



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 Interim Report





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Company Results

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB50,394 million, representing an increase of approximately 13.30% as compared to the first half of 2020.
- Total profit before tax amounted to approximately RMB3,102 million, representing a decrease of approximately 14.36% as compared to the first half of 2020.
- Net profit attributable to equity holders of the Company amounted to approximately RMB1,651 million, representing a decrease of approximately 10.36% as compared to the first half of 2020.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0507, representing a decrease of RMB0.0195 per share as compared to the first half of 2020.

The board of directors (the "Board") of Datang International Power Generation Co., Ltd. (the "Company") hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the "Group") prepared in conformity with International Financial Reporting Standards ("IFRSs") for the six months ended 30 June 2021 (the "Period"), together with the unaudited consolidated operating results of the first half of 2020 (the "Corresponding Period Last Year") for comparison. Such operating results have been reviewed and confirmed by the Company's audit committee (the "Audit Committee").

Operating revenue of the Group for the Period was approximately RMB50,394 million, representing an increase of approximately 13.30% as compared to that of the Corresponding Period Last Year. Total profit before tax amounted to approximately RMB3,102 million, representing a decrease of approximately 14.36% as compared to that of the Corresponding Period Last Year. Net profit attributable to equity holders of the Company was approximately RMB1,651 million, representing a decrease of approximately 10.36% as compared to that of the Corresponding Period Last Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0507, representing a decrease of RMB0.0195 per share as compared to that of the Corresponding Period Last Year.

Management Discussion and Analysis

OVERVIEW

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

In the first half of 2021, tightly centering on the celebration of the 100th anniversary of the founding of the Chinese Communist Party, the Company dedicated to kick-start the new journey of the "Second Round of Start-up", promoted and achieved solid results in safety production, quality and efficiency improvement, transformation and development, energy conservation and emission reduction, making sure a good start in the "14th Five-year Plan".

REVIEW ON THE OPERATING RESULTS OF PRINCIPAL BUSINESSES

1. Production safety and epidemic prevention and control were steady in general. We have always kept the top priorities of the China in mind, adhered to overall development and safety, effectively improved the safety level in a qualitative manner, and achieved the "double zero" situation in safety, environmental protection, sustainable stability and epidemic prevention and control. The Company has firmly carried out three-year special rectification actions for safety production and the investigation and rectification of "six inspections and six strictnesses (六查六嚴)", with safety management level of the Company greatly improving. We successfully completed a series of power guarantee tasks for the 100th anniversary of the founding of the Party, etc., and made arrangements for power guarantee in advance for the Beijing Winter Olympic Games. We spared no effort in the normal pandemic prevention and control, and actively organized vaccination to ensure the health and safety of employees.
2. Remarkable results have been made in quality and efficiency improvement. With the goal centering on "two profits and four ratios", we conducted in-depth special actions to improve quality and efficiency focusing on "three improvement, two reductions and one governance", and proactively promoted the operation and management work. During the reporting period, total power generation of the Company amounted to approximately 132.0788 billion kWh, representing an increase of approximately 8.58% on a year-on-year basis; and total on-grid power generation amounted to approximately 124.7071 billion kWh, representing an increase of approximately 9.44% on a year-on-year basis.

Management Discussion and Analysis

3. Steady progress was made in transformation and development. We deeply implemented the new development concept and the new strategy for energy security, focused on the goal of “carbon peaking and carbon neutralization”, took initiative to follow up the “14th Five-year Plan” of regions, comprehensively implemented the structural adjustment actions, and accelerated the pace of development. During the reporting period, a total of 23 photovoltaic power projects of the Company were approved, with an approved capacity of 2,119.5 MW. The approved projects are mainly distributed in Zhejiang, Jiangxi, Guangdong and other regions.
4. Continuous optimization in energy conservation and emission reduction. During the reporting period, the coal consumption of the Company for power supply accumulated to 287.3g/kWh, representing a decrease of 2.61g/kWh as compared to the corresponding period last year; the general consumption rate of power plants was 5.50%. The performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water discharge was 0.07g/kWh, 0.12g/kWh, 0.01g/kWh and 17.95g/kWh, respectively, all of which have fully completed the planned targets.

MAJOR FINANCIAL INDICATORS AND ANALYSIS

1. Operating Revenue

During the Period, the Group realised an operating revenue of approximately RMB50,394 million, representing an increase of approximately 13.30% as compared to the Corresponding Period Last Year, among which revenue from electricity sales was approximately RMB43,237 million, representing an increase of approximately RMB5,337 million or approximately 14.08% as compared to the Corresponding Period Last Year. The increase in revenue from electricity sales was mainly due to the increase in power generation and on-grid power generation of the Group for the Period of approximately 8.58% and 9.44%, respectively, as compared to the Corresponding Period Last Year.

2. Operating Costs

During the Period, total operating costs of the Group amounted to approximately RMB45,394 million, representing an increase of approximately RMB7,388 million or 19.44% as compared to the Corresponding Period Last Year, which was mainly due to the increase in coal prices during the Period, and the increase in the cost of fuel for power and heat generation by approximately RMB7,493 million as compared to the Corresponding Period Last Year.

Management Discussion and Analysis

3. Net Finance Costs

During the Period, finance costs of the Group amounted to approximately RMB3,274 million, representing a decrease of approximately RMB199 million or approximately 5.74% as compared to the Corresponding Period Last Year. The decrease in finance costs was mainly due to the period-to-period decrease in the scale of debt financing.

