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大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

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

(Stock Code: 00991)

ANNOUNCEMENT OF 2022 INTERIM RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB55,598 million, representing an increase of approximately 9.99% as compared to the first half of 2021.
- Total profit before tax amounted to approximately RMB2,024 million, representing a decrease of approximately 37.43% as compared to the first half of 2021.
- Net profit attributable to equity holders of the Company amounted to approximately RMB1,440 million, representing a decrease of approximately 19.22% as compared to the first half of 2021.
- Basic earnings per share attributable to shareholders of the Company amounted to approximately RMB0.0382, representing a decrease of RMB0.0197 per share as compared to the first half of 2021.

I. COMPANY RESULTS

The board of directors (the “**Board**”) of Datang International Power Generation Co., Ltd. (the “**Company**”) hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the “**Group**”) prepared in conformity with International Financial Reporting Standards (“**IFRSs**”) for the six months ended 30 June 2022 (the “**Period**”), together with the unaudited consolidated operating results of the first half of 2021 (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 RMB55,598 million, representing an increase of approximately 9.99% as compared to that of the Corresponding Period Last Year. Total profit before tax amounted to approximately RMB2,024 million, representing a decrease of approximately 37.43% as compared to that of the Corresponding Period Last Year. Net profit attributable to equity holders of the Company was approximately RMB1,440 million, representing a decrease of approximately 19.22% as compared to that of the Corresponding Period Last Year. Basic earnings per share attributable to shareholders of the Company amounted to approximately RMB0.0382, representing a decrease of RMB0.0197 per share as compared to that of the Corresponding Period Last Year.

II. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Overview

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

In the first half of 2022, the Company has always kept its responsibilities and missions in mind, bravely acted as the “ballast stone” for safety, the “main force” for ensuring supply, and the “main force” for increasing efficiency. The Company made every effort to stabilize growth, adjust structure, prevent risks, and promote reform, and achieved excellent performance of steady progress, stable improvement, and quality enhancement.

(II) Review on the Operating Results of Principal Businesses

1. Production safety and pandemic prevention and control were steady in general. Despite of the severe challenges of “peak electricity consumption period, winter heating period, extreme cold emergency period, and active pandemic period”, the Company has effectively responded to the severe challenges of high coal prices, high load, low margin and low inventory since the peak summer season. The Company coordinated key links such as coal supply, capital guarantee, production organization, flood control and disaster reduction, and achieved comprehensive winnings in ensuring safety and supply at all periods. In terms of prevention and control of the pandemic, the Company has been prudent as always. The Company strictly carried out the normalized management and control of the pandemic, improved the emergency response system, and ensured the life, health and safety of our employees.
2. Remarkable results have been made in quality and efficiency improvement. Focusing on the goal of “three improvements, two reductions and one governance” as well as quality and efficiency improvement, the Company made overall plans for supply guarantee and efficiency improvement, carried out labor competition, strengthened incentives and restraints, and firmly grasp the business initiative. The Company insisted on “daily dispatch” management and control for lean management, carried out operation index benchmarking analysis in whole process for all elements, and steadily achieved the established operating objectives. During the Reporting Period, compared with the significant loss in 2021, the Company achieved a substantial turnaround, which helped stabilize the economic market with its own steady growth. Besides, the Company actively expanded new fields of comprehensive energy services, and vigorously advanced the construction of virtual power plants. The Company made every effort to create new profit growth points and strategic support points.
3. Green transformation has been accelerated and enhanced. The Company adhered to the development path of green, safe and high-quality, and increased resource acquisition, strengthened resource transformation, and accelerated construction and production. During the Reporting Period, the Company’s approved new energy projects amounted to 3,727 MW, including 1,302 MW of wind power projects and 2,425 MW of photovoltaic projects; newly commissioned capacity amounted to 224.2 MW, including 79 MW of wind power projects and 145.2 MW of photovoltaic projects; new energy projects under construction amounted to 3,680.7 MW, including 2,586 MW of wind power projects and 1,094.7 MW of photovoltaic projects.

4. Reform governance has been continuously deepened. During the Reporting Period, with focus on the implementations of the six responsibilities of the Board, including the decision-making for medium and long-term development, the remuneration management of management members, the management of the salary distribution of employees and the management of major financial matters, and others, the Company adopted a complete set of relevant supporting systems, further improved the corporate governance structure and improved governance efficiency.

