



大唐国际发电股份有限公司

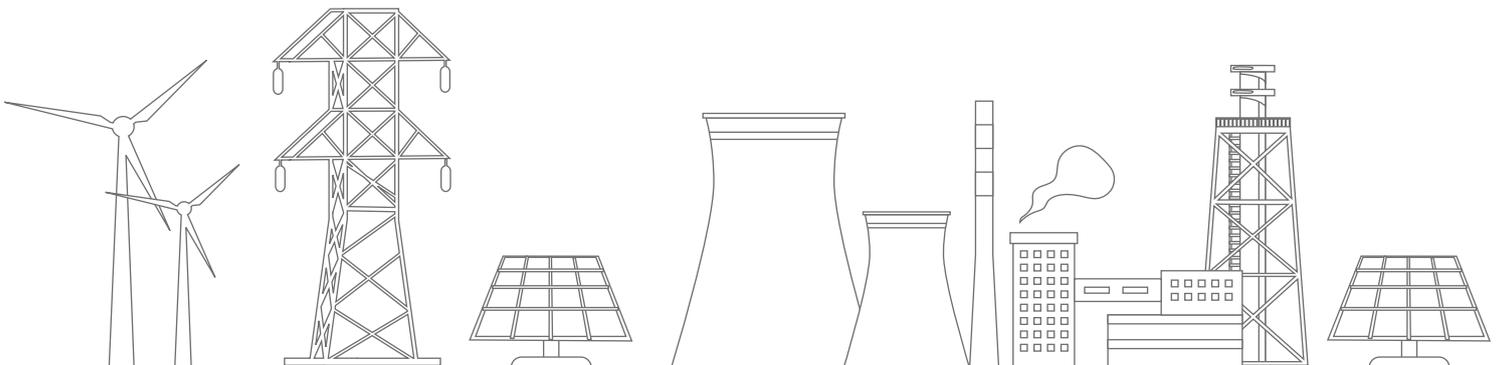
DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991

*Green Low Carbon,  
High Quality Development*



2023 Annual Report





# Contents

Company Profile	2-4		
Company History	5		
Distribution of Projects	6-7		
Financial Highlights	8		
Chairman's Statement	9-11		
Management Discussion and Analysis	12-18		
Human Resources Overview	19-37		
Management of Investor Relations	38		
Corporate Governance Report	39-67		
Report of the Directors	68-92		
Report of the Supervisory Committee	93-96	Independent Auditor's Report	101-106
Taxation in the United Kingdom	97	Consolidated Statement of Profit or Loss	107
Corporate Information	98-99	Consolidated Statement of Profit or Loss and Other Comprehensive Income	108
Glossary of Terms	100	Consolidated Statement of Financial Position	109-110
		Consolidated Statement of Changes in Equity	111-112
		Consolidated Statement of Cash Flows	113-114
		Notes to the Consolidated Financial Statements	115-242
		Differences between Financial Statements	243-244



# COMPANY PROFILE

## Company overview

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

Datang Power is one of the largest independent power generation companies in China. After 30 years of development, its operating subsidiaries and projects under construction have spread across 19 provinces and regions across the country, and now it has developed into a large-scale comprehensive energy listed company in terms of green and low-carbon, multiple energy complementarity and high efficiency and coordination.

## EQUITY STRUCTURE AND SHAREHOLDING OF THE COMPANY



Note:

As of 31 December 2023, the total number of shares of the Company was 18,506,710,504 shares, China Datang Corporation Ltd. (“CDC”) and its subsidiaries held a total of 9,824,568,940 shares of the Company, representing approximately 53.09% of the Company’s total issued shares in aggregate, being the controlling shareholder of the Company, of which, CDC directly held 6,540,706,520 A shares of the Company, representing approximately 35.34% of the total share capital of the Company; China Datang Group Finance Company Limited, a subsidiary of CDC, directly held 8,238,600 A shares of the Company, representing approximately 0.04% of the total share capital of the Company; and China Datang Overseas (HK) Co., Limited, a wholly-owned subsidiary of CDC, directly held 3,275,623,820 H shares of the Company, representing approximately 17.70% of the total share capital of the Company.

## Company Profile

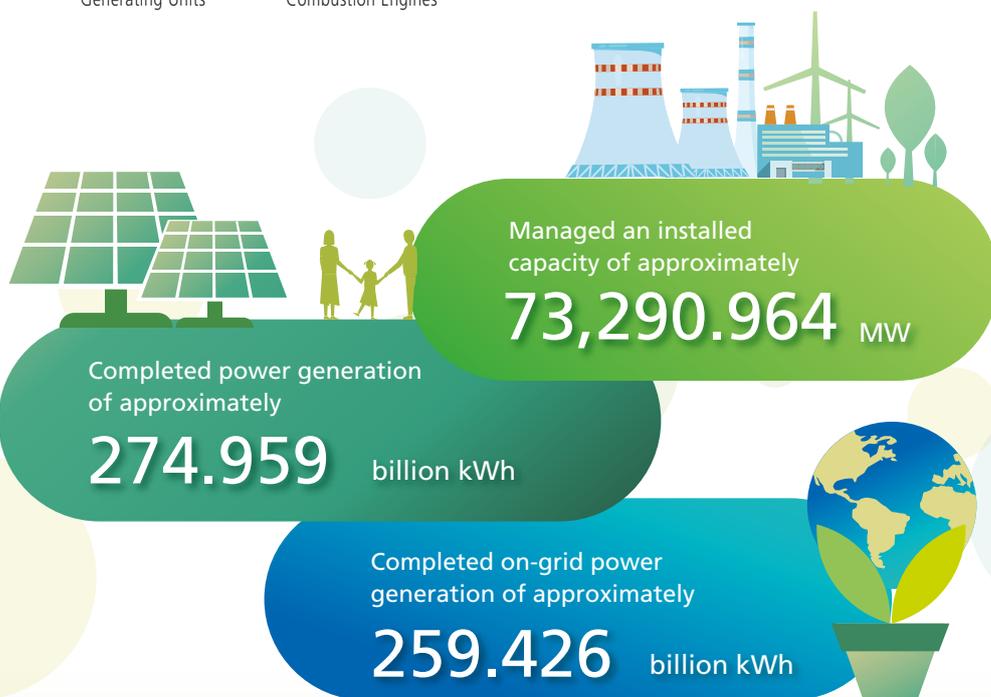
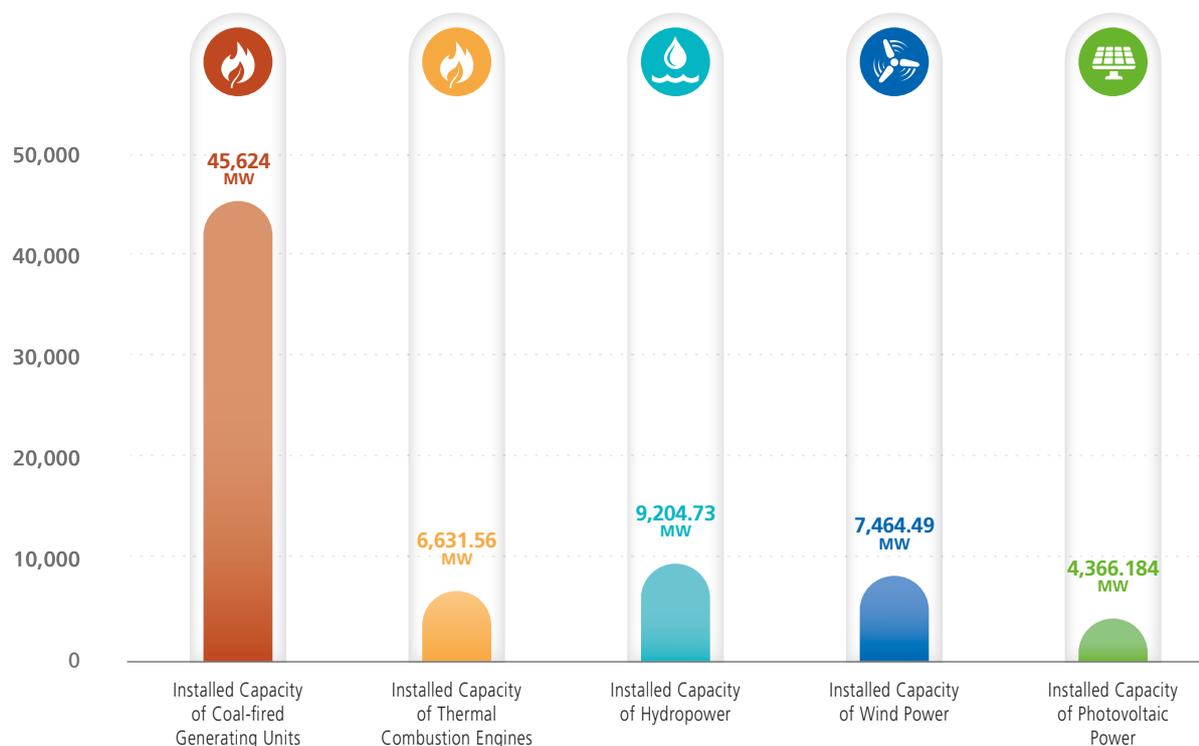
As of the end of 2023, the total assets of the Company were approximately RMB304.039 billion, and the installed capacity reached 73,290.96MW.

Datang Power implements the target requirements of "dual carbon", takes the realization of green and low-carbon transformation as its development direction, and takes "green and low-carbon, multi-energy complementarity, efficient coordination and digital intelligence" as its development vision. As of

the end of 2023, the newly installed capacity of the Company was 4,799.2MW, including newly installed capacity of thermal power and gas turbine projects of 577MW, newly installed capacity of wind power projects of 2,047.5MW and newly installed capacity of photovoltaic projects of 1,604.7MW. The proportion of the Company's installed capacity of low-carbon and clean energy further increased to 37.75%, representing an increase of 4.65 percentage points compared with the end of last year.



INSTALLED CAPACITY STRUCTURE OF THE COMPANY



# COMPANY HISTORY

**1994**

Datang Power was founded with the installed capacity of 2.85 GW

**1997**

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

**2006**

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

**2009**

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

**2014**

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

**2018**

Total installed capacity of Datang Power reached 62.853GW. Datang Power generated 269.704 billion kWh of electricity, representing a year-on-year increase of 35.74%. Datang Power was listed into the "Top 250 Global Energy Companies" by Platts for the 12th consecutive year

**2021**

Total installed capacity of Datang Power reached 68.77 GW, with the installed capacity of clean energy and renewable energy contributing to 30.27% of the total. Tuoketuo Power and Yuxian bases were included in the first batch of large wind and photovoltaic power stations in China, marking a good start of green transformation of the "14th Five-Year Plan"

**2022**

Datang Power won awards such as the "Best Investment Value Award for Listed Companies" of China Securities Golden Bauhinia, with the installed capacity exceeding 70GW

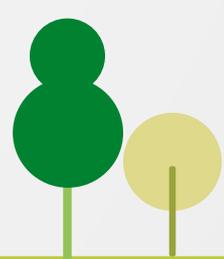
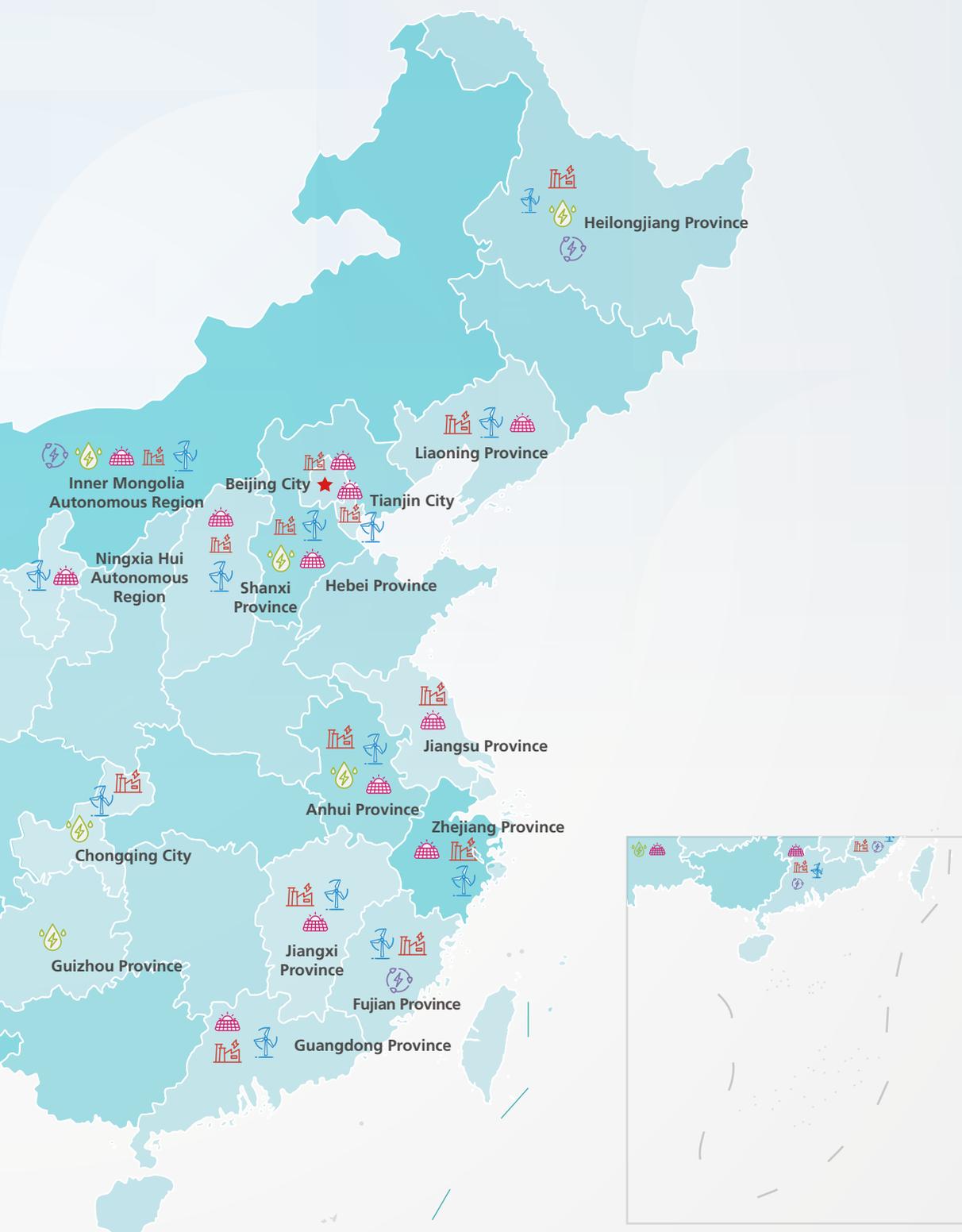
**2023**

Total installed capacity of Datang Power reached 73.29 GW, with the proportion of low-carbon and clean energy further increasing to 37.75%, accelerating the green transformation and development and laying a solid foundation for achieving the objectives of the "14th Five-Year Plan"



# DISTRIBUTION OF PROJECTS





# FINANCIAL HIGHLIGHTS

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

(Amounts expressed in millions of RMB)

For the year ended 31 December	2019	2020	2021	2022 (restated)	2023
Operating revenue	95,453	95,614	103,610	116,828	122,404
Profit/(loss) before tax	4,619	7,144	(11,077)	77	5,704
Income tax expense	(1,721)	(1,891)	(631)	(857)	(2,603)
Profit/(loss) for the year attributable to:					
– Ordinary shares	391	1,830	(10,540)	(1,705)	(212)
– Other equity instruments	595	1,159	1,437	1,378	1,651
– Non-controlling interests	1,911	2,264	(2,605)	(453)	1,663

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in millions of RMB)

As at 31 December	2019	2020	2021 (restated)	2022 (restated)	2023
Total assets	282,415	280,796	296,676	305,185	304,039
Total liabilities	200,386	189,203	220,139	228,860	215,601
Other equity instruments	22,935	31,316	32,845	34,844	46,211
Non-controlling interests	16,903	18,322	14,012	13,682	14,882
Equity attributable to owners of the Company	42,191	41,955	29,680	27,799	27,345

## CHAIRMAN'S STATEMENT

In 2023, in the face of complex and everchanging operating condition and arduous development tasks, the Company firmly grasped the theme of high-quality development, kept the original mission of "providing green energy and lighting up a better life", and strived to ensure supply, stabilize growth and promote development. We have made solid progress in all aspects of work and achieved remarkable results.

**This year, we have always been concerned about the country's most fundamental interests and have demonstrated a new commitment to the security guarantee of energy and power supply. As an important enterprise that undertakes more than half**

of the capital's electricity supply and the heating task for residents in the northern region, the Company has always kept in mind that energy security guarantee is the country's most fundamental interests that cannot be neglected at any time, actively responded to severe challenges including high coal prices, severe water shortage at hydropower stations, multiple rounds of extreme weather shocks and natural disasters, and successfully completed major power supply guarantee tasks such as the Belt and Road Forum in Beijing, the Asian Games in Hangzhou and the Universiade in Chengdu. Last winter and this spring, the Company has achieved remarkable results in guaranteeing heat and power supply, fully demonstrating the "pillar" style of a central enterprise.



## Chairman's Statement

**This year, we have continuously improved the level of lean management and promoted quality and efficiency improvement to a new level.** The Company has always adhered to the value creation and performance enhancement as the focus of operation, insisted on the operation strategy of “determining coal by electricity” and “grabbing electricity by heat”, adhered to the lean management, adjusted the fuel strategy in line with the market, adjusted the marketing strategy by keeping a close eye on the margins, coordinated safety and development as well as supply guarantee and efficiency, made best efforts in reducing coal prices, grabbing power, stabilizing tariffs, controlling costs and increasing revenues, made good use of the energy supply guarantee policy, and realized a turnaround in profit for the year.

