,661	188,940,952

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

	2021 RMB'000	2020 RMB'000
Total reporting segment (loss)/profit	(11,268,389)	7,204,643
IFRSs adjustments	23,999	(60,800)
(Loss)/profit before tax under IFRSs	(11,244,390)	7,143,843

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

9 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

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

	2021 RMB'000	2020 RMB'000
Assets		
Total reportable segment assets	295,967,700	280,333,508
IFRSs adjustments	132,217	137,955
Total assets under IFRSs	296,099,917	280,471,463
Liabilities		
Total reportable segment liabilities	219,800,661	188,940,952
IFRSs adjustments	24,718	21,180
Total liabilities under IFRSs	219,825,379	188,962,132

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

9 SEGMENT INFORMATION (CONTINUED)

Other segment information

Year ended 31 December 2021

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
<i>Amounts included in the measurement of segment results or segment assets:</i>				
Addition of non-current assets*	24,777,759	80,949	128,331	24,987,039
Depreciation and amortisation	12,863,008	189,532	297,248	13,349,788
Impairment of non-current assets*	545,928	–	601,511	1,147,439
Share of results of associates	1,071,796	1,623,520	(123,370)	2,571,946
Share of results of joint ventures	–	(245,230)	–	(245,230)
Interest income	76,881	2,081	3,474	82,436
Interest expenses	6,415,532	63,169	140,574	6,619,275
Allowance for inventories	18,117	–	–	18,117
Interests in associates	8,510,862	5,286,825	4,173,291	17,970,978
Interests in joint ventures	–	203,454	–	203,454
<i>Amounts regularly provided to the CODM but not included in the measurement of segment results:</i>				
Income tax expense	490,036	59,598	81,182	630,816

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

9 SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Year ended 31 December 2020

	Power and heat generation segment RMB'000	Coal segment RMB'000	Other segments RMB'000	Total RMB'000
<i>Amounts included in the measurement of segment results or segment assets:</i>				
Addition of non-current assets*	18,394,850	189,523	74,607	18,658,980
Depreciation and amortisation	14,036,620	125,424	362,877	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 income	78,524	2,940	2,728	84,192
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
<i>Amounts regularly provided to the CODM but not included in the measurement of segment results:</i>				
Income tax expense	1,784,895	45,764	60,453	1,891,112

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

9 SEGMENT INFORMATION (CONTINUED)

Geographical information

No geographical information is presented as more than 90% of the Group's revenue during the years ended 31 December 2021 and 2020 and most of their customers and non-current assets as at 31 December 2021 and 2020 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:

	2021 RMB'000	2020 RMB'000
Customer A ¹	11,206,495	13,575,485
Customer B ¹	12,626,244	N/A ²

¹ Revenue from power and heat generation segment

² The corresponding revenue did not contribute over 10% of the total revenue of the Group

10 OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2021 RMB'000	2020 RMB'000
Gain/(loss) on change of fair value of financial assets at fair value through profit or loss	36,815	(364,187)
Amortisation of deferred income	329,566	327,071
Gain on disposal of non-current assets	35,972	528,611
Gain on disposal of a subsidiary (Note 44)	–	353,392
(Loss)/gain on disposal of interests in joint ventures	(168)	79,555
(Loss)/gain on disposal of interests in associates	(4,205)	71
Gain on de-registration of subsidiaries	4,563	–
(Loss)/gain from written-off of property, plant and equipment	(24,150)	41,970
Carbon emissions rights trading income	273,624	–
Others	(61,894)	74,437
Total	590,123	1,040,920

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

11 FINANCE COSTS

	2021 RMB'000	2020 RMB'000
Interest expense on bank loans, bonds and other borrowings	6,802,976	7,300,113
Interest on lease liabilities	86,309	51,213
Less: amounts capitalised in property, plant and equipment	(338,057)	(538,792)
	6,551,228	6,812,534
Foreign exchange loss/(gain), net	1,248	(6,052)
Others	66,799	73,177
	6,619,275	6,879,659

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying capitalisation rate ranged from 3.93% to 4.52% (2020: 3.85% to 5.70%) per annum to expenditure on qualifying assets.

12 INCOME TAX EXPENSE

(a) Taxation in consolidated statement of profit of loss

	2021 RMB'000	2020 RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT"):		
Provision for the year	803,907	1,782,388
Under provision in respect of prior years	60,984	48,543
	864,891	1,830,931
Deferred tax	(234,075)	60,181
	630,816	1,891,112

The PRC EIT represents tax charged on the estimated assessable profits arising in the PRC. In general, the Group's subsidiaries operating in the PRC are subject to PRC EIT rate of 25% (2020: 25%), except for certain subsidiaries which are tax exempted or entitled to preferential tax rates, as determined in accordance with the relevant tax rules and regulations in the PRC.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

12 INCOME TAX EXPENSE (CONTINUED)

(a) Taxation in consolidated statement of profit or loss (Continued)

The tax charge for the year can be reconciled to the (loss)/profit before tax as follows:

	2021 RMB'000	2020 RMB'000
(Loss)/profit before tax	(11,244,390)	7,143,843
Tax at PRC EIT rate of 25% (2020: 25%)	(2,811,097)	1,785,961
Tax effect of income not taxable for tax purpose	(594,506)	(601,527)
Tax effect of expenses not deductible for tax purpose	29,473	227,121
Utilisation of tax losses previously not recognised	(107,570)	(123,900)
Tax effect of tax losses not recognised	4,377,239	932,029
Tax effect of deductible temporary differences not recognised	40,465	34,439
Effect of income tax on concessionary rate in the PRC	(363,214)	(384,708)
Under provision in respect of prior years	60,984	48,543
Others	(958)	(26,846)
Income tax expense	630,816	1,891,112

(b) Tax effects relating to component of other comprehensive income/(expense)

	2021			2020		
	Before taxation RMB'000	Taxation credited (Note 37(b)) RMB'000	Net of taxation RMB'000	Before taxation RMB'000	Taxation credited (Note 37(b)) RMB'000	Net of taxation RMB'000
Share of other comprehensive income/(expense) of associates	11,222	–	11,222	(456)	–	(456)
Exchange differences on translating foreign operations	1,974	–	1,974	(16,534)	–	(16,534)
Fair value loss on investments in equity instruments at fair value through other comprehensive income	(19,152)	9,129	(10,023)	(222,866)	13,522	(209,344)
	(5,956)	9,129	3,173	(239,856)	13,522	(226,334)

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

13 (LOSS)/PROFIT FOR THE YEAR

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

	2021 RMB'000	2020 RMB'000
Staff costs including directors' and supervisors' emoluments		
– Salaries and welfares	6,687,379	6,600,336
– Retirement benefits and other benefits	2,269,802	1,522,116
Total staff cost	8,957,181	8,122,452
Auditor's remuneration		
– Audit service	11,585	11,200
– Non-audit services	1,800	–
Total auditor's remuneration	13,385	11,200
Recognition of impairment of trade receivables, net	94,843	23,276
Recognition of impairment of other receivables, net	22,416	497,401
Allowance for inventories	18,117	26,968
Cost of inventories recognised as an expense	72,339,036	46,359,211
Reversal of allowance for inventories	–	(72)
Impairment of property, plant and equipment	1,147,439	1,256,655
Impairment of goodwill	–	32,546
Rental income generated from investment properties	(25,038)	(25,408)
Rental income generated from plant and equipment	(85,819)	(62,817)
Loss/(gain) from written-off of property, plant and equipment	24,150	(41,970)
Depreciation on right-of-use assets	193,216	196,753
Depreciation on property, plant and equipment	13,049,439	14,242,753
Depreciation on investment properties	40,783	30,509
Total depreciation on non-current assets	13,283,438	14,470,015
Amortisation of intangible assets	66,350	54,906
Interest income from entrusted loans receivables	(32,942)	(109,133)
Dividend income from financial assets at fair value through profit or loss	(63,135)	(219,199)
Dividend income from financial assets at fair value through other comprehensive income	(9,494)	(14,768)
Investment income	(105,571)	(343,100)

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

13 (LOSS)/PROFIT FOR THE YEAR (CONTINUED)

(b) Other operating expenses:

	2021 RMB'000	2020 RMB'000
Auditor's remuneration	13,385	11,200
Recognition of impairment of trade receivables, net	94,843	23,276
Impairment of goodwill	–	32,546
Impairment of property, plant and equipment	1,147,439	1,256,655
Allowance for inventories	18,117	26,968
Reversal of allowance for inventories	–	(72)
Amortisation of intangible assets	66,350	54,906
Procurement cost of aluminum products and coal products	4,508,210	3,523,602
Environmental protection fee	3,356,989	3,305,399
Electricity expenses	287,625	504,602
Water fee and water resource fee	598,691	637,323
Research and development expenses	26,459	5,638
Sales services fee	14,907	23,763
Property management fee	144,461	147,635
Greenery fee	38,548	43,863
Transportation expenses	91,448	73,999
Intermediary fee	69,931	62,500
Insurance	152,814	171,572
Office expenses	88,931	87,713
Travel expenses	71,673	63,256
Outsourcing expenses	241,030	225,235
Public security fire fee	104,657	106,754
Information expenses	104,704	94,085
Entertainment expenses	18,577	16,797
Others (Note)	1,039,156	781,956
	12,298,945	11,281,171

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS

(a) Directors' and supervisors' emoluments

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

For the year ended 31 December 2021

Name of directors	Fees	Basic salaries and allowances	Discretionary bonus	Subtotal	Retirement benefits	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chen Feihu (i)	-	-	-	-	-	-	-
Liang Yongpan	-	314	688	1,002	60	130	1,192
Ying Xuejun	-	280	517	797	42	137	976
Cao Xin	-	-	-	-	-	-	-
Zhao Xianguo	-	-	-	-	-	-	-
Luo Zhongwei (iii)	137	-	-	137	-	-	137
Liu Huangsong (iii)	137	-	-	137	-	-	137
Jiang Fuxiu (iii)	137	-	-	137	-	-	137
Zhu Shaowen	-	-	-	-	-	-	-
Liu Jizhen	137	-	-	137	-	-	137
Niu Dongxiao	137	-	-	137	-	-	137
Qu Bo (vii)	-	-	-	-	-	-	-
Sun Yongxing	-	-	-	-	-	-	-
Jin Shengxiang	-	-	-	-	-	-	-
Liu Jianlong (ii)	-	-	-	-	-	-	-
Su Min (ii)	-	-	-	-	-	-	-
Kou Baoquan (ii)	-	-	-	-	-	-	-
Zong Wenlong (ii)	-	-	-	-	-	-	-
Si Fengqi (ii)	-	-	-	-	-	-	-
Xiao Zheng (vi)	-	-	-	-	-	-	-
	685	594	1,205	2,484	102	267	2,853

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors' and supervisors' emoluments (Continued)

Name of the supervisors	Fees	Basic salaries and allowances	Discretionary bonus	Subtotal	Retirement benefits	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Zhang Xiaoxu	-	-	-	-	-	-	-
Song Bo (v)	-	255	147	402	35	116	553
Liu Genle (v)	-	321	138	459	22	116	597
Liu Quancheng (iii)	-	-	-	-	-	-	-
Guo Hong (ii)	-	40	16	56	9	22	87
Xu Xiangyang (iv)	-	103	-	103	4	11	118
Wang Tongliang (iv)	-	93	-	93	3	11	107
	-	812	301	1,113	73	276	1,462
	685	1,406	1,506	3,597	175	543	4,315

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

Notes:

- (i) Resigned on 5 August 2021
- (ii) Appointed on 17 November 2021
- (iii) Resigned on 17 November 2021
- (iv) Appointed on 2 December 2021
- (v) Resigned on 2 December 2021
- (vi) Appointed on 30 December 2021
- (vii) Resigned on 30 December 2021

Notes to the Consolidated Financial Statements

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14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors' and supervisors' emoluments (Continued)

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows: (Continued)

For the year ended 31 December 2020

Name of directors	Fees	Basic salaries and allowances	Discretionary bonus	Subtotal	Retirement benefits	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chen Feihu	-	-	-	-	-	-	-
Wang Sen (i)	-	-	-	-	-	-	-
Wang Xin (ii)	-	-	461	461	-	-	461
Liang Yongpan	-	314	619	933	56	111	1,100
Ying Xuejun	-	280	534	814	39	114	967
Cao Xin	-	-	-	-	-	-	-
Zhao Xianguo	-	-	-	-	-	-	-
Feng Genfu (ii)	112	-	-	112	-	-	112
Luo Zhongwei	137	-	-	137	-	-	137
Liu Huangsong	137	-	-	137	-	-	137
Jiang Fuxiu	137	-	-	137	-	-	137
Zhu Shaowen	-	-	-	-	-	-	-
Liu Jizhen	137	-	-	137	-	-	137
Niu Dongxiao (iii)	20	-	-	20	-	-	20
Qu Bo (iii)	-	-	-	-	-	-	-
Sun Yongxing (iv)	-	-	-	-	-	-	-
Zhang Ping (v)	-	-	-	-	-	-	-
Jin Shengxiang	-	-	-	-	-	-	-
	680	594	1,614	2,888	95	225	3,208

Notes to the Consolidated Financial Statements

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14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors' and supervisors' emoluments (Continued)

Name of supervisors	Fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Zhang Xiaoxu	-	-	-	-	-	-	-
Song Bo	-	233	480	713	30	92	835
Liu Genle	-	546	-	546	39	100	685
Liu Quancheng	-	-	-	-	-	-	-
	-	779	480	1,259	69	192	1,520
	680	1,373	2,094	4,147	164	417	4,728

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

Notes:

- (i) Resigned on 31 July 2020
- (ii) Resigned on 29 April 2020
- (iii) Appointed on 29 April 2020
- (iv) Appointed on 18 December 2020
- (v) Resigned on 18 December 2020

There was no arrangement under which a director or a supervisor waived or agreed to waive any remunerations during the year (2020: Nil).