(III) Major Financial Indicators and Analysis

1. Operating Revenue

During the Period, the Group realised an operating revenue of approximately RMB55,598 million, representing an increase of approximately 9.99% as compared to the Corresponding Period Last Year, among which revenue from electricity sales was approximately RMB46,518 million, representing an increase of approximately RMB3,126 million or approximately 7.20% as compared to the Corresponding Period Last Year. The increase in revenue from electricity sales was mainly due to the increase in the average on-grid electricity price during the period.

2. Operating Costs

During the Period, total operating costs of the Group amounted to approximately RMB51,479 million, representing an increase of approximately RMB6,063 million or 13.35% as compared to the Corresponding Period Last Year, which was mainly due to the rise in coal prices. The cost of power generation and heating fuel represented an increase of approximately RMB6,400 million as compared to the Corresponding Period Last Year.

3. Net Finance Costs

During the Period, finance costs of the Group amounted to approximately RMB3,418 million, representing an increase of approximately RMB145 million or approximately 4.42% as compared to the Corresponding Period Last Year. The increase in finance costs was mainly due to the period-to-period increase in the scale of debt financing.

4. Total Profit

During the Period, the Group achieved a total profit before tax of approximately RMB2,024 million, representing a decrease of approximately 37.43% as compared to the Corresponding Period Last Year. The Group also achieved a net profit of approximately RMB1,369 million, representing a decrease of approximately 43.92% as compared to the Corresponding Period Last Year.

5. Financial Position

As at 30 June 2022, the total assets of the Group amounted to approximately RMB293,315 million, representing a decrease of approximately RMB3,334 million as compared to that at the end of 2021.

Total liabilities of the Group amounted to approximately RMB212,838 million, representing a decrease of approximately RMB7,266 million as compared to the end of 2021.

6. Liquidity

As at 30 June 2022, the assets-to-liabilities ratio of the Group was 72.56%. The net debt-to-equity ratio was approximately 193.61%.

As at 30 June 2022, cash and cash equivalents and restricted deposits of the Group amounted to approximately RMB12,901 million, among which approximately RMB86 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Period.

As at 30 June 2022, short-term loans of the Group amounted to approximately RMB40,887 million, bearing annual interest rates ranging from 1.42% to 6.50%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB100,588 million and long-term loans repayable within one year amounted to approximately RMB15,521 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.20% to 5.23%.

7. Welfare Policy

As at 30 June 2022, the total number of employees of the Group was 32,641. 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. The Group conducted in-depth performance appraisal for all employees, adhered to the double benchmarking of salary and performance, and explored to establish and continuously improve a market-oriented and differentiated compensation distribution mechanism, so as to fully stimulate the motivation of the staff and the business operation vitality.

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 “talent is the primary resource, and 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 continuously improved the pertinence and effectiveness of the training. In the first half of this year, a total of 1,288 training programs were organized and implemented from the top to bottom of the Group, including 489 programs for operation and management, 799 programs for technology and skills, with a total of 31,415 person-times participating in the trainings.

(IV) Outlook for the Second Half of 2022

In the second half of the year, the Company will always adhere to the general tone of seeking progress while maintaining stability. With profit as the target, fuel as the leader and electricity as the basis, the Company will efficiently coordinate the two markets of fuel and electricity, and go all out to ensure safety, power supply and development, and increase efficiency, so as to promote the steady achievement of various tasks and goals.

1. We will comprehensively improve the safety level in a qualitative manner. We will improve our position comprehensively, closely follow the main line of “preventing risks and ensuring safety”, further rationalize and consolidate the responsibility system for safety production, and continuously improve the responsibility system for safety production. We will continue to deepen the investigation and rectification, and focus on the rectification of problems with high standards and high quality. We will coordinate the work of safety production, pandemic prevention and control, flood prevention and disaster reduction, etc., and resolutely adhere to the red line of safety production to ensure energy supply.
2. We will comprehensively improve profitability. We will stick to the annual profit target, adhere to the “daily dispatch” management and control, and apply the lean management concept to the whole process of safety production, operation management, investment development, engineering construction, etc. to ensure maximum benefits. We will seize power and coal policy opportunities, maximize the supply and price control. We will refine marketing management, strive to generate profitable electricity, and improve the benefits of electric heating by all means. We will give full play to the advantages of financing platforms, explore new financing categories, optimize asset structure and reduce financial expenses. We will also strictly control costs and expenses, and strengthen the acquisition of investment income.