**This year, we have targeted the direction of green and low-carbon development, and made new strides in the transformation of energy and electricity.** The Company fully implemented the new development concept in a complete and accurate manner, adhered to the direction of green and low-carbon development, orderly pushed forward the construction of key coal power supply guarantee projects and the transformation and upgrading of existing coal power, vigorously developed new energy and other strategic emerging industries, and done a good job in speeding up and promoting efficiency of new energy, improving the quality and increasing the efficiency of coal power, and developing and expanding new industries. During the reporting period, the newly installed capacity of the Company was 4.80GW, the approved capacity was 12.78GW, and the capacity under construction was 9.96GW. Among them, the newly installed capacity of new energy was 3.65GW, the approved capacity was 7.71GW, and the capacity under construction was 5.20GW. As of the end of 2023, the proportion of installed capacity of the Company's clean energy further increased to 37.75%, representing an increase of 4.65 percentage points compared with the end of last year.

**Standing at a new starting point, starting a new journey.** 2024 is a critical year for Datang International to implement the “14th Five-Year Plan”. Together with investors, we will continue to make efforts in the areas of safe and secure supply, value creation, green transformation, reform and governance, and risk prevention and control, so as to enhance new driving force for development, cultivate new forms of productivity, and build a modern new state-owned enterprise.

**We will place greater emphasis on enhancing our safe and secure supply capacity.** We will adhere to the bottom-line thinking and limit thinking, firmly focus on the main business, guard the bottom line of safety, better coordinate high-quality development and high level of safety, and always be the “pillar” to protect the country's energy security.

**We will place greater emphasis on enhancing our value creation capability.** We will adhere to the principle of seeking progress while maintaining stability, and improving quality while progressing, to deepen our efforts to improve quality and efficiency, enhance efficiency and effectiveness, make every effort to control coal prices, increase electricity volume, stabilize tariffs and increase revenue, and to continuously enhance our core competitiveness and strengthen our core functions.

**We will place greater emphasis on enhancing our green transformation capability.** We will adhere to the principle of establish before breaking and keep the right track of innovation, to accelerate the proportion of new energy installations, actively and steadily develop advanced coal power generation, and vigorously deploy energy storage, hydrogen energy, offshore wind power and other new business projects, so as to contribute to the construction of a new type of energy system.

**We will place greater emphasis on improving our reform and governance capability.** We will insist on strengthening quality internally and shaping image externally. We will improve the corporate governance of modern state-owned enterprises with Chinese characteristics, deepen and implement the market-oriented operation mechanism, and promote the modernization of the management system and management capability.

**We will place greater emphasis on improving our risk prevention and control capability.** We will insist on intrinsic safety and stable operation, deepen the construction of the "Central Enterprise under the Rule of Law", strengthen audit supervision and the construction of a compliance management system, and safeguard high-quality development in preventing and mitigating risks and constructing a long-term mechanism.

**Starlight lights up the path of passersby, and the times live up to those who strive.** In the promising year of 2024, we will embark on the new journey in the new era, closely follow the new mission and new positioning, make concerted efforts to pursue excellence, seek truth and pragmatism, and work hard. We will steadfastly carry out reforms, make practical innovations, do a good job in development, and endeavor to build an outstanding listed company in the industry with standardized management, excellent performance and high-quality brand, so as to repay our shareholders and the society with even more excellent performance.

*Chairman*

**Wang Shunqi**





In 2023, under the right leadership of the Board of the Company, the Company insisted on seeking progress while maintaining stability and improving quality while seeking progress, made every effort to guarantee supply, stabilize growth and promote development, continued to deepen the quality improvement and efficiency enhancement work, dedicated to enhance the lean management level, sped up the green development transformation pace, firmly grasped the theme of high-quality development, and well accomplished the tasks for the whole year and achieved positive results in all aspects of work.

### (I) Overview

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

In 2023, under the right leadership of the Board of the Company, the Company insisted on seeking progress while maintaining stability and improving quality while seeking progress, made every effort to guarantee supply, stabilize growth and promote development, continued to deepen the quality improvement and efficiency enhancement work, dedicated to enhance the lean management level, sped up the green development transformation pace, firmly grasped the theme of high-quality development,



and well accomplished the tasks for the whole year and achieved positive results in all aspects of work.

### (II) Review on the Operating Results of Principal Businesses

1. Demonstrated our commitment to energy supply guarantee. The Company has always kept in mind that energy security is the country's most fundamental interests that cannot be neglected at any time. The Company actively responded to severe challenges including high coal prices, severe water shortages at hydropower stations, multiple rounds of extreme weather shocks and natural disasters, successfully completed major power supply guarantee tasks such as the Belt and Road Forum in Beijing, the Universiade in Chengdu and the Asian Games in Hangzhou, achieving remarkable results in guaranteeing heat and power supply. In particular, Premier Li Qiang visited and researched Harbin First Thermal Power Company of Heilongjiang Company<sup>1</sup>, fully recognised the work of guaranteeing heat and power supply; Tuoketuo Power Generation Company<sup>2</sup> realized long-distance heat supply to Hohhot, realizing "power supply to the nation's capital while heat supply to the provincial capital" and establishing a good image of Datang in guaranteeing heat and power supply and guaranteeing people's livelihood.

1. Refers to Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司).  
2. Refers to Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (內蒙古大唐國際托克托發電有限公司).



## Management Discussion and Analysis

- Achieved steady improvement in operational efficiency. The Company has always adhered to the value creation and performance enhancement as the focus of operation, closely focused on the annual profit target, insisted on the strategy of “determining coal by electricity” and “grabbing electricity by heat”, adhered to the lean management, adjusted the fuel strategy in line with the market, adjusted the marketing strategy by keeping a close eye on the margins, focused on the key elements, core indexes and key and difficult problems, made best efforts in reducing coal prices, grabbing power, stabilizing tariffs, controlling costs and increasing revenues, made good use of the energy supply guarantee policy, and realized a turnaround in profit for the year.
- Accelerated the pace of green transformation. The Company fully implemented the new development concept in a complete and accurate manner; orderly pushed forward the construction of key coal power supply guarantee projects and the transformation and upgrading of existing coal power; vigorously developed new energy and other strategic emerging industries, and done a good job in speeding up and efficiency of new energy, improving the quality

and increasing the efficiency of coal power, and developing and expanding new industries. In 2023, the Company newly added generating units with 4,799.2 MW of generation capacity, including 577 MW of thermal power and gas turbine, 2,047.5 MW of wind power projects, 1,604.7 MW of photovoltaic projects, and the proportion of low carbon and clean energy installed capacity further increased to 37.75%. During the reporting period, 184 power projects were approved, with an approved capacity of 12,782.43 MW, including two coal-fired generating unit projects with an approved capacity of 4,000 MW, one thermal power and gas turbine project with an approved capacity of 1,076 MW, 16 wind power projects with an approved capacity of 2,217.3 MW, and 165 photovoltaic projects with an approved capacity of 5,489.13 MW. During the reporting period, the installed capacity of the power projects under construction of the Company was 9,964.65 MW, including 4,670.12 MW of thermal power projects under construction, 3,047.65 MW of wind power projects under construction and 2,146.88 MW of photovoltaic projects under construction.

- Steadily pushed forward the governance reform. The Company made efforts to modernize its corporate governance system and governance capacity, continued to improve its modern corporate governance system, and built a sound rule of law and risk control system. The Company successfully completed the final task of the three-year action for state-owned enterprise reform, continued to improve modern corporate governance of a state-owned enterprise with Chinese characteristics, revised and improved the list of matters and working rules of all levels, and continued to improve the effectiveness of governance. The Company continued to deepen the “14th Five-Year Plan” for the construction of central enterprises under the rule of law, and carried out various types of specialized governance in depth, with strong risk control in the areas of capital, debt, law, fuel trade and engineering construction. The Company solidly promoted the work of improving the quality as a listed company and made efforts to enhance the brand image as a listed company. During the year, the Company was honored with a number of awards, including the 17th Crystal Ball “Listed Company with the Most Valuable Investment Value”, the 13th China Securities Golden Bauhinia “Listed Company with Outstanding High-quality Development” and the 2023 Excellent Practice Cases of Listed Company Board Offices of China Association for Public Companies, and realized the effective manifestation and enhancement of its brand image as a listed company.

### (III) Major Financial Indicators and Analysis

#### 1. Operating Revenue

During the Year, the Group realised operating revenue of approximately RMB122,404 million, representing an increase of approximately 4.77% compared with the Previous Year, which was mainly attributable to the 5.30% year-on-year increase in operating revenue from power and heat generation segment.

#### 2. Operating Costs

During the Year, total operating costs of the Group amounted to approximately RMB114,381 million, representing an increase of approximately RMB615 million or approximately 0.54% compared with the Previous Year, which was mainly attributable to the increase in the cost of power generation due to the year-on-year increase in power generation volume.

#### 3. Net Finance Costs

During the Year, finance costs of the Group amounted to approximately RMB5,766 million, representing a decrease of approximately RMB944 million or approximately 14.07% over the Previous Year. The decrease was primarily due to the decrease in the scale of debt financing as well as effective control of financial costs year-on-year.



## Management Discussion and Analysis

### 4. Total Profit

During the Year, the Group reported total profit before tax from continuing operations amounting to approximately RMB5,704 million, representing an increase of approximately 7,307.79% compared with the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB1,439 million, while net loss attributable to equity holders of the Company for the year of 2022 amounted to approximately RMB327 million.

During the Year, the power generation segment of the Group realised total profit before tax from continuing operations of approximately RMB5,611 million, representing a year-on-year increase of approximately RMB7,446 million.

### 5. Financial Position

As at 31 December 2023, total assets of the Group amounted to approximately RMB304,039 million, representing a decrease of approximately RMB1,146 million compared with the end of 2022. The decrease in total assets was mainly due to the decrease in prepayment for fuel and the decrease in other receivables as a result of the recovery of dividends from participating enterprises during the year.

As at 31 December 2023, total liabilities of the Group amounted to approximately RMB215,602 million, representing a decrease of approximately RMB13,258 million compared with the end of 2022. The decrease in total liabilities was mainly due to the decrease in the size of interest-bearing debt facilities.

Net profit attributable to equity holders of the Company for the Year amounted to approximately RMB1,439 million, representing an increase of approximately RMB1,766 million compared with the end of 2022; net asset value per share attributable to ordinary shareholders of the Company for the Year amounted to approximately RMB1.48, representing a decrease of approximately RMB0.02 per share compared with the end of 2022.

### 6. Liquidity

As at 31 December 2023, the debt ratio of the Group was approximately 70.91%. The net debt-to-equity ratio (i.e. (loans + short-term financing bills + long-term bonds – cash and cash equivalents)/owner's equity) was approximately 183.25%.

As at 31 December 2023, cash and cash equivalents of the Group amounted to approximately RMB9,017 million, among which deposits that were equivalent to approximately RMB328 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Year.

As at 31 December 2023, short-term loans of the Group amounted to approximately RMB29,020 million, bearing annual interest rates ranging from 1.75% to 3.99%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB114,959 million and long-term loans repayable within one year amounted to approximately RMB20,531 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.20% to 5.23%. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

### 7. Welfare Policy

As at 31 December 2023, the number of staff of the Group totaled 29,077. The Group adopted the basic salary system focusing on the basis of position-points salary distribution, and adhered to making distributions based on performance principally and co-existence of various distribution methods. The Group continuously deepened the “matching between work and performance”, and strengthened the linkage mechanism between total wages and economic efficiency, labor efficiency and employee performance efficiency. The compensation distribution is tilted towards the enterprises located in the impoverished and remote areas, plateau areas, and with excellent performance and good benefits. The Group insisted on the full coverage of performance evaluation, established and improved the performance evaluation and assessment system for all employees, and linked the income of employees with the position value and performance contributions, to ensure that income can be increased and reduced, and to give full play to the incentive and guiding effect of evaluation and distribution. The Group promoted the flow of internal income of enterprises to employees in the production line, core backbone and key positions, intensified the incentive of scientific and technological innovation talents, reflected special talents, special contributions and special incentives, and fully stimulated the innovation motivation and creative potential of employees.

The Group has always focused on the implementation of hierarchical and classified training for all employees, established a sound long-term mechanism for talent training, and enhanced the core competitiveness of the Company. Through the targeted professional training, continuous consolidation of the training foundation, and increased investment in training, the vocational training work of the Company has been vigorously promoted, which has led to the continuous emergence of various talents and provided talent guarantee for the Company’s sustainable and healthy development. In 2023, the Group adhered to the principle of adaptation to local conditions and personal aptitudes, designated the educational training to entities, gave full play to the roles of the enterprises as training entities and professional training bases, clarified responsibilities and duties, highlighted the focus, the training echelon covering all staff has become more mature, with an aim to develop the talent team with expertise, skills and innovation concept of the Group.

### (IV) Outlook for 2024

1. Deepen the promotion of intrinsic safety. The Company will deeply implement the safety concept of “life and safety first”, deeply carry out the “three-year action plan for tackling the root cause”, improve the dual prevention mechanism, and coordinate the operation of three systems, so as to ensure a safe and stable situation. The Company will also focus on equipment management, strengthen independent maintenance, implement independent inspection and repair, explore and implement condition-based maintenance, and effectively improve the reliability and economical efficiency of equipment, so as to lay a solid foundation for ensuring supply and increasing efficiency.



## Management Discussion and Analysis

2. Strengthen lean management. The Company will deeply practice the business philosophy of “value and green first, innovation for win and cooperation for win-win”, and implement lean control of all elements and processes. The Company will further optimize the coal inventory structure, enhance the foresight of “storage in off-peak periods and consumption in peak periods” and the flexibility of “favorable procurement”, and achieve refined transportation. The Company will strengthen external coordination to strive for a favorable environment and strengthen internal management to mobilize the enthusiasm for power generation, scientifically allocate trading electricity, and improve the marginal benefits per kWh. The Company will also strengthen the concept of “all costs are controllable”, make every effort to reduce various costs, and promote income increase and expenditure reduction, so as to ensure the maximization of comprehensive benefits.
3. Transform and develop to move forward. The Company will adhere to development as the top priority, ensure the overall development with “strong mechanisms, heavy rewards and punishments, and tough measures”, optimize development goals by focusing on new energy, clean and efficient coal-fired power and emerging industries, roll up and break down, develop in stages and move forward, so as to highlight the green transformation. The Company will promote the large-scale and intensive development of new energy by balancing quantity and quality, fully utilize advantageous ways such as multi-energy complementarity, source, network, load and storage, and “two joint ventures”, and make every effort to seize resources, implement projects and promote development. The Company will also continue to deploy emerging industries to achieve results, accelerate the development of new industries through integration and clustering, and resolutely win the battle of transformation and development.
4. Advance the reform and innovation steadily. The Company will strengthen the legal construction, improve the internal control system, firmly implement the risk management and control, so as to ensure that the system will run in a standard and efficient manner and operate legally and compliantly. The Company will deepen the construction of “central enterprise under the rule of law” and the compliance management system, coordinately promote various regulatory mechanisms, and push ahead the deep integration of legal affairs, compliance, risk and internal control. The Company will improve the technology and innovation system, strengthen the management of R&D investment, and fully stimulate the enthusiasm of all staff to participate in technology and innovation. The Company will fully exert the platform functions of the listed company, enhance the value creation ability of the listed company, enhance the brand image of “Datang Power” in an all-round manner, and build an outstanding listed company in the industry with standardized management, excellent performance and high brand quality.

# HUMAN RESOURCES OVERVIEW

## (I) Composition of Employees (Specialty, Educational Background, Gender)

Specialty	
Specialty category	Number of individuals
Production personnel	16,048
Sales personnel	202
Technicians	5,006
Financial personnel	506
Administrative personnel	6,283
Other personnel	1,032
<b>Total</b>	<b>29,077</b>
Educational background	
Educational background category	Number of individuals
Doctoral candidate	10
Postgraduate	944
Undergraduate	17,793
College graduate	6,397
Secondary technical	2,055
High-school graduate or below	1,878
<b>Total</b>	<b>29,077</b>
Gender	
Gender	Proportion
Male	82.9%
Female	17.1%

### Gender diversity of employees

Differences in education background, cultural background, professional background and job requirements of employees are the main influencing factors of gender diversity of employees. The Company is principally engaged in power generation and power plant development business, and the industry has historically had a high concentration of male employees. To promote gender diversity as much as possible, and on the premise of providing equal employment opportunities, career development and promotion opportunities, the Company continued to introduce various professional talents of different genders and nationalities according to its own development needs, and cultivated and nurtured a talent team with moderate scale, high-end leadership, reasonable structure and excellent quality, so as to establish and maintain the Company's talent advantage in the industry, and lay a solid talent foundation for achieving the Company's development strategy.



## Human Resources Overview

### (II) Staff Management

In 2023, on the human resources management front, by focusing on core tasks of the enterprise, we vigorously implemented the strategy of strengthening the enterprise with talents. We focused on optimizing the allocation of human resources and efficiency enhancement, continued to strengthen the construction of leadership and cadre teams at all levels, continuously improved and strengthened salary incentives and performance evaluation, further increased training efforts, consolidated the foundation for talent growth, successfully implemented various reform measures of the Company, and successfully completed various tasks of the year.

### (III) Staff Training

The Company has fully implemented the annual training plan, deeply implemented hierarchical and classified training for all employees, continuously deepened innovation in training, and strived to improve the effectiveness of job training. On this basis, we have always focused on continuous efforts in various aspects of talent cultivation, selection and motivation, and accelerate the building of three teams: composite enterprise management talents who “understand management and are good at management”, expert professional technical talents who are “familiar with business and good at innovation”, and artisan production skill talents who are “proficient in skills and good at inheritance”. During the year, one employee was selected for the training support program of the “Great National Craftsman (大國工匠)” of central enterprise. Besides, the Company continued to increase its efforts in cultivating high-level talents and strived to give full play to the leading and exemplary role of leading talents.