(b) Directors' and supervisors' termination and other benefits

During the year, no remunerations were paid by the Group to any of the directors or the supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.



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15 EMPLOYEES' EMOLUMENTS

(a) Retirement benefits schemes

As stipulated by the rules and regulations in the PRC, the Group contributes to the retirement funds scheme managed by local social security bureau in the PRC. The Group contributes a certain percentage of the basic salaries of its employees to the retirement plan to fund the benefits.

Contributions to the defined contribution retirement schemes vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. During the year ended 31 December 2021, the total retirement benefit scheme contributions charged to the consolidated statement of profit or loss amounted to RMB2,269,802,000 (2020: RMB1,522,116,000).

(b) Housing benefits

The Group is required to make contributions to the state-sponsored housing fund. At the same time, the employees are required to make a contribution based on certain percentages. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances. The Group has no further obligations for housing benefits beyond the contributions made above.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

15 EMPLOYEES' EMOLUMENTS (CONTINUED)

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included two (2020: two) directors and one (2020: nil) supervisor whose emoluments are reflected in the analysis presented in note 14(a) to the consolidated financial statements. The emoluments of the remaining two (2020: three) individuals are set out below:

	2021 RMB'000	2020 RMB'000
Basic salaries and allowances	547	771
Discretionary bonus	1,276	1,507
Retirement benefits	121	164
Other benefits	250	333
	2,194	2,775

The emoluments fell within the following bands:

	Number of individuals	
	2021	2020
Nil to HKD1,000,000	–	–
HKD1,000,001 to HKD1,500,000	2	3
	2	3

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16 DIVIDENDS

On 29 March 2022, the director of the Company proposed no cash dividend. This proposal is subject to the approval of the shareholders at the annual general meeting.

During the year ended 31 December 2021, a final dividend of RMB0.091 per share in respect of the year ended 31 December 2020 totalling RMB1,684,111,000 (2020: final dividend of RMB0.065 per share amounting to RMB1,202,936,000 in aggregate) was declared and paid to the owners of the Company.

17 (LOSS)/EARNINGS PER SHARE

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

	2021 RMB'000	2020 RMB'000
(Loss)/earnings		
(Loss)/profit for the purpose of basic and diluted (loss)/earnings per share	(10,706,612)	1,829,942
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	18,506,711	18,506,711

Note:

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2021 and 2020.

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18 PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures RMB'000	Electricity utility plants RMB'000	Transportation facilities RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost						
At 1 January 2020	123,032,247	203,864,691	1,928,294	6,873,251	32,449,990	368,148,473
Transfer from construction in progress	9,646,504	13,144,364	107,261	149,648	(23,047,777)	-
Transfer from investment properties (Note 20)	157,906	-	-	-	-	157,906
Additions	191,921	234,527	14,806	72,400	13,432,064	13,945,718
Disposals/write-off	(1,538,699)	(2,640,753)	(222,603)	(1,734,356)	(6,713)	(6,143,124)
Disposal of a subsidiary (Note 44)	(498,242)	(1,132,514)	(9,013)	(16,986)	(15,502)	(1,672,257)
At 31 December 2020 and 1 January 2021	130,991,637	213,470,315	1,818,745	5,343,957	22,812,062	374,436,716
Transfer from construction in progress	2,113,725	12,540,113	20,961	106,537	(14,781,336)	-
Transfer from investment properties (Note 20)	456	-	-	-	-	456
Transfer to investment properties (Note 20)	-	-	-	-	(69,102)	(69,102)
Additions	607,292	754,288	190,988	50,989	15,712,234	17,315,791
Disposals/write-off	(1,402,744)	(467,803)	(41,086)	(101,814)	(615,203)	(2,628,650)
At 31 December 2021	132,310,366	226,296,913	1,989,608	5,399,669	23,058,655	389,055,211
Accumulated depreciation and impairment losses						
At 1 January 2020	37,218,085	113,487,171	1,536,237	4,093,116	342,383	156,676,992
Charge for the year	4,136,265	9,688,389	104,681	313,418	-	14,242,753
Impairment losses	523,031	224,823	24	335,775	173,002	1,256,655
Transfer from investment properties (Note 20)	30,557	-	-	-	-	30,557
Eliminated upon disposals/write-off	(1,347,668)	(2,539,644)	(216,648)	(1,636,485)	(2,555)	(5,743,000)
Disposal of a subsidiary (Note 44)	(292,334)	(636,991)	(8,151)	(12,457)	-	(949,933)
At 31 December 2020 and 1 January 2021	40,267,936	120,223,748	1,416,143	3,093,367	512,830	165,514,024
Charge for the year	3,929,747	8,718,556	122,464	278,672	-	13,049,439
Impairment losses	70,885	469,058	-	61	607,435	1,147,439
Transfer from investment properties (Note 20)	146	-	-	-	-	146
Eliminated upon disposals/write-off	(265,515)	(406,251)	(38,757)	(90,456)	(56,418)	(857,397)
At 31 December 2021	44,003,199	129,005,111	1,499,850	3,281,644	1,063,847	178,853,651
Carrying amount						
At 31 December 2021	88,307,167	97,291,802	489,758	2,118,025	21,994,808	210,201,560
At 31 December 2020	90,723,701	93,246,567	402,602	2,250,590	22,299,232	208,922,692



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18 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment, except for construction in progress, after taking into account their estimated residual value, are depreciated on a straight line basis at the following rates per annum:

Buildings and structures	8 – 50 years
Electricity utility plants	4 – 35 years
Transportation facilities	10 – 12 years
Others	5 – 22 years

During the year ended 31 December 2021, the Group performed a review to reassess the estimated useful lives of certain property, plant and equipment, based on the expectations of the Group's operational management and technological trends.

As a result, the Group adjusted the estimated useful lives of coal-fired power generation units and heat supply equipment from 17 years to 20 years, hydropower generation units from 15 years to 18 years, hydropower dam from 45 years to 50 years and transportation facilities from 6 years to 10 years with effect from 1 April 2021.

The aforesaid changes in accounting estimates were made using the prospective application method and resulted in a decrease of depreciation by RMB1,684,459,000 for the year ended 31 December 2021.

At 31 December 2021, certain buildings and structures with the carrying amount of RMB12,161,221,000 (2020: RMB11,071,462,000) are still in the process of applying the title certificate.

Impairment assessment

Alumina production line of Datang Inner Mongolia Erdos Silicon and Aluminum Technology Company Limited

During the year ended 31 December 2021, due to production cost of alumina products are far higher than the market price, the management of the Group concluded there was indication for impairment of alumina production line of Datang Inner Mongolia Erdos Silicon and Aluminum Technology Company Limited and conducted impairment assessment on the alumina production line with carrying amounts of RMB616,732,000. The recoverable amount of the alumina production line, within the other segments, are estimated individually.

The recoverable amounts of the alumina production line have been determined, with assistance from independent professional valuer, based on their fair value less costs of disposal. The Group uses direct comparison to estimate the fair value less costs of disposal of the assets which is based on the recent transaction prices for similar assets adjusted for nature, location and conditions of the alumina production line. The fair value measurement is categorised into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount of RMB15,221,000 and the impairment of RMB601,511,000 has been recognised in profit or loss within the relevant functions to which these assets relate during the year ended 31 December 2021.



Notes to the Consolidated Financial Statements

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18 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment (Continued)

Shutdown of alumina production line of Inner Mongolia Datang International Hohhot Aluminum and Power Company Limited

In December 2018, in response to the work requirements of the State-owned Assets Supervision and Administration Commission of the State Council relating to the “Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties”, Inner Mongolia Datang International Hohhot Aluminum and Power Company Limited (“Hohhot Aluminum”), a direct subsidiary of the Company, suspended its production line of alumina project (the “Alumina System”) due to production cost far higher than the market price of its products.

In November 2019, Hohhot Aluminum formulated the disposal proposal by way of listing and transferring in respect of the relevant assets of the Alumina system on the Shanghai Assets and Equity Exchange and the directors of the Company have identified the Alumina system as a CGU and determined, with assistance from an independent professional valuer, based on fair value less costs of disposal for the Alumina System, the recoverable amount from the use or sale of the Alumina system was RMB1,342,040,000 and which was lower than its carrying amount.

The key assumptions used in estimating the fair value of the Alumina system under depreciation replacement cost approach include estimation of construction as if building the similar structures, adjusting for physical deterioration, obsolescence and optimisation or referring to current market price of the similar assets. The valuation was categorised as Level 3 fair value measurement.

Accordingly, Hohhot Aluminum provided impairment loss of approximately RMB1,258,000,000 for property, plant and equipment during the year ended 31 December 2019.

In 2020, in view of the fact that the Alumina system which are non-standardised equipment and most of the relevant assets cannot be used for other production. There was no inquiry from any interested party for certain assets of the Alumina system during the listing and transferring period and the overall transfer of assets became impossible.

After that, Hohhot Aluminum planned to retire and provide impairment loss on the Alumina system, except for certain assets of the Alumina system that can be revitalised and used by other business within the Group. The directors of the Company determined, with assistance from an independent professional valuer, based on fair value less costs of disposal for the rest of Alumina System, the recoverable amount from the use or sale of the rest of Alumina system as scrap was approximately RMB86,982,000 which was lower than its carrying amount.



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18 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment (Continued)

Shutdown of alumina production line of Inner Mongolia Datang International Hohhot Aluminum and Power Company Limited (Continued)

The key assumptions used in estimating the fair value of the rest of Alumina system are based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The valuation was categorised as Level 2 fair value measurement.

Accordingly, Hohhot Aluminum provided further impairment loss of RMB837,287,000 in profit or loss for property, plant and equipment during the year ended 31 December 2020.

Others

Certain property, plant and equipment were idle or physically damaged. The Group does not expect to have future economic benefits recoverable from the use of such property, plant and equipment. There is no alternative use of such property, plant and equipment which is specifically designed. The recoverable amounts of such property, plant and equipment are estimated to be zero by the management of the Group. As a result, impairment loss of RMB545,928,000 (2020: RMB419,368,000) was recognised in profit or loss on such property, plant and equipment.

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For the Year Ended 31 December 2021

19 RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Buildings and structures RMB'000	Electricity utility plants RMB'000	Transportation facilities RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2020	3,850,952	96,281	256,367	1,311,664	82,335	5,597,599
Additions	31,168	20,888	1,139,420	720	7,967	1,200,163
Disposals	(164,794)	(19,981)	–	–	–	(184,775)
Disposal of a subsidiary (Note 44)	(33,690)	–	–	–	–	(33,690)
At 31 December 2020 and 1 January 2021	3,683,636	97,188	1,395,787	1,312,384	90,302	6,579,297
Additions	93,774	40,010	340,553	2,694	35,383	512,414
Disposals	(6,259)	(13,548)	(2,467)	(349,841)	(921)	(373,036)
At 31 December 2021	3,771,151	123,650	1,733,873	965,237	124,764	6,718,675
Accumulated depreciation						
At 1 January 2020	793,059	16,479	30,482	495,327	6,646	1,341,993
Charge for the year	79,605	20,837	22,062	66,856	7,393	196,753
Eliminated upon disposals	(23,271)	(1,933)	–	–	–	(25,204)
Disposal of a subsidiary (Note 44)	(8,137)	–	–	–	–	(8,137)
At 31 December 2020 and 1 January 2021	841,256	35,383	52,544	562,183	14,039	1,505,405
Charge for the year	75,980	24,722	24,387	60,073	8,054	193,216
Eliminated upon disposals	(2,708)	(5,968)	(1,675)	(174,538)	(614)	(185,503)
At 31 December 2021	914,528	54,137	75,256	447,718	21,479	1,513,118
Carrying amount						
At 31 December 2021	2,856,623	69,513	1,658,617	517,519	103,285	5,205,557
At 31 December 2020	2,842,380	61,805	1,343,243	750,201	76,263	5,073,892



Notes to the Consolidated Financial Statements

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19 RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets of RMB2,856,623,000 (2020: RMB2,842,380,000) represent land use rights located in the PRC.

The Group has lease arrangements for buildings and structures, electricity utility plants and transportation facilities. The lease terms was ranged from two to twenty years.