3. We will comprehensively improve the quality of development. We will pay close attention to the acquisition of new energy resources, make efforts in annual competitive allocation, and strive for more construction indicators. We will make efforts in the commencement, construction and production of the projects that have been obtained, and strive to start the construction of projects and put into production of projects. We will continue to increase efforts to expand new business formats, vigorously promote the construction of virtual power plants and speed up the acquisition of high-quality resources, strengthen industrial chain cooperation, and improve project feasibility.
4. We will comprehensively improve governance efficiency. We will continue to strengthen the governance of listed companies, further improve the authorization and decision-making system, optimize the structure of the Board and special committees, select and assign strong independent directors, and improve the scientific decision-making efficiency of the Board. We will continue to strengthen compliance management, and continuously improve governance ability. We will continue to improve and optimize the internal distribution mechanism to fully stimulate the vitality of employees, and will continue to optimize the labor management so as to continuously improve labor productivity. We will also further improve the quality of information disclosure and perfect the investor relationship management.

III. SHARE CAPITAL AND DIVIDENDS

1. Share Capital

As of 30 June 2022, 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 2022.

3. Shareholding of the Directors, Supervisors and Chief Executives

As of 30 June 2022, 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%

IV. SIGNIFICANT EVENTS

1. 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 of the Company.
2. From the Period to the date of this announcement, the Company issued super short-term debentures of RMB8.05 billion in total.
3. From the Period to the date of this announcement, the Company issued medium term notes of RMB13.29 billion, including the first batch of national transformation bonds of RMB0.29 billion.
4. According to the Resolution on the Adjustment to the Senior Management of the Company considered and approved at the thirtieth meeting of the tenth session of the Board of the Company on 28 April 2022, Mr. Jin Rifeng was appointed as the deputy general manager of the Company, Mr. Duan Wenwei ceased to act as the deputy general manager of the Company.
5. On 9 June 2022, as elected by the employee representative meeting of the Company, Ms. Guo Hong and Mr. Xu Xiangyang were re-elected as the employee representative supervisors of the eleventh session of the supervisory committee of the Company.
6. On 29 June 2022, the Company held its 2021 Annual General Meeting, in resolution to the election of the new session of the Board and the supervisory committee of the Company. At the same day, the Company convened the first meeting of the eleventh session of the Board and the first meeting of the eleventh session of the supervisory committee to elect the Chairman of the Board and the Chairman, vice Chairman of the supervisory committee respectively. As elected by the aforesaid meetings, the members of the Board of the Company are Mr. Liang Yongpan (Chairman), Mr. Ying Xuejun, Mr. Xiao Zheng, Mr. Su Min, Mr. Liu Jianlong, Mr. Zhu Shaowen, Mr. Cao Xin, Mr. Zhao Xianguo, Mr. Jin Shengxiang, Mr. Sun Yongxing, Mr. Liu Jizhen, Mr. Niu Dongxiao, Mr. Zong Wenlong, Mr. Si Fengqi and Zhao Yi; the members of the supervisory committee are Ms. Guo Hong (Chairlady of the supervisory committee), Mr. Zhang Xiaoxu (Vice Chairman of the supervisory committee), Mr. Liu Liming and Mr. Xu Xiangyang.
7. According to the Resolution on Adjustment to the Senior Management of the Company considered and approved by the third meeting of the eleventh session of the Board on 30 August 2022, Mr. Sun Yanwen was appointed as the chief accountant of the Company, and Mr. Jiang Jinming ceased to act as the chief accountant of the Company.

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

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

VI. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

To the knowledge of the Board, the Company complied with 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 C.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 B.3.1, E.1.2 and D.3.3 of the Code. The only discrepancies between such terms of reference and the aforesaid code provisions were the expressions or sequence.

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

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

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

VIII. AUDIT COMMITTEE

The Audit Committee is comprised of Mr. Zong Wenlong as convener alongside Mr. Niu Dongxiao, Mr. Si Fengqi, Mr. Ying Xuejun 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.