4. Total Profit

During the Period, the Group achieved a total profit before tax of approximately RMB3,102 million, representing a decrease of approximately 14.36% as compared to the Corresponding Period Last Year. The Group also achieved a net profit of approximately RMB2,308 million, representing a decrease of approximately 14.61% as compared to the Corresponding Period Last Year.

5. Financial Position

As at 30 June 2021, the total assets of the Group amounted to approximately RMB280,857 million, representing an increase of approximately RMB386 million as compared to that at the end of 2020.

Total liabilities of the Group amounted to approximately RMB189,571 million, representing an increase of approximately RMB609 million as compared to the end of 2020.

6. Liquidity

As at 30 June 2021, the assets-to-liabilities ratio of the Group was 67.50%. The net debt-to-equity ratio was approximately 152.28% ((loans + short-term financing bills + long-term bonds-cash and cash equivalents)/owner's equity).

As at 30 June 2021, cash and cash equivalents and restricted deposits of the Group amounted to approximately RMB9,856 million, among which approximately RMB114 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Period.

As at 30 June 2021, short-term loans of the Group amounted to approximately RMB32,143 million, bearing annual interest rates ranging from 1.00% to 5.66%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB93,497 million and long-term loans repayable within one year amounted to approximately RMB11,088 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.20% to 6.80%.

Management Discussion and Analysis

7. Welfare Policy

As at 30 June 2021, the total number of employees of the Group was 31,872. For the overall payroll management, the Group adheres to performance orientation, attached great importance to benefit contribution and efficiency improvement, and implements a performance and salary connected system. We conducted in-depth performance appraisal for all employees, adhered to the double benchmarking of salary and performance, explored and established a market-oriented and differentiated compensation distribution mechanism to fully stimulate the motivation of the staff and the operation vitality of the Company.

The Group attaches importance to staff training, coordinately promotes the multi-channel growth mechanism of talents, vigorously carries forward the construction of talent team, pushed ahead the development of career planning of the employees in an orderly manner, and constantly stimulates the vitality of the staff. Adhering to the concept that “training is to create benefits for employees”, the Group delicately designed training topics in close combination with the actual condition of the Company and the needs of employees, and vigorously carried out the hierarchical and classified training for all employees by way of “distance training + on-site training”, which significantly improved the pertinence and effectiveness of the training. In the first half of this year, a total of 1,331 training programs were organized and implemented from the top to bottom of the Group, including 501 programs for operation and management, 830 programs for technology and skills, with a total of 38,824 person-times participating in the trainings.

OUTLOOK FOR THE SECOND HALF OF 2021

1. We will firmly adhere to safety and stability. We will fully implement the responsibility for safe production, firmly hold the bottom line of safe production, ecological environmental protection and livelihood heating supply, and make every effort to ensure that major power guarantee tasks are safe. We will consolidate the results of “six inspections and six strictnesses (六查六嚴)”, deepen the “four no’s and two directs (四不兩直)”, and improve the safety level in a qualitative manner with the goal of eliminating hidden dangers. We will always strictly implement the pandemic prevention and control, insist on scientific prevention and control, targeted prevention and control and simultaneous prevention of both people and animals, so as to ensure the safety and health of employees and the public.

Management Discussion and Analysis

2. We will unswervingly promote the quality and efficiency improvement. We will seize economical coal and increase the proportion of long-term cooperation to make every effort to ensure fuel supply. We will develop efficient power generation, strengthen marketing and regional dispatching, optimize power generation rhythm and power structure, and continuously improve the profitability of peak shaving auxiliary services. We will enhance the management of bidding procurement and project construction, reduce the cost level and improve the competitiveness of projects. We will deepen the market-oriented employment mechanism, reduce the scale of outsourced employment, perfect the allocation of human resources, and strive to improve the labor productivity of all employees. We will exert the platform advantages of a listed company, further optimize the financing structure and reduce the cost of funding. We will intensify the governance of loss making and zombie enterprises and speed up the disposal of inefficient and ineffective assets.
3. We will unswervingly accelerate the green and low-carbon transformation. We will strive to fight the battle of structural adjustment, proactively promote multi energy complementary projects to make new progress, make every effort to grasp the construction indicators of competitive allocation of new energy, plan and layout the pilot work of roof distributed photovoltaic development in the whole county (city, district), improve the installed scale of clean energy and optimize the power installation structure of the Company. We will dedicated to the innovation-driven green and low-carbon transformation, vigorously carry forward clean and efficient utilization of coal, increase the research on flexible transformation of coal-fired units, proactively carry out research and pilot demonstration of CCUS, hydrogen energy and energy storage technology, and advance the implementation of new business development.
4. We will unswervingly strengthen corporate governance. We will strengthen the overall standardized operation of the Company and reinforce the management of capital, assets and funds. We will further deepen the “double-hundred reforms” and advance the expansion of three systematic reforms to the grass-roots. We will strengthen the Party’s leadership in improving corporate governance, and accelerate the improvement of the corporate governance mechanism with statutory and transparent powers and responsibilities, coordinated operation, and effective checks and balances.

Share Capital and Dividends

1. SHARE CAPITAL

As of 30 June 2021, the total share capital of the Company amounted to 18,506,710,504 shares with a par value of RMB1 per share.

2. DIVIDENDS

The Board recommends that no interim dividend will be distributed for 2021.

3. SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors of the Company are aware, as at 30 June 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 to the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), were as follows:

Name of Shareholder	Class of Shares	No. of Shares Held	Approximate Percentage to Total Issued Share Capital of the Company (%)	Approximate Percentage to Total Issued A Shares of the Company (%)	Approximate Percentage to Total Issued H Shares of the Company (%)
China Datang Corporation Ltd. ("CDC") (Note 1)	A shares	6,540,706,520	35.34	52.76	/
	A shares	8,738,600	0.05	0.07	/
	H shares	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Tianjin Jinneng Investment Co., Ltd. (Note 2)	A shares	1,295,092,600	7.00	10.45	/
Hebei Construction & Investment Group Co., Ltd. (Note 3)	A shares	1,281,872,927	6.93	10.34	/
Beijing Energy Investment Holding Co., Ltd. (Note 4)	A shares	1,231,730,854	6.66	9.94	/

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

Notes:

- (1) Mr. Qu Bo, a non-executive Director, is an employee of CDC.
- (2) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Co., Ltd.
- (3) Mr. Cao Xin and Mr. Zhao Xianguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.
- (4) Mr. Jin Shengxiang and Mr. Sun Yongxing, both non-executive Directors, are employees of Beijing Energy Investment Holding Co., Ltd.

4. SHAREHOLDING OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As of 30 June 2021, save as disclosed below and to the knowledge of the Board, none of the Directors, supervisors and chief executives of the Company nor their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned therein pursuant to section 352 of the SFO or otherwise required to be complied with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

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

5. 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.

Share Capital and Dividends

Use of proceeds from the A-Share Issuance as at 30 June 2021

Details of the use of proceeds from the A-Share Issuance as at 30 June 2021 are as follows:

	Intended use of the proceeds <i>Approximately</i> <i>RMB0'000</i>	Utilisation of proceeds during the six months ended 30 June 2021 <i>Approximately</i> <i>RMB0'000</i>	Remaining balance of unutilised proceeds as at 30 June 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陶熱電冷聯產項目) (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 Jiangsu Datang International Jintan Thermal Power Generation Company Limited (“Jintan Thermal Power Company”), a wholly-owned subsidiary of the 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 the date of consideration and approval at the Board meeting of the Company. The independent Directors clearly agreed to the above matter. As of 30 June 2021, the amount of idle funds used by the Company to temporarily replenish the working capital was RMB163 million. For details, please refer to the overseas regulatory announcement issued by the Company on 30 December 2020.

During the six months ended 30 June 2021, the proceeds raised by the Company from the A-Share Issuance were utilised, or were proposed to be utilised, according to the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

As at 13 August 2021, Jintan Thermal Power Company has returned all the idle funds raised for the temporary replenishment of working capital of RMB163 million to the special account for the A-Share Issuance of the Company, and the useful life did not exceed 12 months.

In view of the fact that the investment projects funded by proceeds from the A-Share Issuance 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 held the twenty-second meeting of the tenth session of the Board and the fourteenth meeting of the tenth session of the Supervisory Committee on 30 August 2021, and considered and approved the “Resolution on Allocation of Surplus Proceeds for Permanent Replenishment of Working Capital” (《關於將節餘募集資金永久補充流動資金的議案》), which agreed to use the surplus proceeds of RMB350,044,397.89 (as of 30 June 2021, including interest income, etc., and the actual amount is subject to the balance of the special account on the date when the funds are transferred out) for permanent replenishment of working capital, and cancel the relevant special account for proceeds.

Share Capital and Dividends

Use of proceeds from the H-Share Issuance as at 30 June 2021

Details of the use of proceeds from the H-Share Issuance as at 30 June 2021 are as follows:

	Intended use of the proceeds <i>Approximately</i> <i>HK\$0'000</i>	Utilisation of proceeds during the six months ended 30 June 2021 <i>Approximately</i> <i>HK\$0'000</i>	Remaining balance of unutilised proceeds as at 30 June 2021 <i>Approximately</i> <i>HK\$0'000</i>
General corporate purposes (including loan and bond payment)	622,154	621,706	448

The following table sets out the details of the unutilised proceeds from the H-Share Issuance as at 30 June 2021:

Intended use of the proceeds not yet utilised	Expected amount <i>Approximately</i> <i>HK\$0'000</i>	Expected timeline
General corporate purposes (including loan and bond payment)	448	Before end of December 2021

During the six months ended 30 June 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.

6. PLEDGE OF H-SHARES BY CONTROLLING SHAREHOLDER

As disclosed in the announcement of the Company dated 12 February 2018, CDOHKC (as borrower), an indirect wholly-owned subsidiary of CDC (the controlling shareholder of the Company), entered into a facility agreement with Wing Lung Bank Limited (as mandated lead arranger and bookrunner, facility agent and security agent) in connection with a term loan facility of HK\$5,300 million which shall be applied by CDOHKC for the payment of part of the H-Share Issuance Proceeds (as defined in that announcement). As a condition precedent to the utilisation of the facility by CDOHKC, CDOHKC entered into a share charge with Wing Lung Bank Limited, pursuant to which all the 480,680,000 H-shares of the Company held in the name of CDOHKC and the 2,794,943,820 H-Share Subscription Shares (as defined in that announcement) to be subscribed by CDOHKC shall be pledged to Wing Lung Bank Limited. In 2021, the Company was informed that CDOHKC would continue to pledge its H shares of the Company 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.