During the year ended 31 December 2021, the expenses relating to short-term leases amounted to RMB52,786,000 (2020: RMB58,042,000).

The total cash outflow for leases for the year ended 31 December 2021 was RMB879,207,000 (2020: RMB217,107,000).

Extension options are included in the lease of buildings and structures, electricity utility plants and transportation facilities. Certain periods covered by extension options were included in these lease terms as the Group was reasonably certain to exercise the option.

In respect of lease arrangement for transportation facilities, the Group has options to purchase transportation facilities for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such lease.

The Group has obtained the land use right certificates for all land use rights except for leasehold lands with carrying amount of RMB285,071,000 (2020: RMB292,430,000) where the Group is still in the process of applying the title certificates.

Notes to the Consolidated Financial Statements

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20 INVESTMENT PROPERTIES

	RMB'000
Cost	
At 1 January 2020	846,604
Additions	11,413
Disposals	(20,128)
Transfer to property, plant and equipment (Note 18)	(157,906)
At 31 December 2020 and 1 January 2021	679,983
Transfer from property, plant and equipment (Note 18)	69,102
Transfer to property, plant and equipment (Note 18)	(456)
Disposals	(1,283)
At 31 December 2021	747,346
Accumulated depreciation	
At 1 January 2020	225,992
Charge for the year	30,509
Eliminated upon disposals	(19,144)
Transfer to property, plant and equipment (Note 18)	(30,557)
At 31 December 2020 and 1 January 2021	206,800
Charge for the year	40,783
Eliminated upon disposals	(406)
Transfer to property, plant and equipment (Note 18)	(146)
At 31 December 2021	247,031
Carrying amount	
At 31 December 2021	500,315
At 31 December 2020	473,183



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

20 INVESTMENT PROPERTIES (CONTINUED)

The above investments properties are depreciated on a straight-line basis to allocate the cost to the residual value over their estimated useful lives of 30 years.

The Group lease out properties under operating leases with monthly rental payable.

During the year ended 31 December 2021, the Group had recognised the rental income generated from investment properties for the amount of RMB25,038,000 (2020: RMB25,408,000). Direct operating expenses arising on the investment properties amounted to RMB7,693,000 (2020: RMB5,520,000).

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities.

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21 INTANGIBLE ASSETS

	Goodwill RMB'000	Mining rights RMB'000	Resource use rights RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2020	954,118	1,017,060	37,847	425,089	20,597	2,454,711
Additions	–	–	–	127,076	29,497	156,573
Disposals/write-off	–	–	–	(10,665)	(55)	(10,720)
Disposal of a subsidiary (Note 44)	–	–	–	(879)	–	(879)
At 31 December 2020 and 1 January 2021	954,118	1,017,060	37,847	540,621	50,039	2,599,685
Additions	–	–	–	122,134	5,559	127,693
Disposals/write-off	–	–	–	(2,559)	(383)	(2,942)
At 31 December 2021	954,118	1,017,060	37,847	660,196	55,215	2,724,436
Accumulated amortisation and impairment losses						
At 1 January 2020	158,593	40,333	37,029	252,653	15,440	504,048
Charge for the year	–	7,485	30	45,877	1,514	54,906
Impairment losses	32,546	–	–	–	–	32,546
Eliminated upon disposals/write-off	–	–	–	(2,513)	(2)	(2,515)
Disposal of a subsidiary (Note 44)	–	–	–	(121)	–	(121)
At 31 December 2020 and 1 January 2021	191,139	47,818	37,059	295,896	16,952	588,864
Charge for the year	–	8,412	30	54,061	3,847	66,350
Eliminated upon disposals/write-off	–	–	–	(1,995)	(128)	(2,123)
At 31 December 2021	191,139	56,230	37,089	347,962	20,671	653,091
Carrying amount						
At 31 December 2021	762,979	960,830	758	312,234	34,544	2,071,345
At 31 December 2020	762,979	969,242	788	244,725	33,087	2,010,821

The above intangible assets, other than goodwill, have finite useful lives. Mining rights are amortised based on the units of production method while other intangible assets are amortised on a straight-line basis over the following periods:

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

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21 INTANGIBLE ASSETS (CONTINUED)

Impairment assessment on goodwill

For the purposes of impairment testing, goodwill with indefinite useful lives have been allocated to CGUs of the Group. The carrying amounts of goodwill allocated to these units are as follows:

	2021 RMB'000	2020 RMB'000
Power and heat generation segment		
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	273,795	273,795
Zhangjiakou Power Plant No. 2 Generator	33,561	33,561
Yuneng (Group) Company Limited	18,040	18,040
Hohhot Aluminum	902	902
Yunnan Datang International Deqin Hydropower Development Company Limited	18	18
Sichuan Jinkang Electricity Development Company Limited	130,830	130,830
Shenzhen Datang Baochang Gas Power Generation Company Limited	165,995	165,995
	623,141	623,141
Coal segment		
Inner Mongolia Datang International Zhunge'er Mining Company Limited	120,177	120,177
Inner Mongolia Baoli Coal Company Limited	18,712	18,712
	138,889	138,889
Other segments		
Datang Tongzhou Technology Company Limited	949	949
	762,979	762,979

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21 INTANGIBLE ASSETS (CONTINUED)

Impairment assessment on goodwill (Continued)

The recoverable amounts of the above CGUs were determined based on value in use calculations using discounted cash flow method.

Both value in use calculations use cash flow projections based on financial budgets approved by the management covering a five-year period with growth rate of 1%–5% (2020: 1%-5%). Both sets of cash flows beyond the five-year period are extrapolated using zero growth rate (2020: zero growth rate). Cash flow projections during the budget period for (i) power generation units are based on expected tariff rates, demands of electricity in specific regions where these power plants are located and fuel cost and (ii) coal mining entities are based on the expected coal price, the estimated remaining coal reserves and the mining plan.

The pre-tax discount rates used in respective value in use calculations ranged from 9.39% to 13.66% (2020: 9.77% to 18.17%) per annum. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

During the year ended 31 December 2021, management of the Group determines that, based on the above assessments, there is no impairment of goodwill.

During the year ended 31 December 2020, impairment loss of RMB32,546,000 was recognised in relation to goodwill arising on the acquisition of Erdos Ruidefeng Mining Company Limited (“Erdos Ruidefeng”), which is engaged in coal washing. Prolonged losses have been incurred by Erdos Ruidefeng and the recoverable amount of Erdos Ruidefeng is less than its carrying amount. The management does not expect Erdos Ruidefeng to operate at a profit in the foreseeable future. Accordingly, goodwill of RMB32,546,000 was fully impaired.

22 INTERESTS IN ASSOCIATES

	2021 RMB'000	2020 RMB'000
Cost of investments in associates, unlisted	11,523,689	12,130,914
Share of post-acquisition profits and other comprehensive income, net of dividend received	6,447,289	5,477,179
	17,970,978	17,608,093
Share of results of associates	2,571,946	1,805,028

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22 INTERESTS IN ASSOCIATES (CONTINUED)

Set out below are the associates of the Group as at 31 December 2021, which in the opinion of the directors are material to the Group and principally affected the results or assets of the Group:

Name of associate	Place of incorporation/ registration	Paid-up capital RMB'000	Percentage of equity interest held by the Group		Principal activities
			2021	2020	
Fujian Ningde Nuclear Power Company Limited ("Ningde Nuclear Power")	the PRC	11,177,500	44.00%	44.00%	Nuclear power development, construction and operations
Tongmei Datang Tashan Coal Mine Company Limited ("Tashan Coal")	the PRC	2,072,540	28.00%	28.00%	Coal mine construction and mining
China Datang Group Finance Company Limited ("Datang Finance") (Note)	the PRC	4,869,872	16.95%	16.95%	Financial services
Inner Mongolia Xiduo Railway Company Limited ("Xiduo Railway")	the PRC	3,466,793	34.00%	34.00%	Railway transportation services
Datang Finance Leasing Company Limited ("Datang Leasing")	the PRC	2,499,824	20.00%	20.00%	Finance leasing business
Baxin Railway Company Limited ("Baxin Railway")	the PRC	2,600,000	20.00%	20.00%	Railway construction

Note:

Although the Group holds less than 20% equity interest in Datang Finance, the Group exercises significant influence over Datang Finance because the Group has board representation in Datang Finance.

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22 INTERESTS IN ASSOCIATES (CONTINUED)

All of the associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs.

Name	Ningde Nuclear Power		Tashan Coal	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Non-current assets	41,384,998	43,016,144	8,344,063	7,404,148
Current assets	8,029,401	8,742,953	20,908,091	13,165,157
Non-current liabilities	(26,122,541)	(27,539,470)	(1,417,274)	(1,093,488)
Current liabilities	(8,508,437)	(9,862,736)	(9,596,758)	(2,736,878)
Net assets	14,783,421	14,356,891	18,238,122	16,738,939
Revenue	10,723,455	9,904,700	15,906,221	8,966,333
Profit for the year	2,424,162	2,213,478	5,724,172	2,304,587
Other comprehensive income	–	–	–	–
Total comprehensive income	2,424,162	2,213,478	5,724,172	2,304,587
Dividends received from associates during the year	876,504	786,157	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Ningde Nuclear Power		Tashan Coal	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Net assets of the associates	14,783,421	14,356,891	18,238,122	16,738,939
Non-controlling interests of the associates' subsidiaries	–	–	(1,305)	(1,389)
	14,783,421	14,356,891	18,236,817	16,737,550
Proportion of the Group's ownership interest in the associates	44.00%	44.00%	28.00%	28.00%
Group's share of net assets	6,504,705	6,317,032	5,106,307	4,686,514
Other adjustments	17,898	15,261	(40,118)	(3,982)
Carrying amount of the Group's interest	6,522,603	6,332,293	5,066,189	4,682,532

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

22 INTERESTS IN ASSOCIATES (CONTINUED)

Name	Datang Finance		Xiduo Railway	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Non-current assets	29,958,972	39,778,970	10,764,341	10,961,491
Current assets	18,568,192	11,378,388	385,468	277,780
Non-current liabilities	(63,878)	–	(5,244,629)	(5,551,024)
Current liabilities	(39,482,720)	(42,709,488)	(4,751,494)	(3,859,228)
Net assets	8,980,566	8,447,870	1,153,686	1,829,019
Revenue	1,469,747	1,610,961	1,307,041	1,260,855
Profit/(loss) for the year	861,766	866,420	(673,879)	(601,170)
Other comprehensive income	28,457	10,324	–	–
Total comprehensive income/(expense)	890,223	876,744	(673,879)	(601,170)
Dividends received from associates during the year	66,087	60,868	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Datang Finance		Xiduo Railway	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Net assets of the associates	8,980,566	8,447,870	1,153,686	1,829,019
Non-controlling interests of the associates' subsidiaries	–	–	(20,338)	(20,235)
	8,980,566	8,447,870	1,133,348	1,808,784
Proportion of the Group's ownership interest in the associates	16.95%	16.95%	34.00%	34.00%
Group's share of net assets	1,522,205	1,431,914	385,338	614,987
Goodwill and other adjustments	(24,827)	(24,817)	234,451	234,609
Carrying amount of the Group's interest	1,497,378	1,407,097	619,789	849,596

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For the Year Ended 31 December 2021

22 INTERESTS IN ASSOCIATES (CONTINUED)

Name	Datang Leasing		Baxin Railway	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Non-current assets	13,764,407	17,002,521	8,005,061	8,030,059
Current assets	12,978,561	10,850,892	142,259	57,905
Non-current liabilities	(7,833,753)	(7,896,832)	(4,770,918)	(5,430,283)
Current liabilities	(12,088,648)	(12,744,947)	(2,285,217)	(1,313,554)
Net assets	6,820,567	7,211,634	1,091,185	1,344,127
Revenue	1,169,684	1,385,418	106,698	125,428
Profit/(loss) for the year	114,443	241,652	(248,673)	(348,335)
Other comprehensive income	–	–	–	–
Total comprehensive income/(expense)	114,443	241,652	(248,673)	(348,335)
Dividends received from associates during the year	20,000	20,000	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Datang Leasing		Baxin Railway	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Net assets of the associates	6,820,567	7,211,634	1,091,185	1,344,127
Non-controlling interest of the associates' subsidiaries	(100)	(100)	–	–
Holders of perpetual bonds of the associates	(3,400,000)	(3,600,000)	–	–
	3,420,467	3,611,534	1,091,185	1,344,127
Proportion of the Group's ownership interest in the associates	20.00%	20.00%	20.00%	20.00%
Group's share of net assets	684,093	722,307	218,237	268,825
Goodwill and other adjustments	200	8,431	122,544	122,544
Carrying amount of the Group's interest	684,293	730,738	340,781	391,369

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22 INTERESTS IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

	2021 RMB'000	2020 RMB'000
The Group's share of results	12,443	264,691
The Group's share of other comprehensive income/(expense)	6,399	(2,206)
The Group's share of total comprehensive income	18,842	262,485
Aggregate carrying amount of the Group's interests in these associates	3,239,945	3,214,468