IX. SUBSEQUENT EVENTS

No other significant events affecting the Group have occurred subsequent to the Period and as of the date of this announcement.

By order of the Board
Mak Po Man Cherie
Company Secretary

Beijing, the PRC, 30 August 2022

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

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

* *Independent non-executive directors*

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

		Six months ended 30 June	
		<u>2022</u>	<u>2021</u>
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(restated) (unaudited)
Operating revenue	3	<u>55,597,855</u>	<u>50,549,185</u>
Operating costs			
Fuel for power and heat generation		(34,705,534)	(28,305,341)
Depreciation		(6,451,241)	(6,825,273)
Repairs and maintenance		(1,013,032)	(1,064,897)
Salaries and staff welfare		(3,623,881)	(3,526,856)
Local government surcharges		(612,059)	(647,974)
Others	7(b)	<u>(5,073,097)</u>	<u>(5,045,799)</u>
Total operating costs		<u>(51,478,844)</u>	<u>(45,416,140)</u>
Operating profit		4,119,011	5,133,045
Share of results of associates		941,153	966,480
Share of results of joint ventures		(37,977)	(24,285)
Investment income		6,021	81,423
Interest income	7(a)	45,865	27,067
Other income and other gains and losses, net		367,942	324,193
Finance costs	5	<u>(3,418,367)</u>	<u>(3,273,646)</u>
Profit before tax		2,023,648	3,234,277
Income tax expense	6	<u>(655,118)</u>	<u>(793,799)</u>
Profit for the period	7(a)	<u><u>1,368,530</u></u>	<u><u>2,440,478</u></u>
Profit/(loss) for the period attributable to:			
Holder of equity instruments of the Company			
– Owners of the Company		707,821	1,070,629
– Holders of other equity instruments		732,344	712,264
		1,440,165	1,782,893
– Non-controlling interests		<u>(71,635)</u>	<u>657,585</u>
		<u><u>1,368,530</u></u>	<u><u>2,440,478</u></u>
Earnings per share			
Basic and diluted (RMB cents)	9	<u><u>3.82</u></u>	<u><u>5.79</u></u>

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

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June	
	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Profit for the period	<u>1,368,530</u>	<u>2,440,478</u>
Other comprehensive income/(expense), net of tax:		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive income of associates	240	2,546
Exchange differences on translating foreign operations	4,595	(8,639)
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value gain/(loss) on investments in equity instruments at fair value through other comprehensive income	<u>202,120</u>	<u>(18,475)</u>
Other comprehensive income/(expense) for the period, net of tax	<u>206,955</u>	<u>(24,568)</u>
Total comprehensive income for the period	<u><u>1,575,485</u></u>	<u><u>2,415,910</u></u>
Total comprehensive income/(expense) for the period attributable to:		
Holder of equity instruments of the Company		
– Owners of the Company	917,805	1,062,294
– Holders of other equity instruments	732,344	712,264
	1,650,149	1,774,558
– Non-controlling interests	<u>(74,664)</u>	<u>641,352</u>
	<u><u>1,575,485</u></u>	<u><u>2,415,910</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

		30 June 2022	31 December 2021
	<i>Note</i>	RMB'000	RMB'000
		(unaudited)	(restated) (unaudited)
Non-current assets			
Property, plant and equipment	10	208,280,839	210,725,904
Right-of-use assets		4,949,336	5,208,944
Investment properties		503,533	500,315
Intangible assets		2,050,575	2,071,345
Interests in associates		19,647,930	17,970,978
Interests in joint ventures		165,477	203,454
Financial assets at fair value through profit or loss		4,086,435	3,876,320
Financial assets at fair value through other comprehensive income		1,183,921	916,995
Deferred tax assets		4,179,116	4,221,458
Other non-current assets		5,105,496	5,294,930
		250,152,658	250,990,643
Current assets			
Inventories		4,871,534	6,244,631
Trade and notes receivables	11	17,504,500	18,971,892
Prepayments and other receivables		7,685,640	8,821,318
Tax recoverable		195,014	325,510
Current portion of other non-current assets		5,025	22,200
Cash and cash equivalents and restricted deposits		12,901,079	11,273,676
		43,162,792	45,659,227
Current liabilities			
Trade payables and accrued liabilities	12	26,768,512	30,878,506
Contract liabilities		267,462	1,789,396
Consideration payable		114,930	169,216
Tax payables		1,393,802	1,362,900
Dividend payables		443,535	561,668
Short-term loans		40,887,387	39,277,353
Short-term bonds		2,053,854	6,329,701
Current portion of lease liabilities		372,762	215,492
Current portion of non-current liabilities		21,829,741	15,531,859
		94,131,985	96,116,091
Net current liabilities		(50,969,193)	(50,456,864)
		199,183,465	200,533,779