Significant Events

1. According to the “Resolution on the Appointment of Deputy General Manager of the Company” considered and approved at the eighteenth meeting of the tenth session of the Board of the Company on 28 April 2021, Mr. Duan Wenwei and Mr. Wan Yong were appointed as the deputy general managers of the Company.
2. As at the date of this report, the Company issued super short-term debentures of RMB12 billion in total.
3. As at the date of this report, the Company issued medium term notes of RMB2 billion (sustainable linkage) and green medium term notes of RMB1.2 billion (Carbon Neutralization Bonds).
4. According to the “Resolution on the Adjustment to the Chairman of the Tenth Session of the Board of the Company” considered and approved at the twentieth meeting of the tenth session of the Board of the Company on 6 July 2021, Mr. Liang Yongpan was elected as the chairman of the tenth session of the Board, and Mr. Chen Feihu ceased to serve as the chairman of the tenth session of the Board of the Company.
5. 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 of the Company.
6. As at the date of this report, the members of the Board of Directors are:

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

(* Independent non-executive Directors)
7. Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors, supervisors and chief executive of the Company (as at the date of this report) are set out as follows:

Name of Directors, supervisors or chief executive	Details of change	Effective date
Mr. Chen Feihu	Ceased to serve as (i) the chairman of the Company; and (ii) a non-executive Director of the Company	6 July 2021 5 August 2021
Mr. Liang Yongpan	Elected as the chairman of the Company	6 July 2021
Mr. Liu Quancheng	Appointed as the chairman of China Datang Group Capital Holding Co., Ltd. Ceased to serve as (i) the director of financial business department of China Datang Corporation Ltd.; and (ii) the chairman of China Datang Group Finance Company Limited	21 June 2021 22 June 2021

Saved as disclosed above, the Company is not aware of other changes in the information of the Directors, supervisors or chief executive of the Company that need to be disclosed in accordance with Rule 13.51(B) of the Listing Rules.

Purchase, Sale and Redemption of the Company's Listed Securities

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

Compliance with the Code on Corporate Governance Practices

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

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

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



Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

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

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

Public Float

Based on information that is publicly available to the Company and to the knowledge of the Directors, as at 30 June 2021 and as at the date of this report, the Company confirms that the public float of the Company's H shares and A shares has complied with the requirements of the Listing Rules.

Audit Committee

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

By Order of the Board
Jiang Jinming
Company Secretary

Beijing, the PRC, 30 August 2021

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Operating revenue	4	50,394,245	44,478,123
Operating costs			
Fuel for power and heat generation		(28,305,341)	(20,812,704)
Depreciation		(6,823,934)	(7,192,738)
Repairs and maintenance		(1,064,629)	(1,303,510)
Salaries and staff welfare		(3,518,322)	(3,098,493)
Local government surcharges		(647,892)	(620,103)
Others	8(b)	(5,033,522)	(4,978,266)
Total operating costs		(45,393,640)	(38,005,814)
Operating profit		5,000,605	6,472,309
Share of results of associates		966,480	405,433
Share of results of joint ventures		(24,285)	(26,614)
Investment income		81,423	18,545
Interest income	8(a)	27,067	45,996
Other income and other gains and losses, net		324,193	179,183
Finance costs	6	(3,273,646)	(3,472,856)
Profit before tax		3,101,837	3,621,996
Income tax expense	7	(793,799)	(919,157)
Profit for the period	8(a)	2,308,038	2,702,839
Profit for the period attributable to:			
Holders of equity instruments of the Company			
– Owners of the Company		939,131	1,299,297
– Holders of other equity instruments		712,264	543,047
– Non-controlling interests		1,651,395	1,842,344
		656,643	860,495
		2,308,038	2,702,839
Earnings per share			
Basic and diluted (RMB cents)	10	5.07	7.02

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	2,308,038	2,702,839
Other comprehensive income/(expense):		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive income of associates	2,546	6,058
Exchange differences on translating foreign operations	(8,639)	1,907
<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	(18,475)	(101,096)
Other comprehensive expense for the period, net of tax	(24,568)	(93,131)
Total comprehensive income for the period	2,283,470	2,609,708
Total comprehensive income for the period attributable to:		
Holders of equity instruments of the Company		
– Owners of the Company	930,796	1,203,877
– Holders of other equity instruments	712,264	543,047
	1,643,060	1,746,924
– Non-controlling interests	640,410	862,784
	2,283,470	2,609,708

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	11	203,529,807	208,922,692
Right-of-use assets		5,031,137	5,073,892
Investment properties		491,336	473,183
Intangible assets		2,003,439	2,010,821
Interests in associates		18,465,926	17,608,093
Interests in joint ventures		424,399	453,947
Financial assets at fair value through profit or loss		3,975,178	3,839,505
Financial assets at fair value through other comprehensive income		906,877	899,309
Deferred tax assets		3,954,596	3,915,125
Other non-current assets		4,608,349	3,562,559
		243,391,044	246,759,126
Current assets			
Inventories		3,977,430	3,145,945
Trade and notes receivables	12	18,708,125	16,732,397
Prepayments and other receivables		4,748,272	5,404,839
Tax recoverable		176,391	154,544
Cash and cash equivalents and restricted deposits		9,855,735	8,274,612
		37,465,953	33,712,337
Current liabilities			
Trade payables and accrued liabilities	14	22,306,602	22,208,032
Contract liabilities		310,510	1,539,392
Consideration payable		169,216	169,216
Tax payables		1,280,096	1,416,964
Dividend payables		1,990,781	805,672
Short-term loans		32,142,728	29,040,022
Short-term bonds		4,014,698	2,622,655
Current portion of lease liabilities		166,905	271,946
Current portion of non-current liabilities		13,797,794	20,946,331
		76,179,330	79,020,230
Net current liabilities		(38,713,377)	(45,307,893)
		204,677,667	201,451,233