	2021 RMB'000	2020 RMB'000
The unrecognised share of losses of associates for the year	15,459	162,083
Disposal of an associate with unrecognised share of losses during the year	–	(55,598)
Cumulative unrecognised share of losses of associates	729,611	714,152

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23 INTERESTS IN JOINT VENTURES

	2021 RMB'000	2020 RMB'000
Cost of investments in joint ventures, unlisted	1,392,223	1,394,673
Share of post-acquisition losses, net of dividend received	(1,188,769)	(940,726)
	203,454	453,947
Share of results of joint ventures	(245,230)	(123,825)

Set out below is the joint venture of the Group as at 31 December 2021, which in the opinion of the directors is material to the Group and principally affected the results or assets of the Group:

Name of joint venture	Place of incorporation/ Registration	Paid-up capital RMB'000	Percentage of equity interest held by the Group		Principal activities
			2021	2020	
Yuzhou Energy Multiple Company ("Yuzhou Energy")	the PRC	1,893,004	50.00%	50.00%	Power generation

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23 INTERESTS IN JOINT VENTURES (CONTINUED)

All of the joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

	2021 RMB'000	2020 RMB'000
Yuzhou Energy		
Non-current assets	5,577,919	5,794,759
Current assets	626,302	475,971
Non-current liabilities	(4,829,163)	(4,842,691)
Current liabilities	(968,150)	(530,672)
Net assets	406,908	897,367
Cash and cash equivalents (included in current assets)	104,464	19,141
Revenue	1,751,936	1,376,891
Interest expense	217,593	221,353
Income tax expense	–	–
(Loss)/profit for the year	(490,459)	15,274
Other comprehensive income	–	–
Total comprehensive (expense)/income for the year	(490,459)	15,274
Dividend received from Yuzhou Energy during the year	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in Yuzhou Energy recognised in the consolidated financial statements:

	2021 RMB'000	2020 RMB'000
Net assets of the Yuzhou Energy	406,908	897,367
Proportion of the Group's ownership interest in Yuzhou Energy	50.00%	50.00%
Carrying amount of the Group's interest in the Yuzhou Energy	203,454	448,684

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For the Year Ended 31 December 2021

23 INTERESTS IN JOINT VENTURES (CONTINUED)

Aggregate information of joint ventures that are not individually material:

	2021 RMB'000	2020 RMB'000
The Group's share of results	–	(131,462)
The Group's share of comprehensive income	–	–
The Group's share of total comprehensive expense	–	(131,462)
Aggregate carrying amount of the Group's interests in these joint ventures	–	5,263
	2021 RMB'000	2020 RMB'000
The unrecognised share of loss of an joint venture for the year	330,392	293,671
Cumulative unrecognised share of loss of an joint venture	734,486	404,094

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24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Financial assets at fair value through profit or loss

	2021 RMB'000	2020 RMB'000
Unlisted equity investments	3,876,320	3,839,505

(b) Financial assets at fair value through other comprehensive income

	2021 RMB'000	2020 RMB'000
Equity securities listed in Hong Kong (Note)	189,438	165,563
Unlisted equity investments (Note)	727,557	733,746
	916,995	899,309

Note:

The directors of the Company have elected to designate these investments in equity instruments at fair value through other comprehensive income as they believe that they are not held for trading and for long-term investment purpose.

25 OTHER NON-CURRENT ASSETS

	2021 RMB'000	2020 RMB'000
Long-term receivables	132,385	110,185
Long-term prepaid expenses	657,970	556,123
Prepayments for acquisition of property, plant and equipment	3,192,444	2,039,698
Value-added tax recoverable	972,476	611,272
Others	361,757	245,281
	5,317,032	3,562,559
Less: Current portion of other non-current assets	(22,200)	–
	5,294,832	3,562,559

Notes to the Consolidated Financial Statements

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26 INVENTORIES

	2021 RMB'000	2020 RMB'000
Raw materials	6,059,919	2,918,762
Finished goods	3,442	39,584
Others	181,270	187,599
	6,244,631	3,145,945

27 TRADE AND NOTES RECEIVABLES

	2021 RMB'000	2020 RMB'000
Trade receivables	18,584,411	16,025,109
Less: Allowance for credit losses	(224,906)	(877,747)
	18,359,505	15,147,362
Notes receivables		
– At amortised cost	64,571	343,228
– At fair value through other comprehensive income	546,361	1,241,807
	610,932	1,585,035
	18,970,437	16,732,397

As at 31 December 2021 and 2020, trade receivables from contracts with customers amounted to RMB18,359,505,000 and RMB15,147,362,000 respectively.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

27 TRADE AND NOTES RECEIVABLES (CONTINUED)

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.

	2021 RMB'000	2020 RMB'000
Within one year	14,845,847	13,766,550
Between one to two years	2,237,691	2,092,326
Between two to three years	1,392,743	610,477
Over three years	494,156	263,044
	18,970,437	16,732,397

Notes receivables that are solely held for collection of contractual cash flows at maturity date are measured at amortised cost. Notes receivables that are held for collection of contractual cash flows and for selling purpose are measured at fair value through other comprehensive income. All notes received by the Group are with a maturity period of less than one year.

As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB164,590,000 (2020: RMB148,302,000) which are past due as at the reporting date. The past due balances are not considered as in default because the debtors are not in significant financial difficulty and the management expects that the debtor is able and likely to pay for the debts. The Group does not hold any collateral over these balances.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

27 TRADE AND NOTES RECEIVABLES (CONTINUED)

The movement in the loss allowance of trade receivables is as follows:

	Lifetime ECL RMB'000
At 1 January 2020	855,731
Impairment losses recognised	27,333
Reversal of impairment losses	(4,057)
Written-off	(1,260)
At 31 December 2020 and 1 January 2021	877,747
Impairment losses recognised	96,815
Reversal of impairment losses	(1,972)
Written-off	(747,684)
At 31 December 2021	224,906

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28 PREPAYMENTS AND OTHER RECEIVABLES

	2021 RMB'000	2020 RMB'000
Prepayments		
Prepayments to suppliers	3,096,482	1,475,072
Other receivables		
Value-added tax recoverable	3,302,816	2,230,176
Receivables from fuel and materials	531,162	1,550,944
Advance to construction	240,277	245,114
Dividend receivables	1,351,005	235,005
Deposits	242,827	250,366
Others (Note)	511,593	801,635
	6,179,680	5,313,240
Less: Allowance for credit losses	(460,243)	(1,383,473)
	5,719,437	3,929,767
	8,815,919	5,404,839

Note:

Others mainly represents entrusted loans receivables, interest receivables and proceeds receivables from disposal of other non-current assets.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

28 PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

The movement in the loss allowance of other receivables is as follows:

	Lifetime ECL RMB'000
At 1 January 2020	1,970,091
Impairment losses recognised	554,475
Reversal of impairment losses	(57,074)
Written-off	(1,084,019)
At 31 December 2020 and 1 January 2021	1,383,473
Impairment losses recognised	79,828
Reversal of impairment losses	(57,412)
Written-off	(945,646)
At 31 December 2021	460,243

29 CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2021 RMB'000	2020 RMB'000
Deposits with banks and other financial institutions	11,258,337	8,274,511
Cash on hand	69	101
Restricted deposits included in bank deposits (Note 48)	11,258,406 (208,653)	8,274,612 (417,648)
Cash and cash equivalents	11,049,753	7,856,964

Restricted bank deposits represents deposits pledged to bank to secure banking facilities granted to the Group.

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30 SHARE CAPITAL

	2021 RMB'000	2020 RMB'000
Registered, issued and fully paid:		
12,396,089,106 (2020: 12,396,089,106) A shares of RMB1 each	12,396,089	12,396,089
6,110,621,398 (2020: 6,110,621,398) H shares of RMB1 each	6,110,622	6,110,622
	18,506,711	18,506,711

Notes to the Consolidated Financial Statements

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31 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2021 RMB'000	2020 RMB'000
Non-current assets		
Property, plant and equipment	12,500,013	13,427,322
Right-of-use asset	651,837	683,802
Investment properties	198,830	177,375
Intangible assets	88,320	78,099
Investments in subsidiaries	67,587,413	63,872,539
Interests in associates	17,301,801	16,828,134
Interests in joint ventures	203,454	448,683
Financial assets at fair value through profit or loss	3,764,750	3,728,306
Financial assets at fair value through other comprehensive income	265,501	269,423
Long-term entrusted loans to subsidiaries	4,613,681	1,913,945
Deferred tax assets	1,601,710	2,662,635
Other non-current assets	283,668	262,910
	109,060,978	104,353,173
Current assets		
Inventories	440,945	222,163
Trade and notes receivables	1,088,282	1,014,469
Prepayments and other receivables	3,349,360	2,977,185
Tax recoverable	4,627	61,191
Current portion of long-term entrusted loans to subsidiaries	2,896,226	1,843,386
Cash and cash equivalents	1,850,839	1,100,694
	9,630,279	7,219,088

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

31 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(a) Statement of financial position of the Company (Continued)

	2021 RMB'000	2020 RMB'000
Current liabilities		
Trade payables and accrued liabilities	1,684,696	1,444,083
Consideration payable	169,216	169,216
Taxes payables	140,190	52,279
Short-term loans	9,850,135	6,548,620
Short-term bonds	6,027,538	2,014,084
Current portion of lease liabilities	13,714	19,186
Current portion of non-current liabilities	440,930	4,938,886
	18,326,419	15,186,354
Net current liabilities	(8,696,140)	(7,967,266)
	100,364,838	96,385,907
Capital and reserves		
Share capital	18,506,711	18,506,711
Reserves	33,764,928	36,656,941
	52,271,639	55,163,652
Other equity instruments	32,844,824	31,316,377
Total equity	85,116,463	86,480,029
Non-current liabilities		
Long-term loans	5,720,000	3,531,000
Long-term bonds	9,188,105	5,982,740
Deferred income	193,218	248,043
Deferred tax liabilities	130,371	121,260
Lease liabilities	16,681	22,835
	15,248,375	9,905,878
	100,364,838	96,385,907

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

31 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserves movement of the Company

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Discretionary surplus reserve RMB'000	FVTOCI reserve RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000
At 1 January 2020	18,055,517	6,001,649	9,850,897	(260,765)	2,299,246	35,946,544
Total comprehensive (expense)/ income for the year	-	-	-	(186,067)	2,074,062	1,887,995
Appropriation to statutory surplus reserve	-	339,727	-	-	(339,727)	-
Appropriation to discretionary surplus reserve	-	-	380,534	-	(380,534)	-
Dividends paid	-	-	-	-	(1,202,936)	(1,202,936)
Others	64,658	-	-	-	(39,320)	25,338
At 31 December 2020 and 1 January 2021	18,120,175	6,341,376	10,231,431	(446,832)	2,410,791	36,656,941
Total comprehensive expense for the year	-	-	-	(17,095)	(1,100,036)	(1,117,131)
Dividends paid	-	-	-	-	(1,684,111)	(1,684,111)
Others	(75,188)	-	-	-	(15,583)	(90,771)
At 31 December 2021	18,044,987	6,341,376	10,231,431	(463,927)	(388,939)	33,764,928



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32 RESERVES

(a) Capital reserve

Capital reserve mainly comprised: (i) the difference between the nominal amount of the domestic shares issued and the fair value of the net assets injected into the Company during its formation and also proceeds from the issue of H shares and A shares in excess of their par value, net of issuance expenses; (ii) the premium from convertible bonds converted to shares; (iii) the effect from acquisition of additional interests in subsidiaries of the Group; and (iv) specific reserves made pursuant to the relevant PRC regulations (Note).

Note:

Pursuant to relevant PRC regulations, coal mining companies are required to set aside an amount to a fund for future development and work safety which they transferred certain amounts from retained earnings/(accumulated losses) to capital reserve. The fund can then be used for future development and work safety of the coal mining operations, and is not available for distribution to shareholders. When qualifying development expenditure and improvements of safety incurred, an equivalent amount is transferred from capital reserve to retained earnings/(accumulated losses).

(b) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, it is required to appropriate 10% of its net profit under PRC GAAP, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such reserve reaches 50% of the Company's share capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of share capital.

(c) Merger reserve

It represented the difference between the consideration payable to China Datang for acquisition of certain of its subsidiaries under common control combinations and share capital of the acquired subsidiaries.

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32 RESERVES (CONTINUED)

(d) Discretionary surplus reserve

Pursuant to the articles of association of the Company, the appropriation of profit to the discretionary surplus reserve and its utilisation are made in accordance with the recommendation of the board of directors and is subject to shareholders' approval at their general meeting.

The discretionary surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them.

In accordance with the articles of association of the Company, distributable profit of the Company is derived based on the lower of profit determined in accordance with PRC GAAP and IFRSs.

(e) FVTOCI reserve

The FVTOCI reserve comprise share of cumulative net change in the fair value of financial assets measured at other comprehensive income of the Group and associates and joint ventures of the Group at the end of the reporting period and will not be reclassified to profit or loss in subsequent periods.