	30 June 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Capital and reserves		
Share capital	18,506,711	18,506,711
Reserves	12,033,383	11,182,912
	30,540,094	29,689,623
Non-controlling interests	13,818,121	14,011,661
Other equity instruments	36,119,402	32,844,824
Total equity	80,477,617	76,546,108
Non-current liabilities		
Long-term loans	100,587,912	102,799,710
Long-term bonds	6,483,699	9,188,105
Deferred income	1,892,519	1,968,218
Deferred tax liabilities	735,309	681,177
Lease liabilities	1,593,187	1,359,707
Other non-current liabilities	7,413,222	7,990,754
	118,705,848	123,987,671
	199,183,465	200,533,779

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1 BASIS OF PREPARATION

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

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standard (“IFRSs”) issued by the IASB.

At 30 June 2022, the Group had net current liabilities of approximately RMB50,969,193,000. 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.

2 PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of amendments to IFRSs, as mentioned in note 2(b), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

(a) Business combination under common control

On 30 March 2022, Zhejiang Datang International Renewable Power Company Limited (a direct subsidiary of the Company) entered into an asset transfer agreement to acquire 100% equity interests of Datang Solar Energy Industry (Lishui) Company Limited and Datang Solar Energy Industry (Jinyun) Company Limited (collectively referred to as the “Acquired Subsidiaries”) from China Datang Corporation Solar Energy Industry Company Limited (a wholly-owned subsidiary of China Datang) at consideration of RMB114,930,000 (the “Acquisition”). The Acquisition was completed during the period and thus the Acquired Subsidiaries have become subsidiaries of the Group.

As the Acquired Subsidiaries and the Company are controlled by the Parent, the Acquisition has been accounted for based on the principles of merger accounting.

The condensed consolidated financial statements of the Group have been prepared using the merger basis of accounting as if the current group structure has been in existence throughout the periods presented. The condensed consolidated financial statements for the six months ended 30 June 2021 has been restated as a result of adoption of merger accounting for the above business combinations under common control.

(b) 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 2022 for the preparation of the Group’s condensed consolidated financial statements.

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IFRS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

Except as described below, 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.

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

Accounting policies

Property, plant and equipment

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, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss.

Transition and summary of effects

The Group has applied the new accounting policy retrospectively to property, plant and equipment made available for use on or after the beginning of the earliest period presented. The details of the impacts on each financial statement line item and earnings per share arising from the application of the amendments are set out under “Impacts of application of amendments to IFRSs on the condensed consolidated financial statements” in this note. Comparative figures have been restated.

Impacts of application of amendments to IFRSs on the condensed consolidated financial statements

The effects of the changes in accounting policy as a result of application of amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use on the condensed consolidated statement of profit or loss and other comprehensive income and earnings per share, are as follows:

	Six months ended 30 June	
	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Impact on profit for the period		
Increase in operating revenue	260,075	154,940
Increase in operating costs	<u>(33,811)</u>	<u>(22,500)</u>
Net increase in profit for the period	<u>226,264</u>	<u>132,440</u>
Increase in profit and total comprehensive income for the period attributable to:		
Holders of equity instruments of the Company		
– Owners of the Company	224,838	131,498
– Holders of other equity instruments	–	–
	224,838	131,498
– Non-controlling interests	<u>1,426</u>	<u>942</u>
	<u>226,264</u>	<u>132,440</u>
	Six months ended 30 June	
	<u>2022</u>	<u>2021</u>
	<i>RMB cents</i>	<i>RMB cents</i>
	(unaudited)	(unaudited)
Impact on basic and diluted earnings per share		
Basic and diluted earnings per share before adjustments	2.61	5.07
Net adjustments arising from change in accounting policy in relation to determination of costs of property, plant and equipment	<u>1.21</u>	<u>0.72</u>
Reported basic and diluted earnings per share	<u>3.82</u>	<u>5.79</u>