The Company continued to deepen the multichannel construction of employees’ career paths with a focus on professional technical and production skilled talents to promote their growth and success based on positions, which effectively mobilized internal motivation of the employees to achieve success in their positions, and played an important role in accelerating the construction of the Company’s talent team. In addition to implementing the annual training plan and conducting hierarchical and classified training for all employees, the Company continuously improved the training system of “face-to-face + remote + on-site training”. We have developed an online training system for mobile phones to enhance training effectiveness. We also deepened the construction of the skill competition system, and the skill competition system led by superior competitions, with skill competitions as the main body, and based on job skill training, has become increasingly mature with Datang characteristics. We extensively carried out skill competitions at all levels around key business sectors and important positions, and effectively improved the technical skills level of professional talents.

### (IV) Implementation Measures

1. The construction of the cadre team has been further strengthened. We focused on increasing the selection of young cadres, which has promoted the younger generation of the Company's cadres. We focused on exercising and training, strengthened cadre communications, and accelerated the experience and growth of cadres. We also focused on assessment and evaluation, and innovatively developed the "Internet +" cadre evaluation system, which provided important support for the selection and appointment of cadres. We focused on capacity building and compiled the "General Handbook of Know-hows for Leaders" to accelerate the improvement of new cadres' ability to perform their duties.
2. The in-depth reform and enhancement actions have been comprehensively promoted. Taking implementation of in-depth enhancement actions of state-owned enterprises as the opportunity, we further consolidated the existing effect of reform, continuously deepened the reform of the three systems of "labor, personnel and distribution", actively established an internal human resource market, and continuously improved the incentive mechanism for self-examination to promote the flow of human resources within the system and fully stimulate vitality. We continued to optimize the distribution mechanism of total wages, insisted on efficiency orientation, focused on efficiency improvement, reasonably widened the income gap among different enterprises, guided enterprises to actively adjust employment strategies, optimized employment structure, and improved labor production efficiency.
3. The vitality of the talent team has been stimulated. We paid attention to the training and recommendation of talents, and strived to play the leading and exemplary role of high-level talents. During the year, a number of outstanding talents emerged, including national technical experts, candidates for the Great National Craftsman support scheme and technical experts in the electric power industry. We continued to deepen the multi-channel construction of employees' careers focusing on professional technical and production skilled talents as well as appointment with certificates for all employees, which promoted the growth and success of employees based on their positions, effectively mobilized the internal motivation for development of the majority of employees in the system, and played an important role in accelerating the construction of the Company's talent team.
4. Assessment and distribution system has been further improved. We have innovatively established a performance index, strengthened efficiency matching and control, and deepened the market-oriented linkage between compensation and performance. We optimized the order of remuneration distribution, and promoted the salary to be further inclined to the core backbone personnel and front-line production personnel. We also have strengthened the performance appraisal of all employees, and established a four-in-one performance evaluation system of "monthly evaluation, annual evaluation and special evaluation" to achieve timely process control, prominent key objectives, obvious differences in incentives, and further played the role of salary incentives.



## Human Resources Overview

### (V) Directors (the “Directors”), Supervisors (the “Supervisors”) and Senior Management of the Company (as at the Latest Practicable Date<sup>1</sup>)

#### 1. Biographies of Directors



#### **Wang Shunqi** Chairman, Executive Director

Mr. Wang, aged 56, is a professorate senior engineer with a master’s degree. He served as the director of the general manager work department of Henan Branch of China Datang Corporation, general manager of Datang Anyang Power Generation Company (大唐安陽發電公司), deputy chief economist and director of the market and business planning department of Henan Branch of China Datang Corporation, member of the Party Group and deputy general manager of Tibet Branch of China Datang Corporation, deputy director of the general office (the policy and legal department and the international cooperation department) of China Datang Corporation, secretary of the Party Committee and deputy general manager of Datang Anhui Power Generation Co., Ltd. (大唐安徽發電有限公司), general manager and deputy secretary of the Party Committee of Datang Anhui Power Generation Co., Ltd., chairman and secretary of the Party Committee of Datang Anhui Power Generation Co., Ltd., chairman and secretary of the Party Committee of Ningxia Company of China Datang Corporation Ltd., chairman and secretary of the Party Committee of Inner Mongolia Company of China Datang Corporation Ltd., and chairman and secretary of the Party Committee of Datang Shanxi Power Generation Co., Ltd. (大唐山西發電有限公司). He is currently the Chairman and secretary of the Party Committee of the Company.



#### **Ying Xuejun** Non-executive Director

Mr. Ying, aged 57, is a senior engineer with a bachelor’s degree. He participated in work in Douhe Power Plant since July 1985. He was once the Deputy General Manager of Douhe Power Plant, the Deputy General Manager of Tuoketuo Power Generation Company Limited, a Member of Party Committee and the Deputy General Manager of Inner Mongolia Branch Company of Datang, the General Manager of Tuoketuo Power Generation Company Limited. He served as the Chief of the Integrated Planning Department, the Deputy Chief Economist and the Chief of the Integrated Planning Department, Chief Economist and the Chief of the Securities and Capital Department, Deputy General Manager, Party Committee Member and the Chief of the Securities and Capital Department of the Company, Deputy General Manager, Party Committee Member, Secretary to the Board, Chairman of the Labour Union of the Company and the General Manager and secretary of the Party Committee of Guangdong Branch Company. He is currently the director of the Investment Development Department of China Datang Corporation Ltd. (中國大唐集團有限公司) and a Director of the Company.

<sup>1</sup> The latest practicable date of this report (the “Latest Practicable Date”) is 23 April 2024.

### 1. Biographies of Directors



#### **Xu Guang** Non-executive Director

Mr. Xu, aged 52, is a senior engineer with a bachelor's degree. He served as the deputy director of the Human Resources Department and director of the General Manager Work Department (International Cooperation Department) of China Datang Group Technology and Engineering Co., Ltd. (中國大唐集團科技工程有限公司), general manager of Franchised Business Department, general manager of Beijing Branch of China Datang Corporation Environmental Technology Co., Ltd. (中國大唐集團環境技術有限公司), deputy dean, member of the Party Committee, secretary of the Discipline Inspection Commission, chairman of the Labour Union of China Datang Technology and Economy Research Institute (中國大唐集團技術經濟研究院) and concurrently the deputy dean of China Datang Cadre Training Institute (中國大唐集團幹部培訓學院), deputy director of Political Work Department of China Datang Corporation Ltd., director of the Party and Mass Work Department of the Company, deputy general manager, member of the Party Committee, secretary of the Discipline Inspection Commission, chairman of the Labour Union of Datang Jingjinji Power Development Company Limited (大唐京津冀能源開發有限公司), deputy director of the Party Group Inspection Work Office of China Datang Corporation Ltd. (中國大唐集團有限公司), deputy secretary of the Party Committee, deputy general manager, secretary of the Discipline Inspection Commission of Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司), deputy secretary of the Party Committee, chairman of the Labour Union, secretary of the Discipline Inspection Commission of Zhongxin Energy and Chemical Technology Company Limited (中新能化科技有限公司), etc. He currently serves as the deputy secretary of the Party Committee, the chairman of the Labour Union and a Director of the Company.



#### **Tian Dan** Non-executive Director

Mr. Tian, aged 59, is a principal senior engineer with a bachelor's degree. He served as positions such as an engineer of the Thermal Power Simulation Training Center of Shanxi Electric Power Company (山西省電力公司); an engineer of the Engineering and Technology Department, manager of the Production Preparation Department, manager of the Power Generation Department, deputy chief engineer, deputy general manager, general manager and secretary of the Party Committee of Yangcheng International Power Generation Co., Ltd. (陽城國際發電有限責任公司); the secretary of the Party Committee and general manager of the Chongqing Branch of Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司重慶分公司); the general manager and deputy secretary of the Party Committee of Chongqing Yuneng Industry (Group) Co., Ltd. (重慶渝能產業(集團)有限責任公司); the general manager, chairman and secretary of the Party Committee of the Ningxia branch of China Datang Corporation Ltd. (中國大唐集團有限公司寧夏分公司); the chairman and secretary of the Party Committee of China Datang Corporation Xiongan Energy Co., Ltd. (中國大唐集團雄安能源有限公司); the secretary of the Party Committee and general manager of Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (1272.HK). He is currently a full-time director of China Datang Corporation Ltd. (中國大唐集團有限公司) and a Director of the Company.



# Human Resources Overview

## 1. Biographies of Directors



### Ma Jixian Non-executive Director

Mr. Ma, aged 58, is a senior engineer with a doctoral degree. He served as the deputy director of the import and export division of the foreign economic department and director of the comprehensive division of the State Economic and Trade Commission, researcher of the important industrial products import division, director of the trade promotion division, director of the important industrial products import division and director of the import division of the Department of Foreign Trade of the Ministry of Commerce, deputy head and member of the Party Group of the Department of Commerce of Guangxi Zhuang Autonomous Region, deputy chief of the general office, deputy chief of the office of the board of directors of China Datang Corporation Ltd. (中國大唐集團有限公司), deputy chief of commercial cooperation and public relations department (international cooperation department) of China Datang Corporation Ltd., deputy general manager, member of the Party committee of China Datang Corporation Overseas Investment Co., Ltd. (中國大唐集團海外投資有限公司), and deputy chief of the international business department (foreign affairs office) of China Datang Corporation Ltd. He currently serves as a full-time director of China Datang Corporation Ltd. and a Director of the Company.



### Zhu Shaowen Non-executive Director

Mr. Zhu, aged 59, is a senior engineer with a master's degree. Mr. Zhu has successively served as an Engineer and the Deputy Head of Specialty Department at Tianjin Electric Power Science Research Institute, Head of Planning and Design Department of State Grid Tianjin Electric Power Company, Deputy Head of Project Department, Vice-manager (presiding) and Manager of Power Development Department and Manager of Project Development Department of Tianjin Jinneng Investment Co., Ltd., General Manager (concurrent) of Tianjin Jinneng Wind Power Co., Ltd., and the Manager of Electric Power Department of Tianjin Energy Investment Group Limited. He is currently the deputy chief engineer of Tianjin Energy Investment Group Limited and a Director of the Company.

### 1. Biographies of Directors



**Cao Xin**  
Non-executive Director

Mr. Cao, aged 52, is a principal senior economist with a doctoral degree. Mr. Cao started to work at Hebei Construction Investment Company in July 1992. He served as the Project Manager and Assistant to Manager of the Industrial Branch Office of Hebei Construction Investment Company, Assistant to Manager and Deputy Manager of the Asset Management Branch Company of Hebei Construction Investment Company, Manager of Public Utilities Second Department of Hebei Construction Investment Company cum General Manager of Hebei Construction Investment New Energy Co., Ltd., Assistant to General Manager of Hebei Construction Investment Company cum Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd., a standing member of the Party Committee of Hebei Construction & Investment Group Co., Ltd. and Secretary of Party Committee and President of China Suntien Green Energy Corporation Ltd. (0956.HK), Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd, and a member of the standing committee of Party Committee and Deputy General Manager of Hebei Construction & Investment Group Co., Ltd. He is currently the General Manager, Deputy Secretary of Party Committee and Vice Chairman of Hebei Construction & Investment Group Co., Ltd., the Chairman of China Suntien Green Energy Corporation Ltd. (0956.HK, 600956.SH), a Director and the General Manager of Yanshan Development (Yanshan International Investment) Company Limited (燕山發展(燕山國際投資)有限公司), a Director of Huaneng Power International, Inc. (華能國際電力股份有限公司) (600011.SH, 0902.HK) and a Director of the Company.



**Zhao Xianguo**  
Non-executive Director

Mr. Zhao, aged 55, is a senior engineer with a postgraduate degree. Mr. Zhao started his career in the electric branch of Xingtai Power Generation Plant in 1990. He had been the Engineer Head of the Office of the Electric Repair Branch of Xingtai Power Generation Plant, an Assistant to the Head of the Electric Repair Branch and an Assistant to the Head, Deputy Head and Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy Chief Economist and the Head of the Operation and Planning Department of Hebei Xingtai Power Generation Company Limited; the Deputy General Manager of Hebei Construction & Investment Xuanhua Thermal Power Company Limited. He is currently the Deputy General Manager of the Appraisal and Evaluation Department of Hebei Construction & Investment Group Co., Ltd. and a Director of the Company.



## Human Resources Overview

### 1. Biographies of Directors



#### Jin Shengxiang Non-executive Director

Mr. Jin, aged 49, is a principal senior engineer with a postgraduate degree and a master degree of engineering. Mr. Jin was a cadre of Turbine Research Institute of Beijing Electric Power Research Institute, a cadre of Turbine Research Institute of North China Electric Power Research Institute Co., Ltd., the Manager of the Infrastructure Commissioning Project of Turbine Research Institute and the Deputy Head of Turbine Research Institute. He served as the Manager of the Production Safety Department and the Vice President of Beijing Jingneng International Energy Co., Ltd., and the Deputy Director and the Director of Electricity Production and Operation Department and the Director of the Production Management Department of Beijing Energy Investment Holding Co., Ltd. He has been the Director of the Production Management Department of Beijing Energy Holding Co., Ltd., the Director of Beijing Jingneng Clean Energy Co., Limited (0579.HK), the Deputy Secretary of Party Committee, Director and General Manager of Beijing Jingneng Power Co., Ltd. (600578.SH), and the safety director and the head of Safety, Technology and Environmental Protection Department of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司). He is currently the the safety director and the head of Safety and Environmental Protection Supervision Department of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司) and a Director of the Company.



#### Sun Yongxing Non-executive Director

Mr. Sun, aged 57, is a senior engineer with a bachelor degree. He successively served as a technician of the boiler team of No. 2 Maintenance Division and boiler specialist of the production technology department of Shijingshan Power Plant, a boiler specialist in the technical engineering department of Shijingshan Thermal Power Plant, a boiler specialist in the production technology department of Beijing Shijingshan Power Plant, the director of the production technology department of Maintenance Company of Beijing Shijingshan Power Plant, the director of the production technology department of Power Equipment Maintenance Branch of Beijing Jingneng Thermal Power Co., Ltd., the chief engineer of Inspection Branch of Beijing Jingneng Thermal Power Co., Ltd., project manager of the power investment department of Beijing International Power Development and Investment Company, deputy director (presiding work) of the preparation division of Ningxia Shuidonggou Power Plant, deputy general manager (presiding work) of Ningxia Jingneng Ningdong Electric Power Co., Ltd., general manager of Jingneng (Chifeng) Energy Development Co., Ltd. (京能(赤峰)能源發展有限公司), deputy officer of safety, technology and environmental protection department of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司), deputy officer of the security and technological environmental department of Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司). He is currently a fulltime director of invested enterprises of Beijing Energy Group Co., Ltd., a director of Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) (600578.SH) and a Director of the Company.

### 1. Biographies of Directors



#### Niu Dongxiao

##### Independent Non-executive Director

Mr. Niu, aged 61, is a Ph.D, professor and doctoral supervisor with a doctoral degree majoring in technology economics and management. He served as a professor in the Department of Basic Sciences of North China Electric Power University, a professor and dean of the School of Economics and Management of North China Electric Power University. He is a distinguished professor under the Yangtze River Scholars Programme, a national candidate for the multi-million talent project in the new century and a decision making consultant expert of the China Association for Science and Technology, and is entitled to special government allowances by the State Council and served as the director of the China Energy Economic Management Research Center and executive director of the Chinese Committee of the International Association for Energy Economics (IAEE). He is currently a professor in the School of Economics and Management of North China Electric Power University; the deputy director of the North China Electric Power University Academic Committee and the director of China Green Power Development Research (111) Discipline Innovation Base; member of Academic Committee of Chinese Society for Electrical Engineering; vice chairman of the Chinese Society of Technical Economics; chairman of the Overall Planning Department of Chinese Society of Optimization, Overall Planning and Economical Mathematics; and an independent non-executive Director of the Company.



#### Zong Wenlong

##### Independent Non-executive Director

Mr. Zong, aged 50, holds a doctorate degree in accounting. He served as an independent director of many companies including Huadian Power International Corporation Limited (華電國際電力股份有限公司) (600027.SH), Beijing Dongfang Guoxin Technology Co., Ltd. (北京東方國信科技股份有限公司) (300166.SZ), Datang Telecom Technology Co., Ltd. (大唐電信科技股份有限公司) (600198.SH) and Ningxia Jiaze Renewables Corporation Limited (寧夏嘉澤新能源股份有限公司) (601619.SH). He is currently a professor of the School of Accounting and the head of the Department of Financial Accounting of Central University of Finance and Economics, an independent director of China Television Media Ltd. (中視傳媒股份有限公司) (600088.SH), an independent director of CNOOC Energy Technology and Services Limited (中海油能源發展股份有限公司) (600968.SH), an independent director of Rongtong Fund Management Co., Ltd. (融通基金管理有限公司) and an independent non-executive Director of the Company.



## Human Resources Overview

### 1. Biographies of Directors



#### **Zhao Yi** Independent Non-executive Director

Mr. Zhao, aged 63, holds a master's degree. He is a professional senior engineer and an expert entitled to a special government allowance provided by the State Council. He successively worked in Shaanxi Chemical Industry Research Institute, Xi'an Thermal Power Research Institute and China Huaneng Group Co., Ltd. (中國華能集團有限公司), and served as positions such as the director of science and research department, deputy chief engineer, deputy president and president of Xi'an Thermal Power Research Institute, and the director of technology and innovation department of China Huaneng Group Co., Ltd. He is currently an independent non-executive Director of the Company.