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Capital and reserves			
Share capital	15	18,506,711	18,506,711
Reserves		22,507,405	23,364,587
		41,014,116	41,871,298
Non-controlling interests		18,698,693	18,321,656
Other equity instruments	16	31,573,099	31,316,377
Total equity		91,285,908	91,509,331
Non-current liabilities			
Long-term loans		93,497,375	92,151,095
Long-term bonds		7,985,378	5,982,740
Deferred income		2,037,565	2,168,887
Deferred tax liabilities		650,041	618,048
Lease liabilities		1,857,515	1,714,402
Other non-current liabilities		7,363,885	7,306,730
		113,391,759	109,941,902
		204,677,667	201,451,233

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 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	Total	Other equity instruments	Non-controlling interests	Total equity
	RMB'000	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 (audited)	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 period	-	-	-	-	-	-	-	1,299,297	1,299,297	543,047	860,495	2,702,839
Other comprehensive income/(expense) for the period:												
- Share of other comprehensive income of associates	-	-	-	-	-	-	6,058	-	6,058	-	-	6,058
- Exchange differences on translation of foreign operations	-	-	-	-	-	1,907	-	-	1,907	-	-	1,907
- Fair value (loss)/gain on investments in financial instruments at fair value through other comprehensive income	-	-	-	-	-	-	(103,385)	-	(103,385)	-	2,289	(101,096)
Total comprehensive income/(expense) for the period	-	-	-	-	-	1,907	(97,327)	1,299,297	1,203,877	543,047	862,784	2,609,708
Issue of perpetual bonds	-	-	-	-	-	-	-	-	-	3,500,000	-	3,500,000
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	176,950	176,950
Appropriation to discretionary surplus reserve	-	-	-	-	380,534	-	-	(380,534)	-	-	-	-
Distributions made to holders of perpetual bonds	-	-	-	-	-	-	-	-	-	(543,047)	-	(543,047)
Dividends declared (Note 9)	-	-	-	-	-	-	-	(1,202,936)	(1,202,936)	-	-	(1,202,936)
Dividends declared to the non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(49,643)	(49,643)
Others	-	(31,151)	-	-	-	-	-	(18,074)	(49,225)	-	750	(48,475)
At 30 June 2020 (unaudited)	18,506,711	15,043,705	6,135,178	(8,579,790)	10,231,431	63,407	(444,265)	1,186,719	42,143,096	26,435,045	17,893,368	86,471,509

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 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	Total	Other equity instruments	Non-controlling interests	Total equity
	RMB'000	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 2021 (audited)	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
Profit for the period	-	-	-	-	-	-	-	939,131	939,131	712,264	656,643	2,308,038
Other comprehensive income/(expense) for the period:												
- Share of other comprehensive income of associates	-	-	-	-	-	-	2,546	-	2,546	-	-	2,546
- Exchange differences on translation of foreign operations	-	-	-	-	-	(8,639)	-	-	(8,639)	-	-	(8,639)
- Fair value loss on investments in financial instruments at fair value through other comprehensive income	-	-	-	-	-	-	(2,242)	-	(2,242)	-	(16,233)	(18,475)
Total comprehensive income/(expense) for the period	-	-	-	-	-	(8,639)	304	939,131	930,796	712,264	640,410	2,283,470
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,876	2,876
Distributions made to to holders of perpetual bonds (Note 16)	-	-	-	-	-	-	-	-	-	(455,542)	-	(455,542)
Dividends declared (Note 9)	-	-	-	-	-	-	-	(1,684,111)	(1,684,111)	-	-	(1,684,111)
Dividends declared to the non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(271,959)	(271,959)
Others	-	(34,613)	-	-	-	-	-	(69,254)	(103,867)	-	5,710	(98,157)
At 30 June 2021 (unaudited)	18,506,711	14,303,797	6,474,905	(8,579,790)	10,231,431	36,327	(551,381)	592,116	41,014,116	31,573,099	18,698,693	91,285,908

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	10,735,260	12,160,696
Investing activities		
Purchases of property, plant and equipment	(3,776,456)	(4,522,056)
Other investing activities	(302,941)	156,399
Net cash used in investing activities	(4,079,397)	(4,365,657)
Financing activities		
Capital injections from non-controlling interests	2,876	176,950
Repayments of loans	(41,289,264)	(46,048,624)
New loans raised	41,596,610	41,866,225
Interest paid	(3,701,311)	(3,783,199)
Perpetual bonds raised	–	3,500,000
Other financing activities	(1,454,805)	(1,448,897)
Net cash used in financing activities	(4,845,894)	(5,737,545)
Net increase in cash and cash equivalents	1,809,969	2,057,494
Effects of foreign exchange rate changes	(1,283)	939
Cash and cash equivalents at 1 January	7,856,964	7,964,249
Cash and cash equivalents at 30 June, represented by bank balances and cash	9,665,650	10,022,682
Analysis of components of cash and cash equivalents and restricted deposits		
Cash and cash equivalents	9,665,650	10,022,682
Restricted deposits	190,085	200,166
	9,855,735	10,222,848

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 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 Limited 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 interim 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 condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

2 BASIS OF PREPARATION

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

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the IASB.