The effects of the changes in accounting policy as a result of application of amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use on the condensed consolidated statement of financial position as at the end of the immediately preceding financial year, i.e. 31 December 2021, after taking into account the effect of business combination under common control as stated in note 2(a) are as follows:

	31 December <u>2021</u>	Adjustment	1 January 2022
	<i>RMB'000</i> (restated) (unaudited)	<i>RMB'000</i>	<i>RMB'000</i> (restated) (unaudited)
Non-current assets			
Property, plant and equipment	210,557,975	167,929	210,725,904
Capital and reserves			
Reserves	11,015,903	167,009	11,182,912
Non-controlling interests	<u>14,010,741</u>	<u>920</u>	<u>14,011,661</u>

The changes in accounting policy as a result of application of amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use has had no impact on the condensed consolidated statement of financial position as at the beginning of the comparative period, i.e. 1 January 2021.

3 OPERATING REVENUE

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

	Six months ended 30 June	
	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (restated) (unaudited)
Sales of electricity and heat supply	52,072,169	47,837,081
Sales of coal	537,898	181,313
Others	<u>2,987,788</u>	<u>2,530,791</u>
Total	<u>55,597,855</u>	<u>50,549,185</u>

4 SEGMENT INFORMATION

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

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

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

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

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

Segment revenues and results

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

Six months ended 30 June 2022

	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	52,072,169	537,898	2,987,788	55,597,855
Inter-segment revenue (<i>Note</i>)	<u>422,130</u>	<u>4,198,315</u>	<u>57,577</u>	<u>4,678,022</u>
	<u>52,494,299</u>	<u>4,736,213</u>	<u>3,045,365</u>	<u>60,275,877</u>
Segment profit	<u>500,231</u>	<u>998,484</u>	<u>474,004</u>	<u>1,972,719</u>

Six months ended 30 June 2021

	Power and heat generation segment <i>RMB'000</i> (restated) (unaudited)	Coal segment <i>RMB'000</i> (restated) (unaudited)	Other segments <i>RMB'000</i> (restated) (unaudited)	Total <i>RMB'000</i> (restated) (unaudited)
SEGMENT REVENUE				
Revenue from external customers	47,837,081	181,313	2,530,791	50,549,185
Inter-segment revenue (<i>Note</i>)	<u>427,894</u>	<u>3,206,894</u>	<u>57,483</u>	<u>3,692,271</u>
	<u>48,264,975</u>	<u>3,388,207</u>	<u>2,588,274</u>	<u>54,241,456</u>
Segment profit/(loss)	<u>2,848,056</u>	<u>424,370</u>	<u>(81,194)</u>	<u>3,191,232</u>

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.

Segment assets and liabilities

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

	30 June 2022 <i>RMB'000</i> (unaudited)	31 December 2021 <i>RMB'000</i> (restated) (unaudited)
SEGMENT ASSETS		
Power and heat generation segment	284,650,554	287,850,817
Coal segment	4,529,726	4,012,449
Other segments	<u>4,027,736</u>	<u>4,654,387</u>
Total reportable segment assets	<u>293,208,016</u>	<u>296,517,653</u>
SEGMENT LIABILITIES		
Power and heat generation segment	205,146,847	211,812,874
Coal segment	2,677,643	2,589,036
Other segments	<u>4,982,814</u>	<u>5,677,134</u>
Total reportable segment liabilities	<u>212,807,304</u>	<u>220,079,044</u>

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

	Six months ended 30 June	
	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Total reportable segment profit	1,972,719	3,191,232
IFRSs adjustments	<u>50,929</u>	<u>43,045</u>
Profit before tax under IFRSs	<u>2,023,648</u>	<u>3,234,277</u>
	30 June	31 December
	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Assets		
Total reportable segment assets	293,208,016	296,517,653
IFRSs adjustments	<u>107,434</u>	<u>132,217</u>
Total assets under IFRSs	<u>293,315,450</u>	<u>296,649,870</u>
Liabilities		
Total reportable segment liabilities	212,807,304	220,079,044
IFRSs adjustments	<u>30,529</u>	<u>24,718</u>
Total liabilities under IFRSs	<u>212,837,833</u>	<u>220,103,762</u>