#### **Zhu Dahong** Independent Non-executive Director

Mr. Zhu, aged 63, holds a bachelor's degree. He is a professional senior engineer and the National Registered Public Facilities Engineer (power). He is awarded the title of "Master of Electric Power Survey and Design" by China Electric Power Planning & Engineering Association. He served as positions such as an assistant professor of Tsinghua University; chief designer, section chief, division chief, deputy chief engineer, chief engineer and deputy general manager of thermal machine major of North China Power Engineering Institute (華北電力設計院); and the vice president and deputy director of the Expert Committee of North China Power Engineering Co., Ltd. of China Power Engineering Consulting Group (中國電力工程顧問集團華北電力設計院有限公司). He is currently an independent non-executive Director of the Company.

1. Biographies of Directors



**You Yong**  
Independent Non-executive Director

Mr. You, aged 50, holds a master’s degree. He served as the legal counsel of the legal affairs department, deputy general manager of the legal affairs department and general manager of the legal affairs department of China Minmetals Corporation Limited (中國五礦股份有限公司), and co-tutor of the postgraduate students of Master of Law of the Law School of Tsinghua University. He is currently the vice chairman of the Competition Commission of ICC China, arbitrator of the China International Economic and Trade Arbitration Commission, the Beijing Arbitration Commission and Hong Kong International Arbitration Center, adjunct professor of MBA Education Center of China University of Political Science and Law, an independent director of Sino Biological, Inc. (北京義翹神州科技股份有限公司) (301047.SZ) and an independent non-executive Director of the Company.



## Human Resources Overview

### 2. Biographies of Supervisors



#### **Guo Hong** Chairman of the Supervisory Committee

Ms. Guo, aged 54, is a senior economist with a postgraduate degree. Since 2003, she has successively served as the deputy officer of the human resources department, the officer of the human resources department, Deputy Economist and Manager of Import and Export Company of China National Water Resources & Electric Power Materials & Equipment Co., Ltd., the department head of the senior management personnel office of the human resources department of CDC, the director of the human resources department, the deputy general manager and chairman of the Labour Union of Datang International Power Generation Co., Ltd., and the deputy general manager of Beijing-Tianjin-Hebei Branch Company of Datang International. She is currently the Party Committee Member, the Secretary of Committee for Discipline Inspection and the chairman of the Supervisory Committee of the Company.



#### **Han Fang** Vice Chairman of the Supervisory Committee

Mr. Han, aged 39, is an economist with a bachelor's degree. He has served as deputy director of the securities and legal affairs department of Tianjin Jinran Public Utilities Company Limited (天津津燃公用事業股份有限公司), the league secretary and assistant manager of the capital operation department (financial industry department) of Tianjin Energy Investment Group Limited (天津能源投資集團有限公司). He currently serves as the league secretary and deputy manager of the capital operation department (financial industry department) of Tianjin Energy Investment Group Limited, the chairman of Tianjin Jinneng Financial Leasing Co., Ltd. (天津津能融資租賃有限公司) and an executive director of Jinneng International Limited and the Vice Chairman of the Supervisory Committee of the Company.

### 2. Biographies of Supervisors



#### Liu Liming

##### Member of the Supervisory Committee

Mr. Liu, aged 51, is a senior economist with a bachelor's degree. He started his career in Beijing Power Supply Company (北京供電公司) in 1996. He served as the deputy division chief of the audit division I of the audit department, division chief of the audit division III, the deputy director of the audit department and division chief of the audit division III of China Datang Corporation, deputy general manager and chief accountant of China Datang Technology and Economy Research Institute Co., Ltd. (中國大唐集團技術經濟研究院有限責任公司), deputy dean of China Datang Cadre Training Institute (中國大唐集團幹部培訓學院), deputy director of the legal affairs department (risk management department) of China Datang Corporation Ltd., and director of Guangzhou Audit Center and Legal Affairs Center of China Datang Group. He currently serves as the deputy director of the audit department of China Datang Corporation Ltd., the chairman of the Supervisory Committee of China Datang Corporation Renewable Power Co., Limited (01798. HK), a supervisor of Datang Huayin Electric Power Co., Ltd. (600744.SH) and a Supervisor of the Company.



#### Xu Xiangyang

##### Member of the Supervisory Committee

Mr. Xu, aged 52, is a senior engineer with a bachelor's degree. Since 2009, Mr. Xu successively served as the officer and deputy director of thermal control room of equipment department and the deputy director, director of the human resource department of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, the deputy director, director of the human resource department of Inner Mongolia Branch Company of Datang, head of Labor Organization Division of the Human Resource Department of the Company, the deputy director of human resources department of Datang Jingjinji Power Development Company Limited, the deputy director of Human Resources Department of the Company. He currently serves as the director of Human Resources Department of the Company and a Supervisor of the Company.



## Human Resources Overview

### 3. Biographies of senior management



#### Wang Zhenbiao Deputy General Manager

Mr. Wang, aged 59, is a senior engineer with a postgraduate degree. He successively served as deputy director of the power generation division of the production technology department of North China Power Group Company (華北電力集團公司); chief engineer of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (內蒙古大唐國際托克托發電有限責任公司); deputy manager, manager, deputy chief engineer, chief engineer and deputy general manager of the engineering construction department of Datang International Power Generation Co., Ltd.; general manager and deputy secretary of the Party Committee of Datang Heilongjiang Power Generation Company Limited (大唐黑龍江發電有限公司); secretary of the Party Committee and assistant dean of China Datang Corporation Science and Technology Research Institute (中國大唐集團科學技術研究院); dean and deputy secretary of the Party Committee of China Datang Corporation Science and Technology Research Institute (中國大唐集團科學技術研究院); chairman and secretary of the Party Committee of China Datang Corporation Science and Technology General Research Institute Co., Ltd. (中國大唐集團科學技術研究總院有限公司). He is currently the Deputy General Manager of the Company.



#### Qiao Yang General Legal Advisor

Mr. Qiao, aged 51, is a principal senior economist with a bachelor's degree. He successively served as the deputy director (presiding) and director of division I of the legal affairs department, deputy director of the legal affairs department of State Development & Investment Corp., Ltd., and the senior legal advisor of China Datang Corporation. He is currently the General Legal Advisor of the Company.

### 3. Biographies of senior management



#### Sun Yanwen Chief Accountant, Joint Company Secretary

Mr. Sun, aged 54, holds a bachelor's degree. Mr. Sun successively served as a capital management professional and cost management professional in North China Power Group Company; deputy director of the accounting division, director of the capital and property rights division of the finance and property rights management department, and director of the capital and asset division of the finance management department of China Datang Corporation Ltd., director of the finance department of Datang International Power Generation Co., Ltd., chief accountant and member of the Party committee of Datang Jingjinji Power Development Company Limited, chief accountant and member of the Party committee of China Datang Corporation Renewable Power Co., Limited, and deputy director of the investment cooperation department (capital operation department), deputy director of the investment development department of China Datang Corporation Ltd, and a director of Datang Huayin Electric Power Co., Ltd. (600744.SH). He is currently the Chief Accountant, the Secretary to the Board and Joint Company Secretary of the Company.



#### Lu Ping Deputy General Manager

Mr. Lu, aged 56, is a principal senior economist with a postgraduate degree. He has served as the deputy general manager of Yan'an Electric Power Kaiyuan Industrial Corporation (延安電力開源實業總公司), executive deputy general manager of Yan'an Power Plant Kaiyuan Corporation (延安發電廠開源總公司), deputy director of Datang Yan'an Power Plant (大唐延安發電廠), executive deputy general manager (presiding) of Ordos Yinhe Hongtai Coal Power Company Limited (鄂爾多斯市銀河鴻泰煤電有限責任公司), deputy director of Datang Shaanxi Power Generation Fuel Management Center (大唐陝西發電燃料管理中心), deputy general manager of Datang Shaanxi Power Generation Fuel Company (大唐陝西發電燃料公司), director of the Planning and Transportation Division of the Fuel Management Department of China Datang Corporation Ltd. (中國大唐集團有限公司), deputy director of the Fuel Management Department of China Datang Corporation Ltd. (中國大唐集團有限公司), deputy director of the Fuel Allocation Center of China Datang Corporation Ltd. (中國大唐集團有限公司), and deputy general manager and member of the Party Committee of Datang Power Fuel Co., Ltd. (大唐電力燃料有限公司). He is currently the Deputy General Manager of the Company.



## Human Resources Overview

### 3. Biographies of senior management



#### **Jin Rifeng** Deputy General Manager

Mr. Jin, aged 51, is a principal senior engineer with a bachelor's degree. He has successively served as the director of the power generation department, deputy chief engineer, chief engineer and deputy general manager of Tianjin Datang International Panshan Power Generation Company Limited, general manager and deputy secretary of the Party Committee of Hebei Datang International Tangshan Thermal Power Company Limited, general manager of Hebei Datang International Qian'an Thermal Power Company Limited, and office director of Datang International Power Generation Co., Ltd. He is currently the Deputy General Manager of the Company.

### (VI) Resigned Directors, Supervisors and Senior Management (as at the Latest Practicable Date)

1. Upon the election of the new Directors at the general meeting of the Company, Mr. Liu Jianlong (Non-executive Director) no longer served as the Non-executive Director due to work adjustment since 21 February 2023; Mr. Liu Jizhen (Independent Non-executive Director) no longer served as the Independent Non-executive Director due to the expiry of term of office as he had served as the Independent Non-executive Director of the Company for six consecutive years since 21 February 2023; Mr. Liang Yongpan (Executive Director) no longer served as the Executive Director due to work adjustment since 21 December 2023; Mr. Xiao Zheng and Mr. Li Jingfeng (Non-executive Directors) no longer served as the Non-executive Directors due to work adjustment since 21 December 2023; Mr. Si Fengqi (Independent Non-executive Director) no longer served as the Independent Non-executive Director due to personal work reasons since 21 December 2023.
2. Upon the election of the new Supervisor at the general meeting of the Company, Mr. Zhang Xiaoxu (Supervisor) no longer served as the shareholder representative Supervisor due to age since 21 December 2023.
3. Mr. Liang Yongpan resigned from the position of the general manager of the Company on 21 December 2023 by submitting a written resignation report to the Board of Directors of the Company due to work adjustment.
4. The biographies of the former Directors, Supervisors and senior management as at the Latest Practicable Date are set out below:

Liang Yongpan, aged 58, is a principal senior engineer with a bachelor's degree. He participated in work in Lanzhou No. 2 Thermal Power Factory since August 1988. He was once the general manager of Lanzhou Xigu Thermal Power Co. Ltd., member of Party Committee, deputy general manager and chairman of the Labour Union of Datang Gansu Power Generation Co., Ltd., deputy head of Planning, Investment and Financing Department of China Datang Corporation, the secretary of Party Committee and general manager of Datang Gansu Power Generation Co., Ltd., the head of Planning and Marketing Department of China Datang Corporation, the director of Safety Production Department of China Datang Corporation Ltd., the assistant to the general manager of China Datang Corporation Ltd. and the chairman and the Party secretary of Datang Jingjinji Power Development Company Limited, the head of Beijing-Tianjin-Hebei Branch of Datang International Power Generation Co., Ltd., and the chairman, Party Committee secretary and general manager of the Company. He is currently the assistant to the general manager of China Datang Corporation Ltd.



## Human Resources Overview

Liu Jianlong, aged 61, is a principal senior engineer with a master's degree. He successively served as a member of the Party Group, deputy general manager and head of discipline inspection committee of Hunan Huayin Electric Power Co., Ltd. (湖南華銀電力股份有限公司); deputy director of the safety and production department of China Datang Corporation; secretary of the Party committee and deputy general manager of Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司); director of science, technology and informatization department of China Datang Corporation Ltd.; general manager and deputy secretary of the Party committee of Jiangxi branch of China Datang Corporation Ltd.; general manager and deputy secretary of the Party committee of Jiangxi branch of Datang International; general manager and secretary of the Party committee of Datang Hubei Energy Development Co., Ltd. (大唐湖北能源開發有限公司); director of Yangtze River Economic Belt Planning and Development Center of China Datang Corporation (中國大唐集團長江經濟帶規劃發展中心); secretary of the Party committee and deputy general manager of Hunan branch of China Datang Corporation Ltd.; secretary of the Party committee, deputy general manager and a director of Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司); a fulltime director of China Datang Corporation Ltd.; a director of Datang Henan Power Generation Co., Ltd. (大唐河南發電有限公司); a director of China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (01798.HK); and a Director of the Company.

Xiao Zheng, aged 59, is a principal senior economist with a bachelor's degree. He served as secretary of the Youth League General Branch of the Taiyi Engineering Division of Shanxi Electric Power Construction No. 1 Engineering Company (山西省電力建設第一工程公司); deputy secretary of the Youth League Committee of Shanxi Electric Power Construction No. 4 Engineering Company (山西省電力建設第四工程公司); director of the office of Shanxi Electric Power Huaqing Enterprise Company (山西電力華青企業公司); director of the office of Diversified Operation and Management Administration of Shanxi Electric Power Company (山西省電力公司); deputy director of the General Manager Work Department of Shanxi Jinneng Group Co., Ltd. (山西晉能集團有限公司); cadre and deputy director of the Diversified Operation Division of the Human Resources Department of the State Power Corporation (國家電力公司); deputy director (presiding) of the Comprehensive Utilization Division of the Diversified Operation and Management Department of Huaneng Power International, Inc. (600011.SH, 0902.HK, HNP.N); deputy director (presiding) and director of the Diversified Operation and Management Division of the Human Resources Department, and deputy director of the Human Resources Department of China Datang Corporation Ltd.; secretary of the Party group and deputy general manager of Datang Yunnan Power Generation Co., Ltd.; secretary of the Party Committee and deputy general manager of Datang Yunnan Power Generation Co., Ltd.; secretary of the Party Committee and deputy general manager of Datang Shaanxi Power Generation Co., Ltd. (大唐陝西發電有限公司); and the deputy secretary of the Party Committee, chairman of the Labour Union and a Director of the Company. He is currently a full-time director of China Datang Corporation Ltd.

## Human Resources Overview

Li Jingfeng, aged 60, is a senior economist with a bachelor's degree. He served as the deputy chief economist and director of the planning marketing department of Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司); deputy general manager, member of the Party Committee, chairman of the Labour Union of Datang Heilongjiang Power Generation Co., Ltd.; general manager and deputy secretary of the Party Committee of Datang Heilongjiang Power Generation Co., Ltd.; executive director and secretary of the Party Committee of Liaoning Branch of China Datang Corporation Ltd; a full-time director of China Datang Corporation Ltd., a director of Guangxi Guiguan Electric Power Co., Ltd. (600236.SH) and a Director of the Company.

Liu Jizhen, aged 72, is a professor, a tutor of doctoral students and an academican of the Chinese Academy of Engineering. Mr. Liu served as the head of the Faculty of Power of North China Power College; served as the vice dean of North China Power College, the vice principal of North China Electric Power University and the principal of Baoding Campus; served as the principal of Wuhan University of Hydraulic and Electrical Engineering; and served as the principal of North China Electric Power University and an independent director of Huaneng Power International Inc. and the Company. He currently serves as the head of the "State Key Laboratory of Alternate Electrical Power System with Renewable Energy Sources", and the chief scientist of the "973 Programme". He concurrently serves as the vice president of Chinese Society for Electrical Engineering, a fellow of the Institution of Engineering and Technology (FIET), and the vice president of the China Association for Public Safety.

Si Fengqi, aged 51, holds a doctorate degree in power machinery and engineering, and is a professor and a doctoral supervisor. He was a visiting scholar at Lehigh University in the United States, a visiting scholar at the University of Alberta in Canada and an independent non-executive Director of the Company. He is currently the deputy dean and professor of Southeast University School of Energy and Environment and deputy director of the Key Laboratory of Energy Thermal Conversion and Its Process Measurement and Control of the Ministry of Education. He is also a director of Chinese Society of Power Engineering, vice chairman of Automatic Control Special Committee, deputy director of the Steam Turbine Special Committee of China Electricity Technology Market Association, director of Jiangsu Society for Engineering Thermophysics, and director of Energy Research Association of Jiangsu Province.

Zhang Xiaoxu, aged 60, is a senior accountant with a bachelor's degree. Mr. Zhang commenced his career in Liaoning Fushun First Construction Company in 1982. He served as an accountant in Liaoning Fushun First Construction Company, accountant and chief accountant of Financial Department of Liaoning Power Plant; and deputy head and head of Finance Department, deputy chief accountant, chief accountant of Liaoning Nenggang Power Generation Co., Ltd., and the vice manager and manager of Financial Department of Tianjin Jinneng Investment Co., Ltd., the manager of the settlement center of Tianjin Energy Investment Group Co., Ltd., and a director and the general manager of Tianjin Energy Group Finance Co., Ltd., the chairman of Tianjin Energy Group Finance Co., Ltd., and the vice chairman of the Supervisory Committee of the Company.

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



## MANAGEMENT OF INVESTOR RELATIONS

Since its listing, Datang Power has always attached great importance to the management of investor relations. The philosophy of Datang Power's investor relations practice hinges on integrity as the basis and communication as the means. In order to maintain smooth communication with investors, the Company has set up special office and specialised personnel to be responsible for the management of investor relations work, formulated the Management System for Investor Relations of Datang International Power Generation Co., Ltd. and established various channels (such as results presentations, telephone conferences and on-site meetings), to enable investors to establish contact with the Company and provide channels for shareholders and investors to express opinions.

In 2023, Datang Power conducted active and sincere communication with investors and analysts by various channels including results presentations, telephone conferences and attending strategy meetings of securities firm. During the reporting period, the Company met 191 visits of investors and analysts. After reviewing different channels of communication with shareholders, the Company considers that the shareholder communication policy was appropriately implemented and effective during the year.

### INVESTOR Q&A

#### 1. What plans does the Company have in terms of green and low-carbon transformation and development during the 14th Five-Year Plan?