33 OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS

	Principal RMB'000	Distribution/ appropriation RMB'000	Total RMB'000
At 1 January 2020	22,935,045	–	22,935,045
Issuance of perpetual bonds	7,987,247	–	7,987,247
Profit attributable to holders of perpetual bonds	–	1,158,742	1,158,742
Distributions made to holders of perpetual bonds	–	(764,657)	(764,657)
At 31 December 2020 and 1 January 2021	30,922,292	394,085	31,316,377
Issuance of perpetual bonds	1,499,580	–	1,499,580
Profit attributable to holders of perpetual bonds	–	1,437,221	1,437,221
Distributions made to holders of perpetual bonds	–	(1,408,354)	(1,408,354)
At 31 December 2021	32,421,872	422,952	32,844,824



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33 OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS (CONTINUED)

During the year ended 31 December 2021, the Company issued the perpetual bonds in an aggregate principal amounts of RMB1.5 billion with coupon rates of 3.20%. The net proceeds after deducting the issuance cost amounted to approximately RMB1,499,580,000. On each interest payment date of the perpetual bonds, the Company can elect to defer payment of interest due and all interest deferred pursuant to this term and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The aforesaid deferral of interest shall not constitute a default by the Company. Interest shall accrue on the deferred interest at the prevailing coupon rate over the period of deferral. The perpetual bonds have no maturity date and will continue indefinitely until redeemed by the Company in accordance with their terms. The Company is entitled to redeem the perpetual bonds at par value plus payable interest (including all deferred interest) on the three and each of the subsequent interest payment dates of the perpetual bonds. If the Company does not exercise the right of redemption, the coupon rate will be reset every three years from the fourth interest-bearing year onwards.

Interest payment of RMB1,408,354,000 (2020: RMB764,657,000) has been paid by the Group to the holders of perpetual bonds for the year ended 31 December 2021.

During the year ended 31 December 2020, the Company issued the perpetual bonds in an aggregate principal amounts of RMB8 billion with coupon rates ranging from 3.50% to 4.39%. The net proceeds after deducting the issuance cost amounted to RMB7,987,247,000. On each interest payment date of the perpetual bonds, the Company can elect to defer payment of interest due and all interest deferred pursuant to this term and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The aforesaid deferral of interest shall not constitute a default by the Company. Interest shall accrue on the deferred interest at the prevailing coupon rate over the period of deferral. The perpetual bonds have no maturity date and will continue indefinitely until redeemed by the Company in accordance with their terms. The Company is entitled to redeem the perpetual bonds at par value plus payable interest (including all deferred interest) on the three and each of the subsequent interest payment dates of the perpetual bonds. If the Company does not exercise the right of redemption, the coupon rate will be reset every three years from the fourth interest-bearing year onwards.

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34 LONG-TERM LOANS

	2021 RMB'000	2020 RMB'000
Long-term bank loans	106,956,923	97,211,127
Other long-term loans	7,428,958	9,229,841
	114,385,881	106,440,968
Less: Amount due for settlement within 12 months (shown under current liabilities)	(11,770,021)	(14,289,873)
	102,615,860	92,151,095

Long-term loans are repayable as follows:

	2021			2020		
	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000
Within one year or on demand	10,312,847	1,457,174	11,770,021	11,016,031	3,273,842	14,289,873
More than one year, but not exceeding two years	16,535,171	2,160,371	18,695,542	10,555,342	1,439,762	11,995,104
More than two years, but not more than five years	31,236,001	1,955,712	33,191,713	27,907,696	2,268,329	30,176,025
More than five years	48,872,904	1,855,701	50,728,605	47,732,058	2,247,908	49,979,966
	106,956,923	7,428,958	114,385,881	97,211,127	9,229,841	106,440,968

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34 LONG-TERM LOANS (CONTINUED)

Long-term loans are classified as follows:

	2021			2020		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
Secured loans	28,050,742	196,900	28,247,642	23,786,145	254,545	24,040,690
Guaranteed loans	2,770,370	720,000	3,490,370	3,418,015	546,143	3,964,158
Unsecured loans	76,135,811	6,512,058	82,647,869	70,006,967	8,429,153	78,436,120
	106,956,923	7,428,958	114,385,881	97,211,127	9,229,841	106,440,968

The interest rates for long-term loans per annum at 31 December were as follows:

	2021 RMB'000	2020 RMB'000
Long-term bank loans	1.20% – 5.39%	1.20% – 6.16%
Other long-term loans	2.16% – 5.23%	2.16% – 6.80%

At 31 December 2021, long-term loans were guaranteed by the following parties:

	2021			2020		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
The Company	1,404,336	720,000	2,124,336	1,961,810	546,143	2,507,953
Others	1,366,034	-	1,366,034	1,456,205	-	1,456,205
	2,770,370	720,000	3,490,370	3,418,015	546,143	3,964,158

Please refer to note 48 for the details of assets pledged for securing the long-term loans.

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For the Year Ended 31 December 2021

35 LONG-TERM BONDS

	2021 RMB'000	2020 RMB'000
Corporate bonds (Note)	9,384,399	9,220,109
Less: Amount due for settlement within 12 months (shown under current liabilities)	(196,294)	(3,237,369)
	9,188,105	5,982,740

Note:

At 31 December 2021, such bonds, are secured by assets of China Datang and of which certain portion were counter-guaranteed by the Company, are of 3 to 10 years (2020: 10 years) term with fixed annual coupon and effective interest rates ranged from 2.80% to 5.10% per annum (2020: 5.00% to 5.25% per annum). As at 31 December 2021, accrued interests of RMB196,294,000 (2020: RMB238,266,000) was included in corporate bonds.

Long-term bonds are repayable as follows:

	2021 RMB'000	2020 RMB'000
Within one year or on demand	196,294	3,237,369
More than one year, but not exceeding two years	3,112,650	–
More than two years, but not more than five years	6,075,455	5,982,740
	9,384,399	9,220,109

36 DEFERRED INCOME

Deferred income primarily represented government grants received by the Group from local environmental protection authorities for undertaking approved environmental protection projects.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

37 DEFERRED TAX

(a) Deferred tax assets

	Deductible tax losses RMB'000	Intragroup unrealised profits RMB'000	Depreciation RMB'000	Government grants RMB'000	Impairment of assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2020	3,216,741	323,285	37,379	271,370	98,300	112,618	4,059,693
(Charge)/credit to profit or loss	24,989	(18,787)	(5,726)	(74,756)	(56,794)	(13,494)	(144,568)
At 31 December 2020 and 1 January 2021	3,241,730	304,498	31,653	196,614	41,506	99,124	3,915,125
Credit/(charge) to profit or loss	279,045	(11,311)	36,636	(19,520)	6,180	15,303	306,333
At 31 December 2021	3,520,775	293,187	68,289	177,094	47,686	114,427	4,221,458

No deferred tax asset has been recognised in respect of certain unused tax losses of RMB26,552,630,000 (2020: RMB21,616,264,000) due to the unpredictability of future profit streams. The unused tax losses can be carried forward for five years from the year of the incurrence and an analysis of their expiry dates are as follows:

	2021 RMB'000	2020 RMB'000
Unused tax losses expiring in:		
2021	–	854,541
2022	5,313,914	10,923,646
2023	2,919,281	2,936,621
2024	3,146,819	3,151,096
2025	3,750,360	3,750,360
2026	11,422,256	–
	26,552,630	21,616,264

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

37 DEFERRED TAX (CONTINUED)

(b) Deferred tax liabilities

	Assets revaluation RMB'000	Fair value change on equity instruments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2020	474,075	210,925	30,957	715,957
Credit to profit or loss	(9,690)	(70,767)	(3,930)	(84,387)
Credit to other comprehensive income (Note 12(b))	–	(13,522)	–	(13,522)
At 31 December 2020 and 1 January 2021	464,385	126,636	27,027	618,048
Charge to profit or loss	17,459	25,369	29,430	72,258
Credit to other comprehensive income (Note 12(b))	–	(9,129)	–	(9,129)
At 31 December 2021	481,844	142,876	56,457	681,177

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

38 OTHER NON-CURRENT LIABILITIES

	2021 RMB'000	2020 RMB'000
Other pledged financing (Note)	11,323,024	10,579,959
Others	220,294	145,860
	11,543,318	10,725,819
Less: Amount due for settlement within 12 months (shown under current liabilities)	(3,552,564)	(3,419,089)
	7,990,754	7,306,730

Note:

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery.

Other pledged financing are repayable as follows:

	2021 RMB'000	2020 RMB'000
Within one year or on demand	3,366,722	3,310,513
More than one year, but not exceeding two years	2,813,603	2,385,603
More than two years, but not more than five years	3,454,045	3,991,556
More than five years	1,688,654	892,287
	11,323,024	10,579,959

The interest rates for other pledged financing per annum at 31 December were as follows:

	2021	2020
Fixed rate	2.00% – 6.00%	2.43% – 6.64%

The pledged financing borrowed from independent third parties are secured by certain of the Group's property, plant and equipment. For the details, please refer to note 48.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

39 LEASE LIABILITIES

Lease liabilities payable:

	2021 RMB'000	2020 RMB'000
Within one year	215,492	271,946
After one year but within two years	226,000	209,861
After two years but within five years	605,066	716,662
After five years	528,110	787,879
	1,574,668	1,986,348
Less: Amount due for settlement within 12 months (shown under current liabilities)	(215,492)	(271,946)
Amount due for settlement after 12 months	1,359,176	1,714,402

The weighted average incremental borrowing rate applied to lease liabilities ranging from 3.80% to 5.04% (2020: 4.56% to 5.04%).

40 TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES

	2021 RMB'000	2020 RMB'000
Trade payables	25,909,763	17,422,783
Notes payables	1,672,268	1,407,831
Accrued expenses	221,692	197,556
Other payables	2,993,761	3,179,862
	30,797,484	22,208,032

	2021 RMB'000	2020 RMB'000
Contract liabilities	1,789,396	1,539,392

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

40 TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES (CONTINUED)

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:

	2021 RMB'000	2020 RMB'000
Within one year	21,723,762	13,518,850
Between one to two years	2,355,666	1,900,106
Between two to three years	849,457	1,327,135
Over three years	2,653,146	2,084,523
	27,582,031	18,830,614

Contract liabilities represent advances received for the sales of electricity, coal and others. These advances are recognised as contract liabilities until the sales transactions are made.

Revenue recognised during the year ended 31 December 2021 that was included in the contract liabilities as at 1 January 2021 is RMB1,539,392,000 (2020: RMB1,022,615,000).

The Group has applied the practical expedient in IFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date as the performance obligations had an original expected duration of one year or less.

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41 SHORT-TERM LOANS

	2021 RMB'000	2020 RMB'000
Short-term bank loans	34,578,735	24,707,148
Other short-term loans	4,698,618	4,332,874
	39,277,353	29,040,022

Short-term loans are classified as follows:

	2021			2020		
	Short-term bank loans RMB'000	Other short- term loans RMB'000	Total RMB'000	Short-term bank loans RMB'000	Other short- term loans RMB'000	Total RMB'000
Secured loans	361,450	–	361,450	569,837	–	569,837
Guaranteed loans	50,059	–	50,059	–	–	–
Unsecured loans	34,167,226	4,698,618	38,865,844	24,137,311	4,332,874	28,470,185
	34,578,735	4,698,618	39,277,353	24,707,148	4,332,874	29,040,022

At 31 December 2021, other short-term loans of RMB50,059,000 (2020: Nil) are guaranteed by a subsidiary of the Group.

The interest rates for short-term loans per annum at 31 December were as follows:

	2021	2020
Short-term bank loans	1.38% – 5.20%	1.00% – 5.80%
Other short-term loans	3.60% – 4.40%	1.00% – 5.00%

Please refer to note 48 for the details of assets pledged for securing the short-term loans.