Geographical information

No geographical information is presented as more than 90% of the Group's revenue during the six months ended 30 June 2022 and 2021 and most of their customers and non-current assets as at 30 June 2022 and 31 December 2021 were located in the People's Republic of China (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	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Customer A ¹	<u>7,138,441</u>	<u>7,255,146</u>

¹ Revenue from power and heat generation segment

5 FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest on bank loans, bonds and other borrowings	3,497,455	3,323,778
Interest on lease liabilities	49,249	27,877
Less: Amounts capitalised in property, plant and equipment	<u>(151,000)</u>	<u>(113,599)</u>
	3,395,704	3,238,056
Others	<u>22,663</u>	<u>35,590</u>
	<u>3,418,367</u>	<u>3,273,646</u>

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax – PRC Enterprise Income Tax (“EIT”)	558,449	801,277
Deferred tax	<u>96,669</u>	<u>(7,478)</u>
	<u>655,118</u>	<u>793,799</u>

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 2021: 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.

7 PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Interest income	(45,865)	(27,067)
Depreciation of property, plant and equipment	6,329,483	6,708,355
Depreciation of investment properties	15,278	17,256
Depreciation of right-of-use assets	106,480	99,662

(b) Other operating expenses:

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Recognition of impairment of trade receivables, net	1	82,295
Recognition of impairment of other receivables, net	510	66,549
Impairment of property, plant and equipment	–	601,511
Amortisation of intangible assets	39,136	27,523
Procurement cost of aluminum products and coal products	2,390,819	1,337,154
Short-term lease expense	22,001	19,042
Environmental protection fee	1,316,813	1,418,477
Electricity expense	87,049	202,815
Water fee and water resource fee	255,277	281,257
Transportation expenses	26,435	28,258
Intermediary fees	14,972	22,764
Insurance	71,031	108,941
Office expenses	28,825	14,725
Travel expenses	17,728	29,517
Outsourcing expenses	86,105	101,842
Public security fire fee	29,784	34,606
Information expenses	20,594	13,963
Entertainment expenses	5,940	8,292
Sales services fee	12,889	8,191
Building management fee	56,989	65,739
Greenary expenses	13,820	2,692
Others (Note)	576,379	569,646
	5,073,097	5,045,799

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

8 DIVIDENDS

During the six months ended 30 June 2022, no dividend has been paid or declared by the Company. 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 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 2022.

9 EARNINGS PER SHARE

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

	Six months ended 30 June	
	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Earnings		
Profit for the purpose of basic and diluted earnings per share	<u>707,821</u>	<u>1,070,629</u>
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>18,506,711</u>	<u>18,506,711</u>

Note: The 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 2022 and 2021.

10 PROPERTY, PLANT AND EQUIPMENT

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

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

(b) Additions to property, plant and equipment

During the six months ended 30 June 2022, the Group acquired items of property, plant and equipment with an aggregate cost of RMB4,116,150,000 (six months ended 30 June 2021: RMB3,436,471,000 (restated)).

11 TRADE AND NOTES RECEIVABLES

	30 June 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Trade receivables	16,964,766	18,585,866
Less: Allowance for credit losses	(222,594)	(224,906)
	16,742,172	18,360,960
Notes receivables		
– At amortised cost	48,494	64,571
– At fair value through other comprehensive income	713,834	546,361
	762,328	610,932
	17,504,500	18,971,892

As at 30 June 2022 and 31 December 2021, trade receivables from contracts with customers amounted to RMB16,742,172,000 and RMB18,360,960,000 (restated) 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 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Within one year	14,967,027	14,847,302
Between one to two years	1,380,724	2,237,691
Between two to three years	308,274	1,392,743
Over three years	848,475	494,156
	17,504,500	18,971,892

12 Trade payables and accrued liabilities

	30 June 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Trade payables	21,327,068	25,990,157
Notes payables	1,745,688	1,672,268
Accrued expenses	235,366	221,692
Other payables	3,460,390	2,994,389
	<u>26,768,512</u>	<u>30,878,506</u>

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

	30 June 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(restated) (unaudited)
Within one year	15,792,065	21,757,931
Between one to two years	3,628,802	2,401,891
Between two to three years	1,459,659	849,457
Over three years	2,192,230	2,653,146
	<u>23,072,756</u>	<u>27,662,425</u>