The Company will actively seize strategic opportunities, accelerate the restructuring and green transformation, actively integrate into and serve regional development plans, and promote the construction of a number of major projects with scale, impact, quality and efficiency in the 14th Five Year Plan. The Company will vigorously develop wind, photovoltaic and hydroelectric power generation, expand new development paths, and promote base based, large-scale and intensive development. The Company will orderly promote the upgrading and transformation of thermal power, reduce carbon emissions and develop advanced coal-fired power, eliminate outdated production capacity, and extend the lifespan and improve the efficiency of existing coal-fired power through technological innovation and transformation. The Company will actively deploy offshore wind power, innovate new development models, and achieve new breakthroughs in offshore wind power. The Company will also actively promote the development of distributed rooftop photovoltaic and distributed wind

power throughout the county to ensure project profitability. The Company will steadily expand the efficient clean heating market for people's livelihoods in northern cities, promote low-carbon and clean heating with new energy, and assist local governments in carbon reduction and emission reduction; actively carry out research on new business projects such as pumped storage, air storage, new energy hydrogen production and hydrogenation, carbon capture, storage and utilization (CCUS), and promote the implementation of effective demonstration projects. The Company will make full use of the financing platform of listed companies, continuously optimize and enhance its investment capacity, and create a world-class energy listed company with "green, low-carbon, multi energy complementary, efficient collaboration and digital intelligence".

#### 2. What progress did the Company make in obtaining approval for its projects and project operation in 2023?

In 2023, the approved capacity of the Company's power supply projects was 12,782.43MW, including the approved capacity of two coal-fired thermal power projects of 4,000MW; the approved capacity of one gas-fired thermal power project of 1,076MW; the approved capacity of 16 wind power projects of 2,217.3MW; the approved capacity of 165 photovoltaic projects of 5,489.13MW. In 2023, the total newly installed capacity of power generation units of the Company was 4,799.2MW, including newly installed capacity of gas-fired thermal power projects of 577MW, newly installed capacity of wind power projects of 2,047.5MW and newly installed capacity of photovoltaic projects of 1,604.7MW. The proportion of installed capacity of low carbon and clean energy increased to 37.75%.

#### 3. What are the Company's performance of capital expenditure for 2023?

In 2023, the Company completed large and medium-sized infrastructure projects with an investment of RMB20.693 billion. The investment structure comprised of: coal-fired thermal power projects of RMB4.773 billion, gas-fired thermal power projects of RMB443 million, hydropower project of RMB149 million, wind power projects of RMB8.846 billion, photovoltaic power projects of RMB5.913 billion and others of RMB569 million.

# CORPORATE GOVERNANCE REPORT

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

## Compliance with the Corporate Governance Code

In 2023, the actual situation of corporate governance of the Company did not deviate substantially from the rules and requirements under the China Securities Regulatory Commission (the "CSRC") and other relevant regulatory authorities. None of the Company, the Board or the Directors of the Company was subject to the inspection, administrative punishment or criticism by means of circular by the CSRC, or punishment by other regulatory authorities and condemnation from stock exchanges.

The Company has adopted the principles and code provisions (the "Code Provisions") set out in Part II of the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") as the basis of the Company's corporate governance. During the period from 1 January 2023 to 31 December 2023 (the "Year"), the Company fully complied with all the Code Provisions except for the following:

From 6 July 2021 to 21 December 2023, the positions of chairman and chief executive (general manager) of the Company were both held by Mr. Liang Yongpan. The Company considered that Mr. Liang Yongpan holding the two positions would contribute to promote the continuity of the Company's policies and the stability and efficiency of the Company's operations, which is appropriate and in the best interests of the Company. In addition, the Board also met regularly to review the Company's operations led by Mr. Liang Yongpan. Therefore, the Board considered that such arrangement would not have an impact on the balance of power and authority between the Board and the management of the Company. Based on the above reasons, during the above period, the Company did not separate the roles of chairman and chief executive and had them performed by different individuals as required under the Code Provision C.2.1.

During the Year, the legal action which the Directors may face was covered by the internal risk management and control of the Company. As the Company considers that no additional risk exists, no insurance arrangements for Directors have been made as required under the Code Provision C.1.8.



## Corporate Governance Report

During the Year, the Nomination Committee, the Remuneration and Appraisal Committee, the Audit Committee as well as the Strategic Development and Risk Control Committee set up by the Company carried out their work in accordance with their respective terms of reference. Their terms of reference have covered the responsibilities to be performed as required by the Code Provisions B.3.1, E.1.2 and D.3.3. The only discrepancies that existed were the expressions or sequence between such terms of reference and the aforesaid code provisions.

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

### Corporate Culture

The Company attaches great importance to and continues to deepen the construction of corporate culture and strengthen the transmission of values. Details of the corporate culture of the Company are set out in the section headed "Corporate Culture" of the 2023 Social Responsibility Report (Environmental, Social and Governance Report) of the Company.

### Corporate Governance Organization and Its Operation

#### 1. Shareholders and General Meeting

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

During the Year, the Company held a total of five general meetings, considering and approving 15 ordinary resolutions and 2 special resolutions, and a professional lawyer was invited to each general meeting as a witness to ensure all shareholders were treated equally and exercised their rights adequately. The matters considered at the general meetings of the Company in 2023 mainly included work reports of the Board (Supervisory Committee) of the Company for the year 2022, changes in Directors and supervisors of the Company, financing budget plan, final annual accounts, finance guarantees, major connected transactions, transfer of equity, profit distribution and appointment of accounting firm, etc.

As of the year end of 2023, the implementation of the resolutions in the general meetings are as follows:

1. Guarantees: Within the scope approved by the general meeting, the provision of guarantees to its subsidiaries totalled RMB861 million.
2. Financing: The debt financing of the parent company in 2023 was RMB29.862 billion. The equity financing was RMB21.0 billion.
3. Completed the profit distribution for the year 2022 in accordance with RMB0.029 per share (tax inclusive).
4. Completed the adjustments of Directors and Supervisors.
5. Carried out connected transactions in compliance with the approval of the general meeting, and entered into the Factoring Business Cooperation Agreement with Datang Commercial Factoring Company Limited.

6. Appointment of Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as certified public accountants for carrying out the domestic and overseas audits of financial statements and internal control of the Company for the year 2023.
7. Completed the registration of the qualification for debt financing instruments (“DFI”) of non-financial enterprises.
8. Completed the transfer of 5% equity interest in Luoneng Company held by Anhui Company, and completed the industrial and commercial changes.

For details about the resolutions passed at general meetings for the year 2023, please refer to the announcements on such resolutions published by the Company on the Hong Kong Stock Exchange’s website.

CDC, the controlling shareholder of the Company, adhering to the principle of not competing with the Company directly or indirectly, has made relevant undertakings at the initial public offering of A shares by the Company in 2006 and in October 2010, respectively, so as to address the issue of business competition. CDC has provided supplementation and improvement to the aforementioned undertakings in June 2014, May 2015 and September 2015, respectively. As at 31 December 2023, CDC has strictly and actively complied with the relevant undertakings. For details, please refer to the announcements of the Company dated 27 June 2014, 1 June 2015 and 13 October 2015.

For the year 2023, the Company placed particular emphasis on shareholders’ relations, maintaining communication with shareholders through various channels to facilitate mutual understanding between the Company and its shareholders. In particular, the Company has established a division and assigned designated staff to receive visitors, making its contact numbers publicly available and to answer telephone enquiries at any time. In addition, the Company’s website was set up to present the latest updates and past results of the Company as well as the management body of the Company, so as to facilitate shareholders’ or investors’ comprehensive understanding of the Company.

For details about the Company’s communication with shareholders and investors for the year 2023, please refer to the “Management of Investor Relations” section of this annual report. Please refer to the section headed “Shareholders’ Rights and Communication with Shareholders” in this chapter for shareholders’ rights and procedures and channels of inquiry.



# Corporate Governance Report

## 2. Directors and the Board

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

As at the Latest Practicable Date, the members of the Board of Directors are set out below:

*Executive Director*

Wang Shunqi (*Chairman*)

*Non-executive Directors*

Ying Xuejun, Xu Guang, Tian Dan, Ma Jixian, Zhu Shaowen, Cao Xin, Zhao Xianguo, Jin Shengxiang, Sun Yongxing

*Independent Non-executive Directors*

Niu Dongxiao, Zong Wenlong, Zhao Yi, Zhu Dahong, You Yong

There are no relationships (including financial, business, family or other material or relevant relationships) between members of the Board.

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

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

The Company has put in place mechanisms to ensure that the Board is provided with independent views and opinions. Specifically: At Board meetings, Directors can express their opinions freely, and major decisions shall be made only after thorough discussions. Directors may also engage independent professional institutions at the Company's expense after going through due procedures, if they deem it necessary to get independent professional opinions. If any Director has interests in a proposal to be considered by the Board, he or she should abstain from discussion and voting on the relevant proposal, and will not be counted in the quorum of the relevant proposal. In addition, Independent Non-executive Directors should also express objective and impartial independent opinions on the matters discussed by the Company and their participation ensures that the Board has a strong and sufficient element of independence. For details of the duties of the Independent Non-executive Directors, please refer to the section headed "4. Non-executive Directors and Independent Directors" in this chapter. The Board reviews the implementation and effectiveness of the aforementioned mechanism on an annual basis.

The Board formulated the Rules of Proceedings for Board Meetings, which, amongst others, clarified matters to be decided by the Board, its scope of power and the rules of proceedings. During the Year, the Board of the Company held 16 meetings. The convening and voting procedures of the meetings were in compliance with the requirements under the Articles of Association and the Rules of Procedures for Board Meetings. Major particulars of the resolutions made at the Board meetings include:

1. Consideration of work reports related to the Company, which primarily include:
  - (1) the 2022 work report of the Board and work report of the general manager of the Company;
  - (2) the 2022 internal control evaluation report and audit report of the Company;
  - (3) the 2022 Social Responsibility Report of the Company (Environmental, Social and Governance Report);
  - (4) the 2022 Compliance Management Work Report of the Company;
  - (5) the ongoing risk assessment report of Datang Group Finance Company.
2. Consideration of matters related to the operating results of the Company, which primarily include:
  - (1) the 2022 final accounting report and 2023 financial budget plan;
  - (2) the 2023 first quarterly, interim and third quarterly reports of the Company;
  - (3) the profit distribution proposal for the year 2022 of the Company.



## Corporate Governance Report

3. Consideration of matters related to capital operation and investment of the Company, which primarily include:
  - (1) the capital increase to Sichuan Datang International New Energy Co., Ltd., Tangshan New Energy Company, Datang Nuclear Power Company, Fujian New Energy Company, Datang International Tuoketuo Power Generation Company and others;
  - (2) the transfer of H shares held by Hong Kong Company in Yitai Coal, the transfer of 5% equity interest held by Anhui Company in Luoneng Company and the conversion of Luohe Power Generation Branch from a branch into a subsidiary, the transfer of equity interest in Huainan Luohe Power Generation Co., Ltd., and the transfer of Sheraton Hotel, Datang Jinzuo Office Building and related physical assets;
  - (3) the participation in the investment in 50% equity interest of Ganzhou Shengtang New Energy Investment Company Limited, and the participation in the investment in 12% equity interest of China Datang Corporation Technology Innovation Co., Ltd.;
  - (4) the investment in construction of Chaozhou Power Plant Units 5-6 Project, Chongqing Tongliang Energy Storage Project, Chongqing Jiangjin 2x500 MW Gas-Steam Combined Cycle Power Generation Project, Jiangxi Fuzhou Dongxiang 100MWp Fishery and Photovoltaic Complementary Photovoltaic Project, Liaoning Huludao Nanpiao 250 MW Wind Power Project, Datang Qitaihe Luoquan 200MW Wind Power, Tangshan Photovoltaic-Hydrogen-Storage and Hydrogen Energy Integrated Application Demonstration Projects, etc.;
  - (5) the merger by absorption of Liaoning Datang International Jinzhou Thermal Power Company Limited, the waiver of capital increase in Datang Finance Leasing Company Limited, the capital reduction plan of North China Electric Power Research Institute and others.
4. Consideration of guarantee and financing plans:
  - (1) determination of the financing proposal of Datang International as the parent company for the year 2024;
  - (2) entrusted loans, guarantees and "lending and repayment" loan budget for the year 2023, and the maturity replacement of entrusted loans and "lending and repayment" loans;
  - (3) registration of the qualification for debt financing instruments (DFI) of non-financial enterprises.

5. Consideration of related financial matters:
  - (1) provisions of impairment, asset retirement and write-off of preliminary expenses for certain affiliated enterprises;
  - (2) the non-operating funds appropriation and other related funds transactions for 2022;
  - (3) changes in accounting policies.
6. Consideration of connected transactions:
  - (1) confirmation of connected transactions of the Company for the year 2022 and the first half of 2023;
  - (2) entering into the Factoring Business Cooperation Agreement with connected parties.
7. Changes in the composition of the Board and the management and institutions:
  - (1) adjustment to the Directors of the Company. It is proposed that Mr. Xu Guang would serve as a Non-executive Director of the eleventh session of the Board of the Company, while Mr. Xiao Zheng ceased to serve as a Non-executive Director of the eleventh session of the Board of the Company;
  - (2) adjustment to the Directors of the Company. It is proposed that Mr. Ma Jixian would serve as a Non-executive Director of the eleventh session of the Board of the Company, while Mr. Li Jingfeng ceased to serve as a Non-executive Director of the eleventh session of the Board of the Company;
  - (3) adjustments to the Directors and Independent Non-executive Directors of the Company. It is proposed that Mr. Wang Shunqi would serve as an Executive Director of the eleventh session of the Board of the Company, while Mr. Liang Yongpan ceased to serve as an Executive Director of the eleventh session of the Board of the Company; Mr. You Yong would serve as an Independent Non-executive Director of the eleventh session of the Board of the Company, while Mr. Si Fengqi ceased to serve as an Independent Non-executive Director of the eleventh session of the Board of the Company;
  - (4) election of Mr. Wang Shunqi as the Chairman of the eleventh session of the Board of the Company;
  - (5) appointment of Board Secretary of the Company;



## Corporate Governance Report

- (6) adjustment to the composition of members of the specialised committees under the Board according to the changes in the Directors of the Company;
  - (7) establishment of Huaian New Energy, Datang (Beipiao) New Energy Co., Ltd. and other companies, and cancellation of the registration of Xingtang Branch.
8. Engagement of the Company' s auditors for the year 2023:
- (1) Appointment of Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as the auditors of domestic and the international financial report and internal control of the Company for the year 2023;
  - (2) Appointment of Baker Tilly China (Special General Partnership) as the internal control auditor of the Company for the year 2023.
9. Amendments to regulations and rules, primarily include:
- (1) amendments to the list of "Three Important and One Great" decision-making items, the list of decision-making items and the list of authorizations of the Board of Directors;

- (2) amendments to the Investor Relations Management System, Terms of Reference of the General Manager, Management System for Connected Transactions, Management Measures of Remuneration of Management Members, Work System for Independent Directors, Rules of Procedures for Board Meetings, terms of reference of the Board Committees and other systems.

The Board of the Company reviewed the 2023 Internal Control Evaluation Report and confirmed that the existing internal control management system of the Company was in compliance with the requirements of relevant state laws and regulations and regulatory authorities. The Board confirmed that there were no funds of the listed companies utilised by substantial shareholders.

For the year 2023, the Board members of the Company attended all the meetings either in person or by authorising other Directors to attend the meetings on their behalf.

Sixteen Board meetings were held in 2023, of which ten were on-site meetings and six were meetings held through communication.

Executive Directors	Attendance at general meetings	Attendance at Board meetings		
	Attendance rate (%)	Attendance in person/by proxy/ attendance required	Attendance rate (%)	Attendance rate (in person) (%)
Wang Shunqi (Chairman)*	–	2/0/2	100	100
Liang Yongpan <sup>#</sup>	80	14/0/14	100	100
Non-executive Directors	Attendance rate (%)	Attendance in person/by proxy/ attendance required	Attendance rate (%)	Attendance rate (in person) (%)
Ying Xuejun	60	15/1/16	100	94
Xu Guang*	–	2/0/2	100	100
Tian Dan*	100	15/0/15	100	100
Ma Jixian*	–	2/0/2	100	100
Zhu Shaowen	100	16/0/16	100	100
Cao Xin	40	13/3/16	100	81
Zhao Xianguo	100	16/0/16	100	100
Jin Shengxiang	80	15/1/16	100	94
Sun Yongxing	80	15/1/16	100	94
Liu Jianlong <sup>#</sup>	–	1/0/1	100	100
Xiao Zheng <sup>#</sup>	80	14/0/14	100	100
Li Jingfeng <sup>#</sup>	40	13/1/14	100	93
Independent Non-executive Directors	Attendance rate (%)	Attendance in person/by proxy/ attendance required	Attendance rate (%)	Attendance rate (in person) (%)
Niu Dongxiao	100	16/0/16	100	100
Zong Wenlong	80	15/1/16	100	94
Zhao Yi	100	16/0/16	100	100
Zhu Dahong*	100	15/0/15	100	100
You Yong*	–	2/0/2	100	100
Liu Jizhen <sup>#</sup>	–	1/0/1	100	100
Si Fengqi <sup>#</sup>	60	14/0/14	100	100

\* Mr. Tian Dan has served as the Director of the Company since 21 February 2023 as approved at the general meeting; and Mr. Zhu Dahong has served as the Independent Non-executive Director of the Company since 21 February 2023 as approved at the general meeting; Mr. Wang Shunqi, Mr. Xu Guang and Mr. Ma Jixian have served as the Directors of the Company since 21 December 2023 as approved at the general meeting; Mr. You Yong has served as the Independent Non-executive Director of the Company since 21 December 2023 as approved at the general meeting.