At 30 June 2021, the Group had net current liabilities of approximately RMB38,713,377,000. The Group meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks and other financial institutions. The 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 condensed consolidated financial statements on a going concern basis.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

3 PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements.

Amendments 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

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

4 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 period is as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of electricity and heat supply	47,682,141	40,427,900
Sales of coal	181,313	1,087,563
Others	2,530,791	2,962,660
Total	50,394,245	44,478,123

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

5 SEGMENT INFORMATION

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

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

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

5 SEGMENT INFORMATION (Continued)

Segment revenues and results

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

Six months ended 30 June 2021

	Power and heat generation segment RMB'000 (unaudited)	Coal segment RMB'000 (unaudited)	Other segments RMB'000 (unaudited)	Total RMB'000 (unaudited)
SEGMENT REVENUE				
Revenue from external customers	47,682,141	181,313	2,530,791	50,394,245
Inter-segment revenue (Note)	427,894	3,206,894	57,483	3,692,271
	48,110,035	3,388,207	2,588,274	54,086,516
Segment profit/(loss)	2,715,616	424,370	(81,194)	3,058,792

Six months ended 30 June 2020

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

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

Segment results does not include income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

5 SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
SEGMENT ASSETS		
Power and heat generation segment	271,582,549	270,225,400
Coal segment	4,797,723	4,829,265
Other segments	4,364,982	5,278,843
Total reportable segment assets	280,745,254	280,333,508
SEGMENT LIABILITIES		
Power and heat generation segment	181,298,046	180,134,312
Coal segment	2,890,180	2,811,237
Other segments	5,359,453	5,995,403
Total reportable segment liabilities	189,547,679	188,940,952

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

5 SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

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

	Six months ended 30 June	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Total reportable segment profit	3,058,792	3,565,196
IFRSs adjustments	43,045	56,800
Profit before tax under IFRSs	3,101,837	3,621,996

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
	Assets	
Total reportable segment assets	280,745,254	280,333,508
IFRSs adjustments	111,743	137,955
Total assets under IFRSs	280,856,997	280,471,463
Liabilities		
Total reportable segment liabilities	189,547,679	188,940,952
IFRSs adjustments	23,410	21,180
Total liabilities under IFRSs	189,571,089	188,962,132

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

5 SEGMENT INFORMATION (Continued)

Geographical information

No geographical information is presented as more than 90% of the Group's revenue during the six months ended 30 June 2021 and 2020 and most of their customers and non-current assets as at 30 June 2021 and 31 December 2020 were located in the PRC.

Information about major customers

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Customer A ¹	7,208,693	6,826,199

¹ Revenue from power and heat generation segment

6 FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on bank loans, bonds and other borrowings	3,323,778	3,707,553
Interest on lease liabilities	27,877	19,120
Less: Amounts capitalised in property, plant and equipment	(113,599)	(276,866)
	3,238,056	3,449,807
Others	35,590	23,049
	3,273,646	3,472,856

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax – PRC Enterprise Income Tax (“EIT”)	801,277	909,367
Deferred tax	(7,478)	9,790
	793,799	919,157

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 the PRC EIT rate of 25% (six months ended 30 June 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.

8 PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income	(27,067)	(45,996)
Depreciation of property, plant and equipment	6,707,016	7,077,022
Depreciation of investment properties	17,256	13,469
Depreciation of right-of-use assets	99,662	102,247

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

8 PROFIT FOR THE PERIOD (Continued)

(b) Other operating expenses:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Recognition/(reversal) of impairment of trade receivables, net	82,295	(478)
Recognition/(reversal) of impairment of other receivables, net	66,549	(2,781)
Impairment of property, plant and equipment	601,511	–
Amortisation of intangible assets	27,523	23,325
Procurement cost of aluminum products and coal products	1,337,154	2,087,357
Environmental protection fee	1,418,477	1,577,171
Electricity expense	202,815	121,182
Water fee and water resource fee	281,257	255,782
Transportation expenses	28,258	18,787
Intermediary fees	22,764	18,537
Insurance	108,941	119,337
Office expenses	14,725	11,988
Travel expenses	29,517	17,521
Outsourcing expenses	101,842	112,885
Public security fire fee	34,606	43,030
Information expenses	13,963	17,809
Entertainment expenses	8,292	3,688
Sales services fee	8,191	11,673
Building management fee	65,739	61,757
Others (Note)	579,103	479,696
Total other operating expenses	5,033,522	4,978,266

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

9 DIVIDENDS

During the six months ended 30 June 2021, a final dividend of RMB0.091 per share in respect of the year ended 31 December 2020 amounting to approximately RMB1,684,111,000 (six months ended 30 June 2020: final dividend of RMB0.065 per share amounting to approximately RMB1,202,936,000) was declared to the owners of the Company.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2021.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

10 EARNINGS PER SHARE

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

Earnings	Six months ended 30 June	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Profit for the purpose of basic and diluted earnings per share	939,131	1,299,297
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	18,506,711	18,506,711

Note: The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2021 and 2020.

11 PROPERTY, PLANT AND EQUIPMENT

(a) Changes in estimated useful lives of property, plant and equipment

During the current interim period, 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 RMB569,898,000 for the six months ended 30 June 2021.

(b) Additions to property, plant and equipment

During the current interim period, the Group acquired items of property, plant and equipment with an aggregate cost of RMB3,324,492,000 (six months ended 30 June 2020: RMB4,522,056,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

12 TRADE AND NOTES RECEIVABLES

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Trade receivables	18,592,877	16,025,109
Less: Allowance for credit losses (Note 13)	(960,042)	(877,747)
	17,632,835	15,147,362
Notes receivables		
– At amortised cost	438,998	343,228
– At fair value through other comprehensive income	636,292	1,241,807
	1,075,290	1,585,035
	18,708,125	16,732,397

As at 30 June 2021 and 31 December 2020, trade receivables from contracts with customers amounted to RMB17,632,835,000 and RMB15,147,362,000 respectively.