42 SHORT-TERM BONDS

At 31 December 2021, short-term bonds represented unsecured bonds issued by the Group with maturity date less than one year at par value of RMB100 each with fixed annual coupon and effective interest rate ranging from 2.35% to 2.80% (2020: 1.25% to 2.78%) per annum.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation from (loss)/profit before tax to cash generated from operations

	2021 RMB'000	2020 RMB'000
(Loss)/profit before tax	(11,244,390)	7,143,843
Adjustments for:		
Interest income from entrusted loan receivables	(32,942)	(109,133)
Bank interest income	(82,436)	(84,192)
Dividend income	(72,629)	(233,967)
Depreciation of right-of-use assets	193,216	196,753
Depreciation of property, plant and equipment	13,049,439	14,242,753
Depreciation of investment properties	40,783	30,509
Amortisation of intangible assets	66,350	54,906
Share of results of associates	(2,571,946)	(1,805,028)
Share of results of joint ventures	245,230	123,825
Impairment of property, plant and equipment	1,147,439	1,256,655
Allowance for inventories	18,117	26,968
Reversal of allowance for inventories	–	(72)
Recognition of impairment of trade receivables, net	94,843	23,276
Recognition of impairment of other receivables, net	22,416	497,401
Loss/(gain) from written-off of property, plant and equipment	24,150	(41,970)
Finance costs	6,619,275	6,879,659
Release of government grant for property, plant and equipment	(329,566)	(327,071)
Impairment of goodwill	–	32,546
(Gain)/loss on change of fair value of financial assets at fair value through profit or loss	(36,815)	364,187
Gain on disposal of non-current assets	(35,972)	(528,611)
Gain on disposal of a subsidiary	–	(353,392)
Loss/(gain) on disposal of interests in joint ventures	168	(79,555)
Loss/(gain) on disposal of interests in associates	4,205	(71)
Gain on de-registration of subsidiaries	(4,563)	–
Operating profit before working capital changes	7,114,372	27,310,219
Increase in trade and notes receivables	(2,332,883)	(974,232)
Increase in prepayments and other receivables	(1,679,396)	(558,566)
Increase in trade payables, accrued liabilities and contract liabilities	9,947,431	952,118
(Increase)/decrease in inventories	(3,116,803)	868,715
(Increase)/decrease in other non-current assets	(765,072)	716,057
Decrease in current portion of other non-current assets	–	11,660
Increase/(decrease) in other non-current liabilities	74,434	(29,562)
Cash generated from operations	9,242,083	28,296,409

Notes to the Consolidated Financial Statements

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43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Acquisition of additional interests in subsidiaries

During the year ended 31 December 2020, the Group acquired additional issued shares of 3 subsidiaries:

	RMB'000
Carrying amount of non-controlling interests acquired	(673,245)
Consideration paid to non-controlling interests	(3,261)
Excess of consideration paid recognised within equity	(676,506)

Details of the Group's significant acquisition of additional interests in subsidiaries during both years are as follows:

Yunnan Datang International Lixianjiang Hydropower Development Company Limited ("Lixianjiang Hydropower")

During the year ended 31 December 2020, Yunnan Datang International Electric Power Company Limited ("Yunnan Datang") (a direct subsidiary of the Company) and certain shareholders of Lixianjiang Hydropower (a direct subsidiary of Yunnan Datang) (the "Lixianjiang Shareholders") entered in an supplemental shareholders agreement, pursuant to which the Lixianjiang Shareholders decided to withdraw the remaining committed capital contribution to Lixianjiang Hydropower (the "Withdrawal").

The Withdrawal are deemed as acquisition of additional interest in Lixianjiang Hydropower and the Group's effective equity interests in Lixianjiang Hydropower was increased from 70.00% to 95.28%. The Group recognised a increase in non-controlling interests of RMB539,562,000 and an decrease in equity attributable to owners of the Company of RMB539,562,000.

44 DISPOSAL OF A SUBSIDIARY

On 29 June 2020, the Company entered into an equity transfer agreement with Yunnan Provincial Power Investment Company Limited, pursuant to which the Company disposed 70% equity interest of a subsidiary of the Company, Yunnan Datang International Honghe Power Company Limited for consideration of RMB322,379,000.

The transaction has been completed during the year ended 31 December 2020.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

44 DISPOSAL OF A SUBSIDIARY (CONTINUED)

The net liabilities of the disposed subsidiary at the date of disposal was as follows:

	RMB'000
Property, plant and equipment (Note 18)	722,324
Right-of-use assets (Note 19)	25,553
Intangible assets (Note 21)	758
Inventories	21,360
Trade and notes receivables	114,472
Prepayments and other receivables	4,240
Cash and cash equivalents	61,652
Trade payables and accrued liabilities	(92,160)
Tax payables	(2,309)
Short-term loans	(66,000)
Long-term loans	(337,100)
Deferred income	(4,303)
Other non-current liabilities	(495,554)
Net liabilities disposed of	(47,067)

Consideration received:

	RMB'000
Cash received	322,379

Gain on disposal of a subsidiary:

	RMB'000
Consideration received	322,379
Net liabilities disposed of	47,067
Non-controlling interests	(13,957)
Direct costs attributable to disposal	(2,097)
Gain on disposal, net (Note 10)	353,392

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44 DISPOSAL OF A SUBSIDIARY (CONTINUED)

Net cash inflow arising on disposal:

	RMB'000
Cash consideration	322,379
Direct costs attributable to disposal	(2,097)
Cash and cash equivalents disposed of	(61,652)
	258,630

45 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:

	2021 RMB'000	2020 RMB'000
Associates	279,614	753,619
Joint ventures	–	22,050
Associates of China Datang	–	372,000
	279,614	1,147,669

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

46 CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2021 RMB'000	2020 RMB'000
Property, plant and equipment	9,656,934	8,525,638

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47 OPERATING LEASE COMMITMENT

The Group as lessor

Undiscounted lease payments receivable on leases are as follows:

	2021 RMB'000	2020 RMB'000
Within one year	92,351	44,429
In the second year	90,788	36,271
In the third year	82,917	26,575
In the fourth year	33,101	39,921
In the fifth year	25,524	16,952
After five years	17,635	3,420
	342,316	167,568

48 PLEDGE OF ASSETS

The Group had pledged the following assets to secure the borrowings of the Group at the end of the reporting period. The carrying amounts of the assets pledged are as follows:

	2021 RMB'000	2020 RMB'000
Tariff collection rights	5,301,583	4,801,783
Pledged bank deposit	208,653	417,648
Property, plant and equipment	17,611,481	14,788,784
Right-of-use assets	777,567	1,176,186
Others	857,113	894,859
	24,756,397	22,079,260

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49 RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with its related parties during the both years:

(a) Significant balances and transactions with related parties

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group

Name of related company	Nature of transaction	2021 RMB'000	2020 RMB'000
China Datang Group:			
China National Water Resources & Electric Power Materials & Equipment Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	757,471	1,605,907
	Expenses of infrastructure EPC contracting	191,563	906,810
	Purchase of fuel, materials and properties	–	212,613
	Receiving services of technical supervision and technical services	–	85
	Receiving services of technological transformation, operations management and repair and maintenance	–	68
	Lease payment	33	–
	Purchase of electricity (including water, gas and other resources) and electricity entrustment agency	–	617
	Sales of materials	–	20
	Training service fee income	588	–
	Rental income	1,905	1,168

Notes to the Consolidated Financial Statements

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49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (Continued)

Name of related company	Nature of transaction	2021 RMB'000	2020 RMB'000
China Datang Group: (Continued)			
Datang Environment Industry Group Company Limited	Receiving services of franchising of flue gas environmental protection facilities	2,243,152	2,122,288
	Procurement of production and infrastructure materials and relevant auxiliary services	175,742	217,785
	Receiving services of technological transformation, operations management and repair and maintenance	–	36,130
	Receiving services of operations management and repair and maintenance	–	18,131
	Expenses of infrastructure EPC contracting	–	9,972
	Labour supply expense	3,713	3,616
	Providing services of information system development	1,748	–
	Sale of electricity	2	–
	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	630,432	582,308
	Providing services of operations management and repair and maintenance	172,878	21,912
	Income from equipment lease	149	149
	Rental income	–	7,281

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (Continued)

Name of related company	Nature of transaction	2021 RMB'000	2020 RMB'000
China Datang Group: (Continued)			
Datang Power Fuel Company Limited	Purchase of coal	9,042,688	6,913,859
	Procurement of production and infrastructure materials and relevant auxiliary services	-	2,214
	Receiving services of technical supervision and technical services	-	34
	Sales of coal and transportation services	92,777	1,181,223
	Income from equipment lease	413	1,206
	Rental income	809	758
	China Datang Corporation Science and Technology Research Institute	Procurement of production and infrastructure materials and relevant auxiliary services	2,568
Receiving services of technological transformation, operations management and repair and maintenance		29,172	6,224
Receiving services of technical supervision and technical services		238,173	206,672
Receiving services of research and development in technological projects		10,105	4,481
Labour supply expense		1,141	-
Receiving services of information system development		343	-
Training service fee income		-	140
Providing services of operations management and repair and maintenance		-	2

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49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (Continued)

Name of related company	Nature of transaction	2021 RMB'000	2020 RMB'000
China Datang Group: (Continued)			
China Datang Group Technology Engineering Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	132,157	1,160,463
	Receiving services of franchising of flue gas environmental protection facilities	27,115	15,455
	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	43,586	52,029
	Providing services of operations management and repair and maintenance	12,761	6,536
	Rental income	293	294
Datang International Energy Service Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	–	1,218,516
Datang International Fuel Trading Company Limited	Purchase of coal	11,604,628	4,056,320
	Sales of coal and transportation services	562	150,524
China Datang Group International Trade Company Limited	Expense of infrastructure EPC contracting	544,004	398,155
	Procurement of production and infrastructure materials and relevant auxiliary services	1,343,455	165,074
Shanghai Datang Financial Lease Company Limited	Interest expenses	4,847	3,596
	Lease received	935,009	2,188,727
Datang Commercial Factoring Company Limited	Receiving factoring business services	863,058	580,503



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49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

- (i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as “China Datang Group”) and associates of the Group (Continued)

Name of related company	Nature of transaction	2021	2020
		RMB'000	RMB'000
Group's associates:			
Datang Finance	Interest income	82,831	84,302
	Interest expenses	429,287	398,896
Datang Leasing	Lease received	1,894,257	1,075,403

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49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(ii) Financial guarantees and financing facilities with China Datang Group and associates and joint ventures of the Group

	2021 RMB'000	2020 RMB'000
Financial guarantees and financing facilities with associates guaranteed by the Group		
Shanxi Datang International Yuncheng Power Generation Company Limited ("Yuncheng Power")	220,000	660,000
Xiduo Railway Company	8,414	16,819
Liaoning Diaobingshan Coal Gangue Power Generation Company Limited	51,200	76,800
Financial guarantees and financing facilities with joint ventures guaranteed by the Group		
Kailuan (Group) Limited Liability Corporation	–	22,050
Financial guarantees and financing facilities with associates of China Datang guaranteed by the Group		
Datang Hulunbuir Chemical Fertiliser Company Ltd.	–	322,000
Inner Mongolia Datang International Xilin Hot Mining Company Limited	–	50,000
Guaranteed by China Datang Group		
The Company	6,000,000	9,000,000

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49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(iii) Significant balances with China Datang Group and associates of the Group

In addition to the loans payables to the Group's associates, the Group has the following significant balances with related parties:

	2021 RMB'000	2020 RMB'000
Bank deposits:		
Associates:		
Datang Finance	10,713,587	7,392,767
Trade receivables:		
China Datang Group:		
Datang Environment Industry Group Company Limited	475,609	308,893
China Datang Group Technology and Engineering Company Limited	108,851	55,210
Datang Power Fuel Company Limited	26,953	6,046
Jiangsu Xutang Power Generation Company Limited	–	67,533
Prepayments		
China Datang Group:		
China National Water Resources & Electric Power Materials & Equipment Company Limited	554,023	155,199
China Datang Group International Trade Company Limited	784,974	6,660
Datang Power Fuel Company Limited	182,796	166,733
Datang International Fuel Trading Company Limited	557,924	120,012
Shanghai Datang Financial Lease Company Limited	–	110,113
Other receivables		
China Datang Group:		
Datang Bayannaer Wind Power Generation Company Limited	3,000	4,151
China Datang International Trade Company Limited	1,517	–
Datang Environment Industry Group Company Limited	2,611	91
Datang Shanxi Power Generation Company Limited	1,500	5,000
Datang Shandong Power Generation Company Limited	–	52,800

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For the Year Ended 31 December 2021

49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(iii) Significant balances with China Datang Group and associates of the Group (Continued)

In addition to the loans payables to the Group's associates, the Group has the following significant balances with related parties:

	2021 RMB'000	2020 RMB'000
Trade payables		
China Datang Group:		
Datang Environment Industry Group Company Limited	2,214,560	1,723,512
China Datang Group Technology and Engineering Company Limited	613,681	615,800
China National Water Resources & Electric Power Materials & Equipment Company Limited	368,899	428,145
Datang Power Fuel Company Limited	952,133	317,272
Datang International Fuel Trading Company Limited	1,208,928	182,762
Other payables		
China Datang Group:		
China Datang	3,230	173,370
Datang International Energy Service Company Limited	103,757	103,757
Datang Huayin Electric Power Company Limited	317,611	317,611
Datang Environment Industry Group Company Limited	131,633	144,652
Borrowing		
China Datang Group:		
China Datang	794,600	1,994,600
Associate:		
Datang Finance	8,736,353	10,421,600
Other non-current liabilities		
China Datang Group:		
Shanghai Datang Financial Lease Company Limited	3,286,803	3,010,767
Associate:		
Datang Leasing	3,393,787	3,544,924



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(iii) Significant balances with China Datang Group and associates of the Group (Continued)

As at 31 December 2021, the bank deposits with an associate are unsecured, interest-bearing ranged from 0.35% to 3.03% per annum and repayable on demand (2020: 0.35% to 1.15%).

As at 31 December 2021, the trade receivables from China Datang Group and trade payables to China Datang Group are unsecured, interest free and repayable within one year (2020: same).