<sup>#</sup> Mr. Liu Jianlong no longer served as the Director of the Company due to work adjustment, with effect from the appointment of new Non-executive Director as elected at the general meeting of the Company on 21 February 2023; Mr. Liu Jizhen no longer served as the Independent Non-executive Director of the Company due to the expiry of term of office as he had served as the Independent Non-executive Director of the Company for six consecutive years, with effect from the appointment of new Independent Non-executive Director as elected at the general meeting of the Company on 21 February 2023. Mr. Liang Yongpan no longer served as the Director of the Company due to work adjustment, with effect from the appointment of new Executive Director as elected at the general meeting of the Company on 21 December 2023; Mr. Xiao Zheng and Mr. Li Jingfeng no longer served as the Directors of the Company due to work adjustment, with effect from the appointment of new Non-executive Directors as elected at the general meeting of the Company on 21 December 2023. Mr. Si Fengqi no longer served as the Independent Non-executive Director of the Company due to personal work reasons, with effect from the appointment of new Independent Non-executive Director as elected at the general meeting of the Company on 21 December 2023.



## Corporate Governance Report

### 3. Supervisors and the Supervisory Committee

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

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

As at the Latest Practicable Date, the members of the Supervisory Committee are:

Guo Hong (chairman of the Supervisory Committee), Han Fang (vice chairman of the Supervisory Committee), Liu Liming, Xu Xiangyang

	Attendance at the Supervisory Committee meetings	
	Attendance rate (%)	Attendance rate (in person) (%)
<b>Shareholder Representative Supervisors</b>		
Han Fang (Vice chairman of the Supervisory Committee)*	100	100
Liu Liming	100	100
Zhang Xiaoxu*	100	100
<b>Employee Representative Supervisors</b>		
Guo Hong (Chairman of the Supervisory Committee)	100	100
Xu Xiangyang	100	100

\* Mr. Han Fang served as the shareholder representative Supervisor of the Company as approved at the general meeting, with effect from 21 December 2023; Mr. Zhang Xiaoxu no longer served as the shareholder representative Supervisor of the Company from same date.

#### 4. Non-executive Directors and Independent Directors

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

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

The Independent Directors of the Company discharged the relevant duties faithfully with integrity and diligence towards the Company and all shareholders (especially minority shareholders). During the year, the Independent Directors actively attended the general meetings, board meetings and relevant meetings of the specialised committees; discharged their duties conscientiously; offered positive recommendations on the business development and operational management of the Company by making full use of their expertise and experience in financial, corporate management

and other aspects; and conducted cautious review and presented independent opinions on the material connected transactions, external guarantees and other matters of the Company. During the preparation of the 2023 Annual Report, the Independent Directors played an active role in the Company as they supervised and inspected carefully details of the Company’s annual production and operations which are in strict compliance with the requirements of the securities regulatory authorities and the “Annual Report Work System for Independent Directors”; maintained communication with the accountants for the annual audit to acquire a comprehensive understanding of, supervised and inspected the Company’s annual audit arrangements and process; bringing into full play of their responsibility as Independent Directors.

#### 5. Chairman and Chief Executive Officer (General Manager)

From 6 July 2021 to 21 December 2023, the positions of chairman and chief executive officer (general manager) of the Company were both held by Mr. Liang Yongpan. The Company considered that Mr. Liang Yongpan holding of the two positions would contribute to promote the continuity of the Company’s policies and the stability and efficiency of the Company’s operations, which is appropriate and in the best interests of the Company. In addition, the Board also met regularly to review the Company’s operations led by Mr. Liang Yongpan. Therefore, the Board considered that such arrangement would not have an impact on the balance of power and authority between the Board and the management of the Company. Based on the above reasons, during the above period, the Company did not separate the roles of chairman and chief executive officer and had them performed by different individuals as required under the Code Provision C.2.1. As at the Latest Practicable Date, the Chairman of the Company is Mr. Wang Shunqi and the position of general manager is temporarily vacant.



## Corporate Governance Report

The responsibilities and authorities of the Chairman and the general manager are expressly provided in the Articles of Association. The main duties of the Chairman include presiding over the general meetings, convening and presiding over Board meetings and reviewing the status of the implementation of the Board's resolutions. The main duties of the general manager include: (1) to take charge of the production and operation management of the Company, and coordinate the implementation of the Board resolutions and report to the Board; (2) to coordinate the implementation of the Company's annual operation plans and investment proposals; (3) to formulate the plan for establishing the Company's internal management institutions; (4) to lay down the Company's fundamental management system; (5) to formulate the fundamental constitution of the Company; (6) to propose the appointments or dismissals of the vice general manager and the person in charge of finance; and (7) to appoint or dismiss other officers who are not appointed or dismissed by the Board.

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

### Compliance of the Model Code

The Company has adopted the code of conduct regarding the directors' securities transactions on terms no less extracting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Upon specific enquiries made to all Directors and Supervisors and in accordance with information provided, the Company confirmed that all Directors and Supervisors have complied with the Model Code during the Year.

### Training of Directors

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

Details of the trainings attended by the Directors in 2023 and up to the Latest Practicable Date are set out below:

Director	Position	Type of Training Participated	Training Type
Wang Shunqi*	Chairman	A, C, D	A. Training provided by regulators/ counsels
Liang Yongpan#	Chairman	A, C, D	B. Attending seminars/forums
Ying Xuejun	Director	A, C, D	C. Reading economic, financial and business articles, as well as articles and information related to the duties of a director and the Company
Xu Guang*	Director	A, C, D	
Tian Dan*	Director	A, C, D	D. Conducting on-site inspections on the Company's business
Ma Jixian*	Director	A, C	
Zhu Shaowen	Director	A, C, D	
Cao Xin	Director	A, C, D	
Zhao Xianguo	Director	A, C, D	
Jin Shengxiang	Director	C, D	
Sun Yongxing	Director	A, C, D	
Liu Jianlong#	Director	C	
Xiao Zheng#	Director	A, C, D	
Li Jingfeng#	Director	A, C, D	
Niu Dongxiao	Independent Non-executive Director	A, B, C, D	
Zong Wenlong	Independent Non-executive Director	A, B, C, D	
Zhao Yi	Independent Non-executive Director	A, C, D	
Zhu Dahong*	Independent Non-executive Director	A, C, D	
You Yong*	Independent Non-executive Director	A, C	
Liu Jizhen#	Independent Non-executive Director	C	
Si Fengqi#	Independent Non-executive Director	C, D	

\* Mr. Tian Dan has served as the Director of the Company since 21 February 2023 as approved at the general meeting; and Mr. Zhu Dahong has served as the Independent Non-executive Director of the Company since 21 February 2023 as approved at the general meeting; Mr. Wang Shunqi, Mr. Xu Guang and Mr. Ma Jixian have served as the Directors of the Company since 21 December 2023 as approved at the general meeting; Mr. You Yong has served as the Independent Non-executive Director of the Company since 21 December 2023 as approved at the general meeting.

# Mr. Liu Jianlong no longer served as the Director of the Company due to work adjustment, with effect from the appointment of new Non-executive Director as elected at the general meeting of the Company on 21 February 2023; Mr. Liu Jizhen no longer served as the Independent Non-executive Director of the Company due to the expiry of term of office as he had served as the Independent Non-executive Director of the Company for six consecutive years, with effect from the appointment of new Independent Non-executive Director as elected at the general meeting of the Company on 21 February 2023. Mr. Liang Yongpan no longer served as the Director of the Company due to work adjustment, with effect from the appointment of new Executive Director as elected at the general meeting of the Company on 21 December 2023; Mr. Xiao Zheng and Mr. Li Jingfeng no longer served as the Directors of the Company due to work adjustment, with effect from the appointment of new Non-executive Directors as elected at the general meeting of the Company on 21 December 2023. Mr. Si Fengqi no longer served as the Independent Non-executive Director of the Company due to personal work reasons, with effect from the appointment of new Independent Non-executive Director as elected at the general meeting of the Company on 21 December 2023.



# Corporate Governance Report

## Remuneration of Directors, Supervisors and senior management

As of 31 December 2023, the annual remuneration groups for the Company's senior management (excluding Directors and Supervisors) are as follows:

RMB500,001 to RMB1,000,000	1 person
RMB1,000,001 and above	4 persons

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

Details of remuneration of Directors, Supervisors and senior management in 2023 are set out in Notes 14 and 15(c) to the Financial Statements from page 177 to page 180 and on page 181 respectively.

## Duties and Operation of Specialised Committees under the Board

### 1. Strategic Development and Risk Control Committee

- (1) Composition: The Board has established the Strategic Development and Risk Control Committee, which currently consists of seven Directors, one of whom is Independent Director. The committee has a chairman which shall be the chairman of the Company, and shall be in charge of the work of the committee.

As at the Latest Practicable Date, the members of the Committee are:

Chairman: Wang Shunqi (Executive Director)

Members:

Zhu Dahong (Independent Non-executive Director), Tian Dan (Non-executive Director), Ma Jixian (Non-executive Director), Zhu Shaowen (Non-executive Director), Cao Xin (Non-executive Director), Sun Yongxing (Non-executive Director)

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

- (3) Major Duties:

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

## Corporate Governance Report

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

#### (4) Meetings:

In 2023, one meeting was held to consider the completion of the planning and development work of the Company in 2022 and work plan for 2023 of the Company.

Committee Members	Attendance in person/ by proxy/attendance required
Wang Shunqi*	–
Zhu Dahong (Independent Director)*	1/0/1
Tian Dan*	1/0/1
Ma Jixian*	–
Zhu Shaowen	1/0/1
Cao Xin	1/0/1
Sun Yongxing	1/0/1
Liang Yongpan*	1/0/1
Liu Jizhen (Independent Director)*	–
Liu Jianlong*	–
Li Jingfeng*	1/0/1

\* Since 21 February 2023, some members of the committee were changed, Mr. Zhu Dahong and Mr. Tian Dan have served as the members of the Strategic Development and Risk Control Committee, and Mr. Liu Jizhen and Mr. Liu Jianlong ceased to be the members of the Strategic Development and Risk Control Committee. Since 21 December 2023, some members of the committee were changed, Mr. Wang Shunqi and Mr. Ma Jixian have served as the members of the Strategic Development and Risk Control Committee, and Mr. Liang Yongpan and Mr. Li Jingfeng ceased to be the members of the Strategic Development and Risk Control Committee.



# Corporate Governance Report

## 2. Nomination Committee

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

As at the Latest Practicable Date, the members of the Committee are:

Chairman: Niu Dongxiao (Independent Non-executive Director)

Members:

You Yong (Independent Non-executive Director), Zhao Yi (Independent Non-executive Director), Tian Dan (Non-executive Director), Ma Jixian (Non-executive Director)

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

(3) Major Duties:

- (i) to make recommendations to the Board with respect to the scale, constitution and composition (including skills, knowledge and experience) of the Board with reference to the operating activities, asset scale and shareholding structure of the Company;
- (ii) to examine the selection criteria and procedures of Directors and senior management to make recommendations to the Board;
- (iii) to select qualified candidates for Directors and senior management;
- (iv) to review and make recommendations on the nomination or appointment of Directors and the appointment or dismissal of senior management;
- (v) to assess the independence of independent Directors;
- (vi) to execute other matters as authorised by the Board.

### (4) Meetings:

Five meetings were held in 2023, at which changes to Directors and senior management of the Company were considered, and resolutions were passed and approved to be submitted to the Board for consideration and approval.

Committee Members	Attendance in person/by proxy/ attendance required
Niu Dongxiao (Independent Director)	5/0/5
You Yong (Independent Director)*	–
Zhao Yi (Independent Director)	5/0/5
Tian Dan*	5/0/5
Ma Jixian*	–
Liu Jianlong*	–
Li Jingfeng*	5/0/5
Si Fengqi (Independent Director)*	5/0/5

\* Since 21 February 2023, some members of the committee were changed, Mr. Tian Dan has served as the member of the Nomination Committee, and Mr. Liu Jianlong ceased to be the member of the Nomination Committee. Since 21 December 2023, some members of the committee were changed, Mr. Ma Jixian and Mr. You Yong have served as the members of the Nomination Committee, and Mr. Li Jingfeng and Mr. Si Fengqi ceased to be the members of the Nomination Committee.

### (5) Nomination of Directors

In accordance with the relevant provisions of the Articles of Association and the Articles of Work of the Nomination Committee of the Board of Directors, candidates for Directors are reviewed by the Nomination Committee for qualifications and nominated to the Board of Directors. Upon passing the review, the results shall be proposed to the Board for consideration before the submission thereby to the general meeting for approval in the form of proposal.

In the process of nomination of candidates for Directors, the Nomination Committee is obliged to widely seek shareholders' opinions and proposal on nomination and examine whether the candidates are equipped with professional knowledge, working experience for performance of duties and his/her qualifications are in compliance with the Company Law and relevant laws, administrative regulations and departmental rules. The Nomination Committee mainly considers the professional knowledge, work experience of the candidates for directorship and their capability to contribute to the Company as the selection and recommendation criteria, with taking into consideration the Board diversity policy (including gender diversity).



## Corporate Governance Report

(6) Policy for the Diversification of Board Membership

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

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

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

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

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

Age group			
46 to 50	51 to 55	56 to 60	61 to 65
20%	20%	40%	20%

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

Professional experience			
Production, operation and management	Science and technology R&D	Economics and finance	Law
60%	20%	13.33%	6.67%

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

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

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

As of the Latest Practicable Date, all Board members are male. In order to achieve gender diversity at the Board level, when electing and recommending suitable candidates for Board members, the Company will seize the opportunity to increase the proportion of female Board members and improve the level of gender diversity based on Shareholders' expectations and recommended best practices. It is expected that the Company will appoint at least one female Director by 31 December 2024, and plan to promote gender diversity in recruiting middle and senior employees, so that the Company will have more potential successors for female senior management and Board members.

In addition to the Board level, the Company also emphasises the diversity at all levels of employees (including gender diversity). For information (including gender proportion, etc.) of all employees (including senior management), please refer to the section headed "Human Resources Overview" in this annual report.



# Corporate Governance Report

## 3. Audit Committee

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

As of the Latest Practicable Date, the members of the committee are:

Chairman: Zong Wenlong (Independent Non-executive Director)

Members:

Niu Dongxiao (Independent Non-executive Director), You Yong (Independent Non-executive Director), Ying Xuejun (Non-executive Director), Jin Shengxiang (Non-executive Director)

- (2) Rules of Proceedings: The committee shall convene at least one meeting each quarter. An interim meeting can be convened as proposed by two or more members, or when the convenor deems it necessary. An interim meeting can be convened by means of communication (including telephone conference and facsimile transmission, etc.).

- (3) Major Duties:

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

- (ii) to propose the appointment or dismissal of the person in charge of finance of listed company;
- (iii) to supervise and evaluate external audit work, and to make recommendations on the appointment and replacement of external audit firm;
- (iv) to supervise and evaluate internal audit work, and to be responsible for the coordination between internal and external auditors;
- (v) to supervise and evaluate the Company's internal control;
- (vi) to review the Company's financial information and its disclosures;
- (vii) to review the internal control system of the Company and to audit major related party transactions;
- (viii) to review changes in accounting policies, accounting estimates or correction of significant accounting errors for reasons other than changes in accounting standards;
- (ix) to review the Internal Control Evaluation Report and Internal Control Audit Report;
- (x) to execute other matters prescribed by laws, administrative regulations, the CSRC, the listing rules of the place where the shares are listed and the Articles of Association.

(4) Meetings:

The Audit Committee under the Board held three meetings in 2023 to review the Company's performance, the 2022 internal control report, and the engagement of the accounting firm.

Committee Members	Attendance in person/by proxy/ attendance required
Zong Wenlong (Independent Director)	3/0/3
Niu Dongxiao (Independent Director)	3/0/3
You Yong (Independent Director)*	–
Ying Xuejun	3/0/3
Jin Shengxiang	3/0/3
Si Fengqi (Independent Director)*	3/0/3

\* Since 21 December 2023, some members of the committee were changed, Mr. You Yong served as the member of the Audit Committee, and Mr. Si Fengqi ceased to be the member of the Audit Committee.

## 4. Remuneration and Appraisal Committee

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

As of the Latest Practicable Date, the members of the committee are:

Chairman: Niu Dongxiao (Independent Non-executive Director)

Members:

Zong Wenlong (Independent Non-executive Director), Zhao Yi (Independent Non-executive Director), Xu Guang (Non-executive Director), Zhao Xianguo (Non-executive Director)

- (2) Rules of Proceedings: The Committee shall convene at least one meeting each year. The Committee meetings shall include regular meetings and interim meetings. An interim meeting can be convened as proposed by the convenor, and may be convened by means of communication (including telephone conference and facsimile transmission, etc.).

- (3) Major Duties:

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



## Corporate Governance Report

- (ii) to make remuneration plan or proposal according to the major scopes of work, duties and significance of the Directors, Supervisors and senior management positions as well as the remuneration levels of comparable positions in other comparable companies; remuneration plan or proposal mainly includes but not limited to performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty plans and systems;
- (iii) to review the fulfillment of the responsibilities of the Company's Directors and senior management and to conduct annual performance appraisal thereon;
- (iv) to supervise the implementation of the remuneration system of the Company's Directors and senior management;
- (v) to make recommendations on the formation of or change to equity incentive plan, employee stock ownership plan, grant of interests to participants and fulfilment of conditions for exercising rights and interests;
- (vi) to make recommendations for the directors and senior management on shareholding plans for the proposed spin-off of subsidiaries;
- (vii) to execute other matters as authorised by the Board.

#### (4) Meetings:

Three meetings were held in 2023 to review the remuneration packages of the Directors, Supervisors and senior management of the Company for 2022, the remuneration proposal for 2023, the management measures for remuneration of management of members, the performance appraisal and salary payment plan.