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

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Within one year	13,523,637	13,766,550
Between one to two years	3,063,401	2,092,326
Between two to three years	1,311,875	610,477
Over three years	809,212	263,044
	18,708,125	16,732,397

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

13 IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL

The movement in the loss allowance of trade receivables is as follows:

	Lifetime ECL (credit-impaired) RMB'000
At 1 January 2020 (audited)	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 (audited)	877,747
Impairment losses recognised	83,861
Reversal of impairment losses	(1,566)
At 30 June 2021 (unaudited)	960,042

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020.

14 TRADE PAYABLES AND ACCRUED LIABILITIES

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Trade payables	17,430,776	17,422,783
Notes payables	1,602,877	1,407,831
Accrued expenses	235,250	197,556
Other payables	3,037,699	3,179,862
	22,306,602	22,208,032

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

14 TRADE PAYABLES AND ACCRUED 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:

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Within one year	12,875,806	13,518,850
Between one to two years	2,715,094	1,900,106
Between two to three years	1,022,383	1,327,135
Over three years	2,420,370	2,084,523
	19,033,653	18,830,614

15 SHARE CAPITAL

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Registered, issued and fully paid:		
12,396,089,106 (31 December 2020: 12,396,089,106) A shares of RMB1 each	12,396,089	12,396,089
6,110,621,398 (31 December 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 Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

16 OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS

	Principal RMB'000	Distribution/ appropriation RMB'000	Total RMB'000
At 1 January 2020 (audited)	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 (audited)	30,922,292	394,085	31,316,377
Profit attributable to holders of perpetual bonds	–	712,264	712,264
Distributions made to holders of perpetual bonds	–	(455,542)	(455,542)
At 30 June 2021 (unaudited)	30,922,292	650,807	31,573,099

During the six months ended 30 June 2021, no perpetual bonds was issued by the Group.

Interest payment of RMB455,542,000 (six month ended 30 June 2020: RMB543,047,000) has been paid by the Group to the holders of perpetual bonds for the six months ended 30 June 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

17 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

The table below analyses financial instruments carried at fair value by the valuation method. The different levels of fair value measurements have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Certain Group's financial assets are measured at fair value at the end of each 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 is observable.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s)	Significant input(s)	Relationship of unobservable input(s) to fair value
	30 June 2021	31 December 2020				
- Equity instruments measured at fair value through profit or loss	Unlisted equity shares, amount of RMB3,975,178,000	Unlisted equity shares, amount of RMB3,839,505,000	Level 3	Market comparable approach	Discount for lack of marketability 10.52% - 45.41% (31 December 2020: 10.47% - 44.18%)	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 RMB174,932,000	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 RMB731,945,000	Unlisted equity shares, amount of RMB733,746,000	Level 3	Market comparable approach	Discount for lack of marketability 10.52% - 45.41% (31 December 2020: 10.47% - 44.18%)	The higher the discount rate, the lower the fair value
- Notes receivables at fair value through other comprehensive income	RMB636,292,000	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 to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

17 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)

During the six months ended 30 June 2021, there were no significant transfers between level 1 and level 2, or transfers into or out of level 3.

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 (audited)	4,203,692	925,540
Purchase	–	58,422
Disposal	–	(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 (audited)	3,839,505	733,746
Purchase	–	25,907
Fair value change recognised in profit or loss	135,673	–
Fair value change recognised in other comprehensive income	–	(27,708)
At 30 June 2021 (unaudited)	3,975,178	731,945

(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 condensed consolidated financial statement approximate their fair value.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

18 RELATED PARTY TRANSACTIONS

- (a) Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as “China Datang Group”) and associates of the Group and their respective subsidiaries

Name of related company	Nature of transaction	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
China Datang Group:			
China National Water Resources & Electric Power Materials & Equipment Beijing Company Limited	Procurement of fuel, materials and properties	–	17,927
	Procurement of production and infrastructure materials and relevant auxiliary services	75,274	–
China National Water Resources & Electric Power Materials & Equipment Group Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	146,539	286,969
	Procurement of infrastructure EPC contracting	370	–
	Procurement of property management and other logistical	–	145
	Sale of products	–	4
Datang Environment Industry Group Company Limited	Procurement of franchising of flue gas environmental protection facilities	945,198	891,906
	Procurement of production and infrastructure materials and relevant auxiliary services	20,156	3,960
	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	279,544	176,120
	Providing services of operations management and repair and maintenance	9,044	4,953
	Leases receipt	269	–
	Sales of coal and transportation services	50	–
Datang Power Fuel Company Limited	Purchase of coal	3,124,101	2,457,147
	Sales of coal and transportation services	5,237	979,588
	Leases receipt	379	379

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

18 RELATED PARTY TRANSACTIONS (Continued)

- (a) Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as “China Datang Group”) and associates of the Group and their respective subsidiaries (Continued)

Name of related company	Nature of transaction	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
China Datang Group: (Continued)			
China Datang Corporation	Procurement of technical supervision and technical services	28,601	24,780
Science and Technology Research Institute Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	2,035	826
	Procurement of research and development in technological projects	8,482	–
	Procurement of information system development	71	–
Zhejiang Datang Tiandi Environmental Protection Technology Company Limited	Procurement of franchising of flue gas environmental protection facilities	42,467	24,819
	Procurement of franchising of flue gas environmental protection facilities, water and electricity supply	4,804	5,207
Datang Shanxi Electric Power Engineering Company Limited	Procurement of technological transformation, operations management and repair and maintenance	6,732	6,822
	Procurement of production and infrastructure materials and relevant auxiliary services	773	2,987
Beijing Zhongtang Electric Engineering Consulting Company Limited	Procurement of technical supervision and technical services	16,544	3,192
	Procurement of production and infrastructure materials and relevant auxiliary services	–	858