As at 31 December 2021, the borrowings from China Datang Group are unsecured and interest-bearing ranged from 3.50% to 4.75% per annum (2020: 3.75% to 5.23%).

As at 31 December 2021, the other non-current liabilities from China Datang Group and an associate are unsecured and interest-bearing ranged from 2.43% to 6.52% per annum (2020: 3.92% to 5.98%).

Except for mentioned above, all remaining balances are unsecured, interest free and repayable on demand (2020: same).

(iv) Significant transactions with government-related entities

Government-related entities, other than entities under China Datang which is a state-owned enterprise and its subsidiaries, directly or indirectly controlled, jointly controlled or significant influenced by the Central People's Government of the PRC ("Government-Related Entities") are also regarded as related parties of the Group.

For the purpose of the related party transactions disclosure, the Group has established procedures for determination, to the extent possible, of the identification of the ownership structure of its customers and suppliers as to whether they are Government-Related Entities to ensure the adequacy of disclosure for all material related party transactions given that many Government-Related Entities have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs.

During the years ended 31 December 2021 and 2020, the Group sold substantially all of its electricity to local government-related power grid companies. The Group maintained most of its bank deposits in government-related financial institutions while lenders of most of the Group's loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

During the years ended 31 December 2021 and 2020, other collectively significant transactions with Government-Related Entities also included purchases of fuel, and property, plant and equipment.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

49 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant balances and transactions with related parties (Continued)

(v) Compensation to key management personnel of the Group

	2021 RMB'000	2020 RMB'000
Short-term benefits	10,015	8,319
Retirement benefits	457	440
	10,472	8,759

Details of directors' and supervisors' remunerations are included in note 14 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct		Indirect		
				2021	2020	2021	2020	
Liaoning Datang International Renewable Power Company Limited	the PRC	Company with limited liability	1,856,011	100.00%	100.00%	-	-	Wind power generation
Liaoning Datang International Changtu Wind Power Company Limited	the PRC	Company with limited liability	920,350	-	-	100.00%	100.00%	Wind power generation
Datang Zhangzhou Wind Power Company Limited	the PRC	Company with limited liability	217,590	-	-	100.00%	100.00%	Wind power generation
Datang Hebei Power Generation Company Limited	the PRC	Company with limited liability	3,001,986	100.00%	100.00%	-	-	Power generation
Datang Heilongjiang Power Generation Company Limited	the PRC	Company with limited liability	2,955,320 (2020: 2,923,180)	100.00%	100.00%	-	-	Power generation
Datang Anhui Power Generation Company Limited	the PRC	Company with limited liability	3,803,188 (2020: 3,626,158)	100.00%	100.00%	-	-	Power generation
Tianjin Datang International Panshan Power Generation Company Limited	the PRC	Company with limited liability	831,253	75.00%	75.00%	-	-	Power generation
Inner Mongolia Datang International Tuoketuo Power Generation Company Limited ("Tuoketuo Power")	the PRC	Company with limited liability	1,714,020	60.00%	60.00%	-	-	Power generation
Shanxi Datang International Shentou Power Generation Company Limited	the PRC	Company with limited liability	749,000	60.00%	60.00%	-	-	Power generation
Shanxi Datang International Yungang Thermal Power Company Limited	the PRC	Company with limited liability	690,000	100.00%	100.00%	-	-	Power generation and heat supply
Hebei Datang International Tangshan Thermal Power Company Limited	the PRC	Company with limited liability	380,264	80.00%	80.00%	-	-	Power generation and heat supply

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2021	2020	2021	2020	
Jiangsu Datang International Lvsigang Power Generation Company Limited	the PRC	Company with limited liability	1,133,226 (2020: 1,103,006)	55.00%	55.00%	-	-	Power generation
Guangdong Datang International Chaozhou Power Generation Company Limited ("Chaozhou")	the PRC	Company with limited liability	1,557,661	52.50%	52.50%	-	-	Power generation
Fujian Datang International Ningde Power Generation Company Limited	the PRC	Company with limited liability	825,090	51.00%	51.00%	-	-	Power generation
Chongqing Datang International Pengshui Hydropower Development Company Limited ("Pengshui Hydropower")	the PRC	Company with limited liability	1,791,459	40.00%	40.00%	24.00%	24.00%	Hydropower generation
Chongqing Datang International Wulong Hydropower Development Company Limited	the PRC	Company with limited liability	1,500,930	51.00%	51.00%	24.50%	24.50%	Hydropower generation
Datang International (Hong Kong) Limited	Hong Kong	Company with limited liability	653,511	100.00%	100.00%	-	-	Import of power related fuel
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited ("Zhiganglaka")	the PRC	Company with limited liability	380,000	-	-	90.00%	90.00%	Hydropower generation
Hebei Datang International Wangtan Power Generation Company Limited	the PRC	Company with limited liability	450,000	70.00%	70.00%	-	-	Power generation
Chongqing Datang International Shizhu Power Generation Company Limited	the PRC	Company with limited liability	585,910	70.00%	70.00%	-	-	Power generation

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct		Indirect		
				2021	2020	2021	2020	
Sichuan Datang International Ganzi Hydropower Development Company Limited ("Ganzi Hydropower")	the PRC	Company with limited liability	6,632,915 (2020: 6,159,420)	52.73%	52.73%	-	-	Hydropower generation
Beijing Datang Fuel Company Limited	the PRC	Company with limited liability	1,009,650	51.00%	51.00%	-	-	Coal trading
Zhejiang Datang Wushashan Power Generation Company Limited ("Wushashan Power")	the PRC	Company with limited liability	1,700,000	51.00%	51.00%	-	-	Power generation
Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited ("Tuoketuo II Power") (Note (i))	the PRC	Company with limited liability	1,174,390	40.00%	40.00%	-	-	Power generation
Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited	the PRC	Company with limited liability	458,000	100.00%	100.00%	-	-	Power generation and heat supply
Jiangxi Datang International Fuzhou Power Generation Company Limited ("Fuzhou Power")	the PRC	Company with limited liability	1,811,616	51.00%	51.00%	-	-	Power generation
Liaoning Datang International Jinzhou Thermal Power Generation Limited	the PRC	Company with limited liability	368,000	100.00%	100.00%	-	-	Power generation and heat supply

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2021	2020	2021	2020	
Chongqing Datang International Wulongxingshun Wind Power Company Limited	the PRC	Company with limited liability	229,570 (2020: 103,880)	89.52%	89.52%	10.48%	10.48%	Wind power generation
Hebei Datang International Fengrun Thermal Power Hohhot Company Limited	the PRC	Company with limited liability	393,070	84.00%	84.00%	-	-	Power generation
Datang Inner Mongolia Erdos Silicon and Aluminum Technology Company Limited	the PRC	Company with limited liability	188,000	100.00%	100.00%	-	-	Silicon and aluminum smelting
Hohhot Aluminum	the PRC	Company with limited liability	3,231,721	100.00%	100.00%	-	-	Production and sale of alumina
Jiangsu Datang Shipping Company Limited	the PRC	Company with limited liability	264,900	98.11%	98.11%	-	-	Cargo shipping
Inner Mongolia Datang International Renewable Power Company Limited	the PRC	Company with limited liability	1,287,570 (2020: 1,190,020)	100.00%	100.00%	-	-	Wind power generation
Fujian Datang International Renewable Power Company Limited	the PRC	Company with limited liability	947,820 (2020: 840,530)	100.00%	100.00%	-	-	Wind power generation
Shanxi Datang International Linfen Thermal Power Company Limited	the PRC	Company with limited liability	342,520	80.00%	80.00%	-	-	Power generation and heat supply
Liaoning Datang International Fuxin Wind Power Company Limited	the PRC	Company with limited liability	526,860	-	-	100.00%	100.00%	Wind power generation
Tibet Datang International Nujiang Upstream Hydropower Development Company Limited	the PRC	Company with limited liability	310,000	100.00%	100.00%	-	-	Hydropower generation
Datang International Nuclear Power Company Limited	the PRC	Company with limited liability	315,326	100.00%	100.00%	-	-	Nuclear power generation

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For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2021	2020	2021	2020	
Datang Tongzhou Technology Company Limited	the PRC	Company with limited liability	100,000	100.00%	100.00%	-	-	Sales of coal ash and integrated application of solid wastes
Yunnan Datang International Electric Power Company Limited	the PRC	Company with limited liability	2,899,888	100.00%	100.00%	-	-	Hydropower generation
Hebei Datang International Renewable Power Company Limited	the PRC	Company with limited liability	1,394,166	100.00%	100.00%	-	-	Wind power generation
Inner Mongolia Datang International Haibowan Water Conservancy Hub Development Company Limited	the PRC	Company with limited liability	133,910	100.00%	100.00%	-	-	Hydropower generation
Jiangxi Datang International Xinyu Power Generation Company Limited	the PRC	Company with limited liability	633,912	100.00%	100.00%	-	-	Power generation
Hebei Datang International Qian'an Thermal Power Company Limited	the PRC	Company with limited liability	214,914	93.33%	93.33%	-	-	Power generation
Yuneng (Group) Company Limited	the PRC	Company with limited liability	2,114,963	100.00%	100.00%	-	-	Hydropower generation
Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	the PRC	Company with limited liability	161,970	100.00%	100.00%	-	-	Solar power generation
Sichuan Jinkang Electricity Development Company Limited	the PRC	Company with limited liability	528,150	54.44%	54.44%	-	-	Hydropower generation
Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	the PRC	Company with limited liability	263,060	100.00%	100.00%	-	-	Power generation and heat supply

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For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct	Direct	Indirect	Indirect	
				2021	2020	2021	2020	
Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	the PRC	Company with limited liability	600,000	90.00%	90.00%	-	-	Power generation and heat supply
Erdos Ruidefeng Mining Company Limited	the PRC	Company with limited liability	237,220	100.00%	100.00%	-	-	Wholesale of coal
Jiangxi Datang International Renewable Power Company Limited	the PRC	Company with limited liability	1,901,114 (2020: 1,373,517)	100.00%	100.00%	-	-	Wind power generation
Shenzhen Datang Baochang Gas Power Generation Company Limited ("Baochang Gas")	the PRC	Company with limited liability	705,700	90.88%	90.88%	-	-	Power generation
Guangdong Datang International Zhaoqing Thermal Power Company Limited	the PRC	Company with limited liability	932,981	100.00%	100.00%	-	-	Power generation
Liaoning Datang International Shendong Thermal Power Company Limited	the PRC	Company with limited liability	616,144	100.00%	100.00%	-	-	Power generation
Guangdong Datang International Leizhou Power Generation Company Limited ("Leizhou Power") (Note (ii))	the PRC	Company with limited liability	1,731,548 (2020: 1,677,058)	34.00%	34.00%	-	-	Power generation
Hebei Datang International Tangshan Beijiao Thermal Power Generation Company Limited	the PRC	Company with limited liability	548,950 (2020: 533,120)	100.00%	100.00%	-	-	Power generation and heat supply
Jiangsu Datang International Jintan Thermal Power Company Limited	the PRC	Company with limited liability	1,015,408	100.00%	100.00%	-	-	Power generation and heat supply
Liaoning Datang International Huludao Thermal Power Company Limited	the PRC	Company with limited liability	1,141,240	100.00%	100.00%	-	-	Power generation and heat supply

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50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2021	Direct 2020	Indirect 2021	Indirect 2020	
Zhejiang Datang International Renewable Power Company Limited	the PRC	Company with limited liability	414,119 (2020: 150,699)	100.00%	100.00%	-	-	Wind power generation
Guangdong Datang International Marketing Company Limited	the PRC	Company with limited liability	200,000	100.00%	100.00%	-	-	Power and heat supply
Liaoning Datang International Shenfu Thermal Power Company Limited	the PRC	Company with limited liability	113,480 (2020: 99,710)	100.00%	100.00%	-	-	Power generation and heat Supply
Zhejiang Datang Power Marketing Company Limited	the PRC	Company with limited liability	201,000	100.00%	100.00%	-	-	Power trading
Fujian Datang Power Marketing Company Limited	the PRC	Company with limited liability	201,000	100.00%	100.00%	-	-	Power trading
Datang Jingjinji Power Marketing Company Limited	the PRC	Company with limited liability	201,000	100.00%	100.00%	-	-	Power trading
Liaoning Datang International Huludao Heat Power Company Limited	the PRC	Company with limited liability	144,415 (2020: 123,625)	100.00%	100.00%	-	-	Heat supply
Ningxia Datang International Hongsibao Renewable Power Company Limited	the PRC	Company with limited liability	816,477 (2020: 805,527)	100.00%	100.00%	-	-	Solar power generation
Ningxia Datang International Bronze Gorge Wind Power Company Limited	the PRC	Company with limited liability	209,448	100.00%	100.00%	-	-	Wind power generation
Shanxi Datang International Zuoyun Wind Power Company Limited	the PRC	Company with limited liability	328,518 (2020: 306,080)	100.00%	100.00%	-	-	Wind power generation
Datang International Foshan Thermal Power Company Limited	the PRC	Company with limited liability	505,550 (2020: 191,760)	100.00%	100.00%	-	-	Power generation and heat supply
Datang Shantou Renewable Power Company Limited	the PRC	Company with limited liability	1,418,199 (2020: 280,810)	100.00%	100.00%	-	-	Wind power generation