Committee Members	Attendance in person/by proxy/ attendance required
Niu Dongxiao (Independent Director)	3/0/3
Zong Wenlong (Independent Director)	3/0/3
Zhao Yi (Independent Director)	3/0/3
Xu Guang*	–
Zhao Xianguo	3/0/3
Xiao Zheng*	3/0/3

\* Since 21 December 2023, some members of the committee were changed, Mr. Xu Guang served as the member of the Remuneration and Appraisal Committee, and Mr. Xiao Zheng ceased to be the member of the Remuneration and Appraisal Committee.

### Corporate Governance Responsibilities

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

The duties of the Board in corporate governance primarily include:

- to formulate and inspect the Company's corporate governance policies and practices, and make recommendations;
- to organise and inspect the training of Directors and senior management;
- to supervise and monitor the Company's compliance with policies and practices under laws, regulations and regulatory requirements;
- to formulate, inspect and monitor the compliance with the conduct code by the employees and Directors of the Company;
- to inspect the Company's compliance with the Corporate Governance Code in Appendix C1 to the Listing Rules and the Company's disclosures in the Corporate Governance Report.

During the reporting year and previous years, the Company has compiled and published certain systems relating to the corporate governance policies and practices, primarily including:

- Articles of Association
- Rules of procedures for the Board, the Supervisory Committee and general meetings

- Rules of procedures for specialised committees under the Board
- Provisions for information disclosure management
- Administrative provisions for shares held by Directors, Supervisors and senior management and its changes
- Work system for Independent Directors
- Work rules for secretary to the Board
- Registration System for Informed Parties with Access to Inside Information
- Management System for Related Party Transactions
- Management System for Investor Relations, etc.

The Audit Committee under the Board has been delegated the corporate governance functions by the Board to supervise and facilitate the Company's compliance with the internal corporate governance code. A specialised office has been set up within the Company to assist the Audit Committee to review the Company's corporate governance structure on an ongoing basis and advise on the latest requirements of corporate governance and day-to-day operation of the Company's corporate governance office. The 2023 Internal Control Evaluation Report compiled by the Company pursuant to the requirements of the Chinese domestic regulators has been reviewed by the Audit Committee, considered by the Board and audited by the accountants. For details of the Company's internal control, please refer to the "Establishment of the Company's Internal Control System" section.



## Corporate Governance Report

### Joint Company Secretaries

Mr. Sun Yanwen has served as the joint company secretary of the Company since 15 September 2022, assisted by Ms. Mak Po Man Cherie, the Vice President of corporate secretarial department of SWCS Corporate Services Group (Hong Kong) Limited, as the other joint company secretary of the Company, for discharge of his duties as a company secretary. During the reporting period, the primary contact person of Ms. Mak Po Man Cherie was Mr. Sun Yanwen.

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

### Establishment of the Company's Internal Control System

Improving and effectively implementing the internal control is an ongoing responsibility of the Board and the management of the Company. The objectives of the Company's internal control are to provide reasonable assurances that the Company's operation management is lawful and compliant, the assets are safe, the financial statements and related information are truthful and complete, and operational efficiency and effectiveness are enhanced, thereby promoting the achievement of the development strategy of the Company. Since its incorporation, the Company has been continuously building and improving the internal control system to safeguard its sustainable, rapid, healthy, stable and orderly development, and to protect the interests of its shareholders pursuant to

the requirements of the Company Law, the Securities Law, the Governance Standards for Listed Companies, the Basic Standards for Internal Control of Enterprises, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange and the Listing Rules as well as other relevant laws, regulations, rules and normative documents, and in line with any changes in the internal and external environments. The Board has conducted an assessment of the internal control pursuant to the requirements of the Basic Standards for Internal Control of Enterprises and considered that it was effective as of 31 December 2023 (being the benchmark date).

#### 1. Establishment of Internal Control System

Datang Power attaches great importance to the construction of the internal control system. In 2023, according to the requirements of the corporate internal control standard system, the Company continuously optimized internal control process with a developmental vision and innovative thinking on the basis of continuously sorting out the business process; accurately identified and evaluated various internal and external risks, and improved internal control measures; strengthened internal supervision, carried out regular internal control self-evaluation and supervision and evaluation; improved the internal control system, and formed an internal control system with a good internal environment, scientific decision-making procedures, clear rights and responsibilities, standardized management, and effective risk control.

### 2. Internal Control Work Plan

In 2024, the Company will continue to improve various internal control systems, build a mutually integrated, collaborative and efficient internal control system, and continue to improve the level of internal control work. First, we will continue to do a good job in daily work to ensure the effective operation of the internal control system; second, we will use the annual risk assessment as a starting point to identify and study various risks, formulate effective and feasible risk management strategies, and ensure that various risks are controllable and under control; third, we will strengthen the use of internal control evaluation results and carry out in-depth internal control evaluation and risk assessment work, strengthen the rectification of internal control defects, and continue to track the effects of rectification; fourth, we will strengthen team building, organize professional training on internal control and risk management, and continuously improve professional level of full-time staff.

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

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

### Risk Management and Internal Control

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



## Corporate Governance Report

The risk management structure of the Company is guided under the “Three Defence Lines (三道防線)” risk management model. The first defence line refers to the relevant functional departments and affiliated enterprises, the second defence line refers to the risk management department, and the third defence line refers to the internal audit department. The relevant functional departments and affiliated enterprises of the Company regularly conduct identification, response and monitoring for risks. The Company earnestly analyses its situation within the industry on the basis of the study and judgement of the general domestic and international macro-economic situation annually and conducts comprehensive risk management according to the strategic objective and control requirements. The risk management department of the Company organises the headquarters and affiliated enterprises of the Company to conduct annual risk assessment, internal control evaluation and internal control audit, report to the Board on the internal control evaluation and internal control audit, and follow up the rectification progress of defects in prevention and control of risks and internal control particularly concerned. The internal audit department prepares annual audit plan based on problems and risks, supervises internal audit, and submits the results of audit supervision to the Audit Committee and the senior management of the Company for consideration and approval. Also, the internal audit department follows up the rectification progress of the problems identified in the audit and reports to the senior management of the Company. The review period of the risk management and internal control system covered is within the reporting period.

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

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

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

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

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

### Preparation Phase

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

### Implementation Phase

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

### Rectification Phase and Reporting Phase

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

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

### Inside Information

The Board of the Company is the governing body of inside information. The Secretary to the Board is the person-in-charge of the management work of the inside information. The securities and compliance department of the Company assists the Secretary to the Board to specifically handle daily management work of the inside information of the Company. In order to

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



# Corporate Governance Report

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

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

The statement of the auditor in relation to their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on page 101 to page 106.

## Company's Auditors

In 2023, the Company engaged Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited as its domestic and international auditors respectively, which are responsible for providing impartial and objective opinion on the Company's financial statements. The Company's Audit Committee has confirmed the independence and objectivity of the auditors. In 2023, the fee payable by the Company to Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited for the provision of audit service amounted to RMB12.015 million, and the fee payable by the Company for non-assurance services included internal control audit service fee of RMB1.80 million and tax service fee of RMB2.158 million.

## Shareholders' Rights and Communication with Shareholders

### 1. Shareholders can convene an extraordinary general meeting or share class meeting

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

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

### 2. Procedures for shareholders to inquire information

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

- (1) the Articles of Association will be available upon payment of costs by shareholders;
- (2) the shareholders have the right to inspect and make copies of the register of all classes of shareholders upon payment of a reasonable fee;
- (3) the personal data of the Company's Directors, Supervisors, managers and other senior management;
- (4) the status of the Company's share capital;
- (5) the total nominal value, the number as well as the highest and lowest prices of the shares of each class repurchased by the Company since the previous fiscal year, and a report on the Company's payment of all the relevant fees;

- (6) the minutes of the general meetings;
- (7) the shareholders have the right to inspect the copies of corporate bonds;
- (8) the resolutions made at Board meetings;
- (9) the resolutions made at the meetings of Supervisory Committee;
- (10) financial and accounting reports, etc.

### 3. Shareholders can access information through the following means

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

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

- (7) shareholders and investors of the Company can visit the Company's website ([www.dtpower.com](http://www.dtpower.com)) to access the Company's relevant information timely and efficiently.

### 4. Putting forward enquiries to the Board

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

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

### Dividend Policy

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

### Amendments to the Articles of Association

In 2023, no amendment to the Articles of Association was made by the Company.



# REPORT OF THE DIRECTORS

The directors are pleased to present the audited results of the Company for the year ended 31 December 2023.

## Company Results

Operating revenue of the Group for the Year was approximately RMB122,404 million, representing an increase of approximately 4.77% as compared to the Previous Year. Profit before tax amounted to approximately RMB5,704 million, representing an increase of approximately 7,307.79% as compared to the Previous Year. Net profit attributable to equity holders of the Company for the Year was approximately RMB1,439 million, while net loss attributable to equity holders of the Company for the year 2022 was approximately RMB327 million. Basic loss per share attributable to shareholders of the Company for the Year amounted to approximately RMB0.0115, while basic loss per share attributable to shareholders of the Company amounted to approximately RMB0.0921 for the year 2022. Please refer to the “Management Discussion and Analysis” section in this annual report for details.

The Board recommended the distribution of cash dividend for 2023 of RMB0.0075 per share (tax inclusive), and such distribution of dividend is subject to the consideration and approval by the shareholders of the Company at the forthcoming general meeting of the Company.

## Issue and Listings of Shares

The Company’s H shares have been listed on The Stock Exchange of Hong Kong Limited and the London Stock Exchange Limited since 21 March 1997. On 9 September 2003, the Company issued 5-year convertible bonds of US\$153.8 million, which have been listed in Luxembourg, at 0.75% interest rate and a conversion premium of 30%. The Company’s A shares have been listed on the Shanghai Stock Exchange since 20 December 2006. Pursuant to the resolution passed at the 2006 general meeting, the Company implemented the share capital expansion proposal by utilising its capital reserve fund to issue 10 bonus shares for every 10 shares held by the shareholders of the Company in 2007. The Company completed the non-public issuance of A shares in March 2010, with newly issued A shares of 0.53 billion shares. Further, the Company made non-public issuance of A shares in May 2011, with newly issued A shares of 1.0 billion shares. The Company completed the non-public issuance of A shares and H shares in March 2018, with newly issued A shares and H shares of 2,401,729,106 shares and 2,794,943,820 shares, respectively. Due to above-mentioned changes, as at the Latest Practicable Date, the total number of shares of the Company was 18,506,710,504 shares. Apart from that, the Company did not issue any new shares.

## Performance of the Company's A shares and H Shares During 2023 (No Adjustment)

Performance of the Company's H shares during 2023:

Closing price of H shares as at 29 December 2023	HK\$1.23 per share
Highest trading price between 3 January and 29 December 2023	HK\$1.66 per share
Lowest trading price between 3 January and 29 December 2023	HK\$1.06 per share
Total number of trading between 3 January and 29 December 2023	4.780 billion shares

Performance of the Company's A shares during 2023:

Closing price of A shares as at 29 December 2023	RMB2.42 per share
Highest trading price between 3 January and 29 December 2023	RMB3.68 per share
Lowest trading price between 3 January and 29 December 2023	RMB2.36 per share
Total number of trading between 3 January and 29 December 2023	19.228 billion shares

### Public Float

Based on information that is publicly available to the Company and to the knowledge of the Directors, as at the Latest Practicable Date and as at 31 December 2023, the Company confirms that the public float of the Company's H shares and A shares has complied with the requirements under the Listing Rules.

### Accounts

The Company and its subsidiaries' audited results for the year ended 31 December 2023 are set out in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 107 to page 108. The financial position of the Company and its subsidiaries as at 31 December 2023 is set out in the Consolidated Statement of Financial Position on page 109 to page 110.

The Company and its subsidiaries' consolidated cash flows for the year ended 31 December 2023 are set out in the Consolidated Statement of Cash Flows on page 113 to page 114.

### Principal Businesses and Business Review

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

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



## Report of the Directors

### Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2023.

### Environmental Policies and Performances

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

### Compliance with Laws and Regulations

In 2023, the Company has strictly complied with relevant laws, regulations and practices of the industry which have material impact on the operation of the Company.

### Major Suppliers and Customers

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

	2023	2022
<b>Purchases</b>		
The largest supplier	9.98%	12.54%
Top five suppliers	22.12%	17.36%
<b>Sales</b>		
The largest customer	9.48%	7.20%
Top five customers	41.21%	41.73%

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

### Subsidiaries, Joint Ventures and Associates

Details of subsidiaries, joint ventures and associates of the Company are set out in Note 50 to the Financial Statements from page 229 to page 241, Note 23 to the Financial Statements from page 195 to page 196 and Note 22 to the Financial Statements from page 189 to page 195, respectively.

### Dividend and Loss Per Share

The Board recommended the distribution of cash dividend for 2023 of RMB0.0075 per share (tax inclusive), which is subject to the approval by the general meeting of the Company.

Details of dividends and loss per share are set out in Notes 16 and 17 to the Financial Statements on page 182.

### Relationship with Employees

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

### Relationship with Suppliers and Customers

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

### Reserves

Movements in reserves during the Year are set out in Note 31(b) to the Financial Statements on page 203, among which distributable reserves attributable to the shareholders amounted to approximately RMB10.025 billion.

### Property, Plant and Equipment

Details of movements in property, plant and equipment during the Year are set out in Note 18 to the Financial Statements from page 183 to page 184.



## Report of the Directors

### Pledge of Assets

Details on pledge of assets as at the end of the Year were set out in Note 48 to the Financial Statements on page 221.

### Donation

During the Year, the Company and its subsidiaries have made charitable donations of approximately RMB8.4362 million.

### Share Capital

There was no change in total share capital of the Company during the Year. As at 31 December 2023, total share capital of the Company amounted to 18,506,710,504 shares, divided into 18,506,710,504 shares of a nominal value of RMB1 each, including 12,396,089,106 A shares and 6,110,621,398 H shares.

### Pledge of H Shares by Controlling Shareholder

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

In 2022, the Company was informed that CDOHKC would continue to pledge the H shares it holds of the Company to Wing Lung Bank Limited from 17 March 2022 to 17 March 2025. For details, please refer to the overseas regulatory announcement of the Company issued on 21 March 2022.

## Number of Shareholders

Details of the shareholders as recorded in the register of members of the Company as at 31 December 2023 were as follows:

Total number of shareholders	191,899
Holders of domestic shares	191,448
Holders of foreign shares	451

## Shares Held by Substantial Shareholders

So far as the Directors of the Company are aware, as at 31 December 2023, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests or short positions in the shares or underlying shares, which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO"), or required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein:

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	No. of Shares Held	Approximate Percentage to Total Issued Share Capital of the Company (%)	Approximate Percentage to Total Issued A Shares of the Company (%)	Approximate Percentage to Total Issued H Shares of the Company (%)
China Datang Corporation Ltd. (Note 1)	A shares	Beneficial interest	6,540,706,520	35.34	52.76	/
	A shares	Interest of controlled corporation	8,238,600	0.04	0.07	/
	H shares	Interest of controlled corporation	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Hebei Construction & Investment Group Co., Ltd. (Note 2)	A shares	Beneficial interest	1,281,872,927	6.93	10.34	/
Tianjin Jinneng Investment Co., Ltd. (Note 3)	A shares	Beneficial interest	1,214,966,500	6.57	9.80	/

(L) = Long Position

Notes:

- (1) Mr. Ying Xuejun, Mr. Tian Dan and Mr. Ma Jixian, non-executive Directors, are employees of CDC.
- (2) Mr. Cao Xin and Mr. Zhao Xianguo, non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.
- (3) 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.
- (4) Information disclosed above is based on the information provided on the website of Hong Kong Stock Exchange and the information available to the Company as at 31 December 2023.



## Report of the Directors

### Interests of Directors, Supervisors and Chief Executive in Shares, Underlying Shares and Debentures

As at 31 December 2023, so far as is known to the Board, none of the Directors, supervisors and chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in the SFO) that were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

### Change in Information of Directors, Supervisors and Chief Executive

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

Name of Director	Details of Change
Wang Shunqi	Elected as an executive Director and Chairman of the Company in December 2023
Xu Guang	Elected as a non-executive Director of the Company in December 2023
Ma Jixian	Elected as a non-executive Director of the Company in December 2023
You Yong	Elected as an independent non-executive Director of the Company in December 2023
Liang Yongpan	Ceased to serve as an executive Director, Chairman and General Manager of the Company since December 2023
Xiao Zheng	Ceased to serve as a non-executive Director of the Company since December 2023
Li Jingfeng	Ceased to serve as a non-executive Director of the Company since December 2023
Si Fengqi	Ceased to serve as an independent non-executive Director of the Company since December 2023
Cao Xin	Elected as a non-executive Director of Huaneng Power International, Inc. in December 2023
Zong Wenlong	Ceased to serve as an independent non-executive Director of Ningxia Jiaze Renewables Corporation Limited since December 2023
Name of Supervisor	Details of Change
Han Fang	Elected as a shareholder representative Supervisor and Vice Chairman of the Supervisory Committee of the Company in December 2023
Zhang Xiaoxu	Ceased to serve as a shareholder representative Supervisor and Vice Chairman of the Supervisory Committee of the Company since December 2023

### Directors' and Supervisors' Service Contracts

As at 31 December 2023, the Company has not entered into any service contracts with its Directors and supervisors. Therefore, none of the Directors and supervisors has or proposed to have any service contracts with the Company which are not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### Directors and Supervisors

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

### Independent Non-executive Directors

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

### Interests of Directors and Supervisors in Contracts

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

### Directors' and Supervisors' Benefits from Rights to Acquire Shares or Debentures

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



## Report of the Directors

### Remuneration of Directors, Supervisors and Senior Management

During the Year, the Group ran an annual salary system primarily comprising of basic salary and performance-based salary for the Company's Directors and supervisors who hold position(s) in the Company and members of senior management, and paid based on the appraisal results of the Company's operating performance as well as the appraisal results of the management members' performance. The Remuneration and Appraisal Committee reviewed the work performance and remuneration level of each individual. The above Directors and supervisors will not receive separate Director's or supervisor's allowances. For non-independent Directors and supervisors who do not hold any position in the Company, they shall receive remuneration from the entity in which they hold position(s) and shall not receive Director's or supervisor's allowances from the Company. For independent non-executive Directors of the Company, each of them shall receive a fixed annual allowance, the standard of which shall be determined by reference to the average market rate and taking into account the actual situation of the Company.