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

18 RELATED PARTY TRANSACTIONS (Continued)

- (a) Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as “China Datang Group”) and associates of the Group and their respective subsidiaries (Continued)

Name of related company	Nature of transaction	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
China Datang Group: (Continued)			
Hunan Datang Xianyi Technology Company Limited	Procurement of information system development	5,323	9,442
	Procurement of production and infrastructure materials and relevant auxiliary services	–	175
China Datang Group Technology Engineering Company Limited	Procurement of franchising of flue gas environmental protection facilities	–	51,446
	Procurement of production and infrastructure materials and relevant auxiliary services	26,434	6,200
	Procurement of infrastructure EPC contracting	14,655	–
Datang Sichuan Electric Power Overhaul & Operation Company Limited	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	30,665	23,004
	Procurement of technological transformation, operations management and repair and maintenance	13,962	12,302
Jiangsu Xutang Power Generation Company Limited	Leases payment	1,381	–
	Sales of electricity	–	71,918
Datang International Fuel Trade Company Limited	Leases receipt	1	–
	Procurement of coal	2,603,041	–
Ordos Guoyuan Mining Development Company Limited	Sale of coal and transportation services	–	184,884
	Procurement of coal	163,226	–
China Datang Group International Trade Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	–	48,172
	Procurement of infrastructure EPC contracting	117,480	–

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For the six months ended 30 June 2021

18 RELATED PARTY TRANSACTIONS (Continued)

- (a) Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as “China Datang Group”) and associates of the Group and their respective subsidiaries (Continued)

Name of related company	Nature of transaction	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
China Datang Group: (Continued)			
Datang (Beijing) Coal Industry	Procurement of coal	52,224	46,381
Sales Company Limited	Sales of coal and transportation services	37,980	–
Beijing Datang Taixin Insurance Brokers Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	18,124	8,319
Beijing Zhongyou Guodian Petroleum Products Sales Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	20,083	15,360
	Sales of coal and transportation services	602	–
China Water Resources and Power Group Hebei Trading Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	2,675	26,140
	Procurement of property management and other logistical	–	271
Datang (Beijing) Water Resources Engineering Technology Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	12,437	8,168
Datang Anhui Electric Power Equipment Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	571	14,092
	Procurement of storage services	–	844
	Leases payment	–	183
Datang Northeast Electric Power Test Research Institute Company Limited	Procurement of technical supervision and technical services	12,113	13,546
	Procurement of technological transformation, operations management and repair and maintenance	1,566	–
	Procurement of production and infrastructure materials and relevant auxiliary services	1,270	–
Datang Shanxi Power Fuel Company Limited	Procurement of coal	3,675	40,919

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

18 RELATED PARTY TRANSACTIONS (Continued)

- (a) Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as “China Datang Group”) and associates of the Group and their respective subsidiaries (Continued)

Name of related company	Nature of transaction	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
China Datang Group: (Continued)			
Datang Jiangsu Electric Power Sale Transmission & Distribution Company Limited	Procurement of electricity (including sales of water, gas and other resources) and electricity entrustment agency	10,779	14,605
	Sales of electricity (including sales of water, gas and other resources) and electricity entrustment agency	1,092	–
Shanghai Datang Financial Lease Company Limited	Interest expenses	1,055	–
	Leases additions	196,933	227,758
Datang Commercial Factoring Company Limited	Receiving factoring business services	233,000	192,974
	Interest expenses	11,999	–
Group's associates:			
China Datang Group Finance Company Limited	Interest income	25,391	45,466
	Interest expenses	233,014	175,032
Datang Financial Lease Company Limited	Leases additions	413,639	500,000
	Interest expenses	5,045	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

18 RELATED PARTY TRANSACTIONS (Continued)

(b) Financial guarantees and financing facilities with China Datang Group and associates and joint ventures of the Group

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Financial guarantees and financing facilities with associates guaranteed by the Group		
Shanxi Datang International Yuncheng Power Generation Company Limited	226,000	660,000
Inner Mongolia Xiduo Railway Company Limited	16,819	16,819
Liaoning Diaobingshan Coal Gangue Power Generation Company Limited	64,000	76,800
Financial guarantees and financing facilities with joint ventures guaranteed by the Group		
Kailuan (Group) Limited Liability Corporation	12,250	22,050
Financial guarantees and financing facilities with associates of China Datang guaranteed by the Group		
Datang Hulunbuir Chemical Fertiliser Company Limited	161,000	322,000
Inner Mongolia Datang International Xilinhaote Mining Company Limited	–	50,000
Guaranteed by China Datang Group		
The Company	6,747,311	9,000,000

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

18 RELATED PARTY TRANSACTIONS (Continued)

(c) 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 six months ended 30 June 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 six months ended 30 June 2021 and 2020, other collectively significant transactions with Government-Related Entities also included purchases of fuel and property, plant and equipment.

(d) Compensation to key management personnel of the Group

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term benefits	6,514	4,808
Retirement benefits	224	188
	6,738	4,996

The remuneration of directors are determined by the remuneration committee having regard to the performance of the individuals and market trends.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

19 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:

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Associates	306,819	753,619
Joints ventures	12,250	22,050
Associates of China Datang	161,000	372,000
	480,069	1,147,669

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

20 CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Property, plant and equipment	6,372,798	8,525,638

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

21 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:

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Tariff collection rights	4,925,817	4,801,783
Pledged bank deposit	190,085	417,648
Property, plant and equipment	11,105,970	14,788,784
Right-of-use assets	1,110,603	1,176,186
Others	836,132	894,859
	18,168,607	22,079,260

22 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approval and authorised for issue by the board of directors on 30 August 2021.