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For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

Particulars of the principal subsidiaries as at 31 December 2021 and 2020 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct		Indirect		
				2021	2020	2021	2020	
Jiangxi Datang Power Marketing Company Limited	the PRC	Company with limited liability	101,000 (2020: 50,000)	100.00%	100.00%	-	-	Power and heat trading
Liaoning Zhuanghe Nuclear Power Company Limited ("Liaoning Zhuanghe Nuclear") (Note (iii))	the PRC	Company with limited liability	380,000	46.00%	46.00%	-	-	Nuclear power generation
Datang Chongqing Energy Marketing Company Limited	the PRC	Company with limited liability	201,000 (2020: 20,000)	100.00%	100.00%	-	-	Power and heat trading
Datang Fuzhou Linchuan Renewable Power Company Limited	the PRC	Company with limited liability	285,360 (2020: 228,290)	-	-	100.00%	100.00%	Wind and solar power generation
Datang (Gaoan) Renewable Power Company Limited	the PRC	Company with limited liability	142,680 (2020: 97,730)	-	-	100.00%	100.00%	Wind and solar power generation
Datang (Wannian County) Renewable Power Company Limited	the PRC	Company with limited liability	131,987 (2020: 105,590)	-	-	100.00%	100.00%	Wind and solar power generation
Datang Xinyu Gaoxin Renewable Power Company Limited (Note (iv))	the PRC	Company with limited liability	115,730	-	-	100.00%	-	Production and supply of power and heat



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) General information of subsidiaries (Continued)

All the above subsidiaries are limited liability companies except that Zhiganglaka Company is also a foreign investment enterprise while Baochang Gas and Fuzhou Power are also sino foreign equity joint ventures.

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Notes:

- (i) During the year ended 31 December 2006, the Company entered into an agreement with China Datang, one of the shareholders of Tuoketuo II Power, which holds 20% equity interest in Tuoketuo II Power. In 2020, the abovementioned agreement was terminated and the Company entered into a new agreement with Datang Beijing Tianjin Hebei Energy Development Company Limited, one of the shareholders of Tuoketuo II Power, which holds 20% equity interest in Tuoketuo II Power. Pursuant to these agreements, the shareholder representatives and directors appointed from China Datang will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Tuoketuo II Power. Therefore, the Company obtained control over Tuoketuo II Power and accounted for it as a subsidiary onwards.
- (ii) During the year ended 31 December 2015, the Company entered into an agreement with China Datang, one of the shareholders of Leizhou Power, which holds 30% equity interest in Leizhou Power. Pursuant to this agreement, the shareholder representatives and directors appointed from China Datang will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Leizhou Power. Therefore, the Company obtained control over Leizhou Power and accounted for it as a subsidiary onwards.
- (iii) During the year ended 31 December 2020, the Company entered into an agreement with CPI Nuclear Power Company Limited., one of the shareholders of Liaoning Zhuanghe Nuclear, which holds 44% equity interest in Liaoning Zhuanghe Nuclear. Pursuant to this agreement, the shareholder representatives and directors appointed from CPI Nuclear Power Company Limited will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Liaoning Zhuanghe Nuclear. Therefore, the Company obtained control over Liaoning Zhuanghe Nuclear and accounted for it as a subsidiary onwards.
- (iv) During the year ended 31 December 2021, the subsidiary was newly incorporated.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Name	Tuoketuo Power		Leizhou Power	
	2021	2020	2021	2020
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	40.00%/40.00%	40.00%/40.00%	66.00%/66.00%	66.00%/66.00%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	5,063,390	5,080,485	7,227,275	7,504,667
Current assets	2,770,343	2,673,851	936,902	697,202
Non-current liabilities	(1,383,334)	(426,088)	(4,870,438)	(4,981,725)
Current liabilities	(4,255,077)	(4,175,501)	(2,235,361)	(1,367,621)
Net assets	2,195,322	3,152,747	1,058,378	1,852,523
Non-controlling interests	910,875	1,261,097	698,458	1,222,665
Revenue	4,410,369	4,394,430	3,440,936	2,515,482
(Loss)/profit for the year	(382,335)	574,999	(690,716)	175,466
Total comprehensive (expense)/income	(382,335)	574,999	(690,716)	175,466
(Loss)/profit allocated to non-controlling interests	(120,186)	230,000	(455,873)	115,807
Dividends paid to non-controlling interests	(230,036)	(300,575)	(104,227)	–
Net cash generated from operating activities	347,884	920,096	193,968	950,786
Net cash used in investing activities	(186,038)	(251,349)	(188,463)	(301,716)
Net cash (used in)/generated from financing activities	(150,003)	(732,535)	75,370	(582,303)
Net increase/(decrease) in cash and cash equivalents	11,843	(63,788)	80,875	66,767

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Continued)

Name	Pengshui Hydropower		Ganzi Hydropower	
	2021	2020	2021	2020
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	36.00%/36.00%	36.00%/36.00%	47.27%/47.27%	47.27%/47.27%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	8,370,226	9,158,488	29,867,726	30,154,789
Current assets	1,048,972	493,105	545,618	514,086
Non-current liabilities	(5,432,924)	(5,863,060)	(19,970,635)	(20,996,091)
Current liabilities	(626,059)	(848,168)	(3,101,672)	(2,840,242)
Net assets	3,360,215	2,940,365	7,341,037	6,832,542
Non-controlling interests	1,209,678	1,058,532	3,454,853	3,214,645
Revenue	1,828,268	1,765,579	2,795,914	2,626,503
Profit for the year	725,009	678,132	508,806	526,457
Other comprehensive income	–	–	4	272
Total comprehensive income	725,009	678,132	508,810	526,729
Profit allocated to non-controlling interests	261,003	244,127	240,513	248,885
Other comprehensive income allocated to non-controlling interests	–	–	2	129
Dividends paid to non-controlling interests	(109,857)	(98,339)	(223,982)	(398,487)
Net cash generated from operating activities	1,284,435	1,397,631	1,991,307	2,446,803
Net cash used in investing activities	(85,337)	(58,753)	(460,069)	(518,666)
Net cash used in financing activities	(1,175,782)	(1,374,851)	(1,589,637)	(1,742,324)
Net increase/(decrease) in cash and cash equivalents	23,316	(35,973)	(58,399)	185,813

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Continued)

Name	Tuoketuo II Power		Fuzhou Power	
	2021	2020	2021	2020
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	60.00%/60.00%	60.00%/60.00%	49.00%/49.00%	49.00%/49.00%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	4,260,301	4,489,159	4,125,153	4,242,263
Current assets	983,684	405,744	990,139	887,884
Non-current liabilities	(1,608,100)	(894,300)	(1,759,257)	(1,523,974)
Current liabilities	(2,106,098)	(1,748,352)	(1,691,704)	(1,237,299)
Net assets	1,529,787	2,252,251	1,664,331	2,368,874
Non-controlling interests	917,868	1,351,346	815,522	1,160,748
Revenue	3,084,239	2,978,412	4,028,874	3,874,818
(Loss)/profit for the year	(231,798)	544,065	(251,156)	479,779
Other comprehensive expense	–	–	(21,586)	(26,814)
Total comprehensive (expense)/income	(231,798)	544,065	(272,742)	452,965
(Loss)/profit allocated to non-controlling interests	(139,079)	326,439	(123,066)	235,092
Other comprehensive expense allocated to non-controlling interests	–	–	(10,577)	(13,139)
Dividends paid to non-controlling interests	(294,399)	(383,786)	(211,583)	(159,219)
Net cash generated from operating activities	114,825	1,134,099	344,810	787,159
Net cash used in investing activities	(82,963)	(82,106)	(102,374)	(30,772)
Net cash used in financing activities	(973)	(1,077,605)	(92,457)	(710,901)
Net increase/(decrease) in cash and cash equivalents	30,889	(25,612)	149,979	45,486

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

50 PRINCIPAL SUBSIDIARIES (CONTINUED)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Continued)

Name	Chaozhou Power		Wushashan Power	
	2021	2020	2021	2020
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	47.50%/47.50%	47.50%/47.50%	49.00%/49.00%	49.00%/49.00%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	5,058,078	5,227,488	4,073,751	3,871,445
Current assets	1,554,999	826,799	1,441,797	722,497
Non-current liabilities	(304,555)	(84,546)	(2,117,212)	(11,721)
Current liabilities	(4,442,888)	(3,241,751)	(1,980,529)	(1,997,240)
Net assets	1,865,634	2,727,990	1,417,807	2,584,981
Non-controlling interests	835,812	1,245,432	694,725	1,266,640
Revenue	6,884,992	5,014,712	4,605,496	3,878,010
(Loss)/profit for the year	(278,280)	648,974	(813,529)	400,035
Total comprehensive (expense)/income	(278,280)	648,974	(813,529)	400,035
(Loss)/profit allocated to non-controlling interest	(132,183)	308,263	(398,629)	196,017
Dividends paid to non-controlling interest	(277,437)	(283,779)	(176,415)	(173,813)
Net cash (used in)/generated from operating activities	(168,918)	1,452,803	(1,067,366)	1,151,050
Net cash used in investing activities	(204,407)	(121,718)	(279,460)	(255,274)
Net cash generated from/(used in) financing activities	456,055	(1,369,121)	1,393,099	(880,924)
Net increase/(decrease) in cash and cash equivalents	82,730	(38,036)	46,273	14,852

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2021

51 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At 1 January 2021 RMB'000	Cash inflow from financing activities RMB'000	Cash outflows from financing activities RMB'000	Non-cash changes RMB'000	At 31 December 2021 RMB'000
Long-term loans	106,440,968	30,102,903	(22,157,990)	–	114,385,881
Long-term bonds	9,220,109	3,200,000	(3,000,000)	(35,710)	9,384,399
Other pledged financing	10,579,959	4,395,160	(3,652,095)	–	11,323,024
Lease liabilities	1,986,348	–	(826,421)	414,741	1,574,668
Short-term loans (Note)	29,040,022	66,029,007	(59,140,114)	3,348,438	39,277,353
Short-term bonds	2,622,655	18,300,000	(14,600,000)	7,046	6,329,701
Consideration payable	169,216	–	–	–	169,216
	160,059,277	122,027,070	(103,376,620)	3,734,515	182,444,242

	At 1 January 2020 RMB'000	Disposal of a subsidiary (Note 44) RMB'000	Cash inflows from financing activities RMB'000	Cash outflows from financing activities RMB'000	Non-cash changes RMB'000	At 31 December 2020 RMB'000
Long-term loans	113,821,409	(337,100)	18,696,869	(25,740,210)	–	106,440,968
Long-term bonds	8,973,801	–	–	–	246,308	9,220,109
Other pledged financing	10,921,403	(495,554)	2,138,900	(1,984,790)	–	10,579,959
Lease liabilities	906,777	–	–	(159,065)	1,238,636	1,986,348
Short-term loans	34,854,678	(66,000)	50,649,167	(56,397,823)	–	29,040,022
Short-term bonds	–	–	12,100,000	(9,477,345)	–	2,622,655
Consideration payable	169,216	–	–	–	–	169,216
	169,647,284	(898,654)	83,584,936	(93,759,233)	1,484,944	160,059,277

Note: During the year ended 31 December 2021, short-term loans under supplies chain financing arrangements of RMB3,348,438,000 (2020: Nil) represent the payments to the supplies by the relevant banks directly.

Differences Between Financial Statements

For the Year Ended 31 December 2021

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 (loss)/profit of the Group, are summarised as follows:

	Note	Net assets	
		2021 RMB'000	2020 RMB'000
Net assets attributable to holders of equity instruments of the Company under IFRSs		62,263,797	73,187,675
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)	(212,065)	(217,803)
Applicable deferred tax impact of the above GAAP Differences		(1,900)	(5,438)
Non-controlling interests' impact of the above GAAP Differences after tax		(20,945)	(46,870)
Net assets attributable to equity holders of the Company under PRC GAAP		62,135,353	73,024,030

	Note	Net (loss)/profit	
		2021 RMB'000	2020 RMB'000
(Loss)/profit for the year attributable to holders of equity instruments of the Company under IFRSs		(9,269,391)	2,988,684
Impact of IFRSs adjustments:			
Difference in accounting treatment on mining funds	(b)	(23,999)	60,800
Applicable deferred tax impact of the above GAAP Differences		3,538	2,506
Non-controlling interests' impact of the above GAAP Differences after tax		25,925	(11,747)
Net (loss)/profit for the year attributable to equity holders of the Company under PRC GAAP		(9,263,927)	3,040,243



Differences Between Financial Statements

For the Year Ended 31 December 2021

Note:

- (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/(accumulated losses) 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/(accumulated losses) to the extent of zero.



大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991