The standards of allowances for Directors and supervisors are proposed by the Board and considered and approved by the shareholders at the general meeting.

All of the highest paid individuals of the Company during the Year were Directors and senior management. Details of their remunerations are set out in Notes 14 and 15(c) to the Financial Statements from page 177 to page 180 and page 181, respectively.

### Interests of Substantial Shareholders in Contracts

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

### Equity-linked Agreement

The Company did not enter into any equity-linked agreement for the year ended 31 December 2023.

### Purchase, Sale or Redemption of the Company's Listed Securities

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

### Bank Borrowings, Overdrafts and Other Borrowings

Apart from the loans from China Datang Group Finance Company Limited, short-term bank loans, other short-term loans, long-term bank loans, other long-term loans, short-term bonds and long-term bonds set out in Note 41, Note 34, Note 42 and Note 35 to the Financial Statements on page 214 to page 215, page 207 to page 208, page 215 and page 209, respectively, there were no other loans of the Company and its subsidiaries as at 31 December 2023.

## Issuance of Debentures

As of 31 December 2023, the issuance of debentures by the Company is as follows:

Completion date of issuance	Types of issued debentures	Coupon rate (%)	Financing amount (RMB'00 million)	Reason for issuance
2023-11-29	Medium-term notes	3.06	15	Used to settle interest-bearing liabilities and to replenish working capital
2023-10-16	Medium-term notes	3.09	20	Used to settle interest-bearing liabilities and to replenish working capital
2023-09-22	Super short-term bonds	2.46	10	Used to settle interest-bearing liabilities and to replenish working capital
2023-08-24	Medium-term notes	2.95	15	Used to settle interest-bearing liabilities and to replenish working capital
2023-08-21	Super short-term bonds	1.84	20	Used to settle interest-bearing liabilities and to replenish working capital
2023-08-14	Medium-term notes	3.00	10	Used to settle interest-bearing liabilities and to replenish working capital
2023-07-17	Medium-term notes	3.05	20	Used to settle interest-bearing liabilities and to replenish working capital
2023-06-20	Super short-term bonds	2.00	10	Used to settle interest-bearing liabilities and to replenish working capital
2023-06-15	Medium-term notes	3.07	20	Used to settle interest-bearing liabilities and to replenish working capital
2023-06-13	Super short-term bonds	1.89	20	Used to settle interest-bearing liabilities and to replenish working capital
2023-05-25	Super short-term bonds	1.98	10	Used to settle interest-bearing liabilities and to replenish working capital
2023-04-18	Super short-term bonds	2.10	15	Used to settle interest-bearing liabilities and to replenish working capital
2023-03-24	Medium-term notes (Energy Conservation Special Notes)	3.55	20	All used to relevant purposes of guaranteeing national energy and power supply security
2023-03-13	Medium-term notes (Energy Conservation Special Notes)	3.53	25	All used to relevant purposes of guaranteeing national energy and power supply security
2023-02-27	Medium-term notes (Energy Conservation Special Notes)	3.55	20	All used to relevant purposes of guaranteeing national energy and power supply security
2023-02-15	Medium-term notes (Energy Conservation Special Notes)	3.62	15	All used to relevant purposes of guaranteeing national energy and power supply security
2023-01-16	Medium-term notes (Energy Conservation Special Notes)	3.99	30	All used to relevant purposes of guaranteeing national energy and power supply security



## Report of the Directors

### Pre-emptive Rights

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

### Connected Transactions

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

#### 1. Continuing connected transactions in 2023

*Currency: RMB Unit: '00 million*

No.	Content of Transaction	Annual Cap	Actual Amount
I.	Transactions under the Comprehensive Product and Service Framework Agreement between Datang International and CDC		
(I)	Products and services provided by CDC to Datang International		
1	Procurement of production and infrastructure materials and relevant auxiliary services	285	69.97
2	Coal supply	485	173.71
3	Technological transformation, operations management and repair and maintenance	4	0.98
4	Technical supervision and technical services	5	3.85
5	Infrastructure EPC contracting	18	1.91
6	Electricity (including water, gas and other resources) sale and service	6.5	1.24
7	Alternative power generation	4	–
8	Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	35	28.25
9	Research and development in technological projects	1	0.78
10	Information system development	1	0.97
11	Property rights brokerage services	1	–
12	Property management and other logistical services	0.5	0.33
(II)	Products and services provided by Datang International to CDC		
1	Coal supply and coal transportation	125	4.16
2	Electricity (including water, gas and other resources) sale and service	12.5	0.08
3	Alternative power generation	4.5	–
4	Operations management and repair and maintenance	1.5	1.38
5	Fees of the supply of water, electricity and gas in respect of flue gas environmental protection facilities franchising	10	7.67

No.	Content of Transaction	Annual Cap	Actual Amount
II.	Transaction under the Financial Services Agreement with China Datang Group Finance Company Limited ("Datang Finance Company")		
	Daily maximum deposit balance with Datang Finance Company	180	134.31
III.	Transaction under the Financial Business Cooperation Agreement with Datang Finance Leasing Company Limited ("Datang Leasing Company")		
1	Direct lease with Datang Leasing Company	45	15.1
2	Sale and leaseback with Datang Leasing Company	20	18.29
3	Factoring business with Datang Leasing Company	5	–
IV.	Transaction under the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Co., Ltd. ("Shanghai Datang Financial Lease Company")		
1	Direct lease with Shanghai Datang Financial Lease Company	40	2.88
2	Sale and leaseback with Shanghai Datang Financial Lease Company	25	5.52
3	Factoring business with Shanghai Datang Financial Lease Company	5	–
V.	Transaction under the Factoring Business Cooperation Agreement with Datang Commercial Factoring Company Limited ("Datang Factoring Company")		
	For the period from 1 January 2023 to 28 June 2023:		
1	Factoring business with Datang Factoring Company	8	7.42
	For the period from 29 June 2023 to 31 December 2023:		
2	Factoring business with Datang Factoring Company	10	10

Details of the above continuing connected transactions are as follows:

- On 15 November 2021, the Company entered into the Comprehensive Product and Service Framework Agreement with CDC. Pursuant to which, CDC Group agreed to provide products and services (including (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Technological Transformation, Operations Management and Repair and Maintenance, (iv) Technical Supervision and Technical Services, (v) Infrastructure EPC Contracting, (vi) Electricity (including water, gas and other resources) Sale and Service, (vii) Alternative Power Generation, (viii) Flue Gas Environmental Protection Facilities Franchising, (ix) Research and Development in Technological Projects, (x) Information System Development, (xi) Property Rights Brokerage Services and (xii) Property Management and Other Logistical Services) to the Group during the term of the Comprehensive Product and Service Framework Agreement. The Group agreed to provide products and services (including (i) Coal Supply and Coal Transportation, (ii) Electricity (including water, gas and other resources) Sale and Service, (iii) Alternative Power Generation, (iv) Operations Management and Repair and Maintenance and (v) the supply of water, electricity and gas in respect of Flue Gas Environmental Protection Facilities Franchising) to CDC Group during the term of the Comprehensive Product and Service Framework Agreement. The agreement is valid from 1 January 2022 to 31 December 2024.



## Report of the Directors

The transactions can ensure the Company in obtaining reliable and guaranteed comprehensive products and services, such as coal, materials and services, reducing its operating risks and costs as well as improving work efficiency, which is conducive to the normal commencement of the production and operation of the Company.

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

For the year ended 31 December 2023, the annual caps and actual aggregate transaction amounts are as follows:

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

*Currency: RMB Unit: '00 million*

No.	Transactions	Annual Caps	Actual Amount
1	Procurement of production and infrastructure materials and relevant auxiliary services	285	69.97
2	Coal supply	485	173.71
3	Technological transformation, operations management and repair and maintenance	4	0.98
4	Technical supervision and technical services	5	3.85
5	Infrastructure EPC contracting	18	1.91
6	Electricity (including water, gas and other resources) sale and service	6.5	1.24
7	Alternative power generation	4	–
8	Franchising in respect of Flue Gas Environmental Protection Facilities Franchising	35	28.25
9	Research and development in technological projects	1	0.78
10	Information system development	1	0.97
11	Property rights brokerage service	1	–
12	Property management and other logistical services	0.5	0.33

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

Currency: RMB Unit: '00 million

No.	Transactions	Annual Caps	Actual Amount
1	Coal supply and coal transportation	125	4.16
2	Electricity (including water, gas and other resources) sale and service	12.5	0.08
3	Alternative power generation	4.5	–
4	Operations management and repair and maintenance	1.5	1.38
5	Supply of water, electricity and gas in respect of flue gas environmental protection facilities franchising	10	7.67

During 2023, the amount of these transactions did not exceed the annual caps as set out in the agreement. For details of the transactions, please refer to the announcement of the Company dated 15 November 2021 and the circular dated 3 December 2021. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

2. On 30 August 2022, the Company and Datang Finance Company entered into the Financial Services Agreement. Pursuant to the agreement, Datang Finance Company agreed to provide the Group with deposit businesses, loan businesses and other financial businesses. Among them, for deposit business, the daily maximum balance of the deposits for each year is RMB18,000 million; and for comprehensive credit business, the comprehensive credit limit was RMB27,000 million. The term of the agreement commenced from 1 January 2023 to 31 December 2025.

The entering into of the Financial Services Agreement is contributable to effectively complement the Group's financing needs. Through Datang Finance Company, the Group's financing channels can be broadened, which will help increase the source of capital, thereby improving the overall standard and efficiency of corporate capital operations and enhancing the Group's bargaining power for external financing. In addition, the Financial Services Agreement enables the Company to obtain higher deposit rates than market rates and enjoy zero-rate payment and settlement services, which helps to increase deposit interest income and reduce settlement costs, thereby increasing the Company's operating profit.

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



## Report of the Directors

For the year ended 31 December 2023, the maximum daily balance of the deposits of the Group with Datang Finance Company was RMB13,431 million and did not exceed the annual cap as set out in the agreement, which complied with the relevant provisions of the agreement. For details of the transactions, please refer to the announcement of the Company dated 30 August 2022 and the circular dated 28 October 2022. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

3. On 16 June 2022, the Company entered into the Financial Business Cooperation Agreement with Datang Lease Company. Pursuant to the agreement, Datang Lease Company shall provide the Company and its subsidiaries with financial business support (including but not limited to finance leasing, account receivables factoring, etc.) in an aggregate amount not exceeding RMB7 billion every 12 months from the effective date of the agreement. The agreement shall be effective from 1 September 2022 to 31 August 2025.

The entering into of the Financial Business Cooperation Agreement enables the Company to obtain financing support and related financing services at rates equal to or lower than the market rates in the industry, which will help to further reduce the overall cost of capital of the Company; the gradual expansion of the finance leasing business between Datang Leasing Company and the Company and its subsidiaries will further enhance the bargaining power of the Company and its subsidiaries when engaging in finance leasing business with other leasing companies. In addition, Datang Leasing Company has a deeper understanding of the operation of the Company and its subsidiaries, which is helpful to provide more convenient, efficient and effective finance leasing and factoring product design services than other finance leasing companies.

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

## Report of the Directors

For the year ended 31 December 2023, the annual caps and actual aggregate transaction amounts are as follows:

*Currency: RMB Unit: '00 million*

No.	Transactions	Annual Caps	Actual Amount
1	Direct lease with Datang Leasing Company	45	15.1
2	Sale and leaseback with Datang Leasing Company	20	18.29
3	Factoring business with Datang Leasing Company	5	–

During 2023, the amount of these transactions did not exceed the annual cap as set out in the agreement. For details of the transactions, please refer to the announcement of the Company dated 16 June 2022 and the circular dated 28 July 2022. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

- On 16 December 2021, the Company entered into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company, a controlled subsidiary of CDC, pursuant to which, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries with a principal of not exceeding RMB7,000 million for every 12 months from the effective date of the agreement for a term of 36 months commencing from the effective date of the agreement.

The relevant arrangements under the Leasing and Factoring Business Cooperation Agreement are beneficial for the Company to obtain financing support and relevant financing services at an interest rate that is equivalent to or lower than the market interest rate, so as to further lower its capital costs; and to further strengthen the bargaining power of the Company and its subsidiaries when engaging in financial leasing business with other leasing companies which is due to the fact that the financial leasing operations between Shanghai Datang Financial Lease Company and the Company and its subsidiaries have been deployed and expanded. Meanwhile, Shanghai Datang Financial Lease Company has a deeper understanding of the operation of the Company and its subsidiaries, which in turn would provide more convenient, effective and efficient financial leasing and factoring products design services to the Company when compared to other financial leasing companies.



## Report of the Directors

Since Shanghai Datang Financial Lease Company was incorporated on 31 March 2015, it has established a sound management structure with experienced financial professionals who possess expertise and experience in financial leasing and factoring businesses. In terms of professional ability, Shanghai Datang Financial Lease Company will specialize in power generation related projects and therefore will be able to accumulate abundant experience in the area of businesses which the Company is engaged in. Further, both of the Company and Shanghai Datang Financial Lease Company are subsidiaries of CDC, which therefore facilitates the communication and cooperation between both parties. In view of the above factors, as Shanghai Datang Financial Lease Company possesses strong and

experienced professional management and personnel, strong ability in developing projects, prompt decision making and strategic planning abilities, the Company believes that Shanghai Datang Financial Lease Company will be able to provide customized financial leasing and factoring business proposals for the Company.

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

For the year ended 31 December 2023, the annual caps and actual aggregate transaction amounts are as follows:

*Currency: RMB Unit: '00 million*

No.	Transactions	Annual Caps	Actual Amount
1	Direct lease with Shanghai Datang Financial Lease Company	40	2.88
2	Sale and leaseback with Shanghai Datang Financial Lease Company	25	5.52
3	Factoring business with Shanghai Datang Financial Lease Company	5	–

During 2023, the amount of these transactions did not exceed the annual cap as set out in the agreement. For details of the transactions, please refer to the announcement of the Company dated 16 December 2021 and the circular dated 10 January 2022. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement and circular.

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

## Report of the Directors

Given than the above agreement and its annual caps expired on 28 June 2023, on 21 February 2023, the Company renewed the Factoring Business Cooperation Agreement with Datang Factoring Company, pursuant to which, Datang Factoring Company shall provide factoring business support (including but not limited to businesses such as account receivables factoring and reverse factoring) to the Company and its subsidiaries for an aggregate amount of not exceeding RMB2,000 million every 12 months. The term of the agreement is 36 months from the effective date of the agreement.

The relevant arrangements under the above agreement are beneficial to the Company and its subsidiaries to further

expand financing channels, increase funding sources and improve the overall level and efficiency of corporate capital operation, as well as efficiently and conveniently obtain low-cost financing by making good use of the resources and business advantages of Datang Factoring Company, so as to promote the Company's high-quality development.

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

For the year ended 31 December 2023, the annual caps and actual aggregate transaction amounts are as follows:

*Currency: RMB Unit: '00 million*

No.	Transactions	Annual Caps	Actual Amount
1	For the period from 1 January 2023 to 28 June 2023: Factoring business with Datang Factoring Company	8	7.42
2	For the period from 29 June 2023 to 31 December 2023: Factoring business with Datang Factoring Company	10	10

During 2023, the amount of these transactions did not exceed the annual caps as set out in the agreement. For details of the transactions, please refer to the announcements of the Company dated 21 May 2020 and 21 February 2023 and the circulars dated 5 June 2020 and 19 April 2023. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcements and circulars.

The Company has followed the pricing policies and guidelines as specified in its relevant announcements and circulars when determining the price and terms of the continuing connected transactions conducted during the year ended 31 December 2023.



## Report of the Directors

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

The Company's auditor was engaged to report on its continuing connected transactions for the year ended 31 December 2023 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with rule 14A.56 of the Listing Rules, confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of products or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the caps.

## 2. Other connected transactions in 2023

1. On 29 May 2023, the Company and CDC entered into the Capital Increase Agreement, pursuant to which the Company and CDC agreed to increase the registered capital in Datang Nuclear Company by way of cash. In particular, the Company agreed to make further capital contribution of RMB78.0000 million to Datang Nuclear Company and CDC agreed to make further capital contribution of RMB117.0000 million to Datang Nuclear Company based on the proportion of their respective shareholding in Datang Nuclear Company. Upon completion of the Capital Increase, the accumulated amount of capital contribution by the Company to Datang Nuclear Company would become RMB720.2903 million whereas its proportion of total shareholding would remain at 40%; the accumulated amount of capital contribution by CDC to Datang Nuclear Company would become RMB1,080.4304 million whereas its proportion of total shareholding would remain at 60%. For the Capital Increase, payment of the capital contribution shall be made by the parties within eight months from the date of signing of the Capital Increase Agreement.

The implementation of the Capital Increase Agreement and the Capital Increase by the Company and CDC to Datang Nuclear Company are mainly used for investment in the establishment of CNNC Datang Zhuanghe Nuclear Power Company Limited (中核大唐莊河核電有限公司), hence satisfying the capital needs for investment projects of Datang Nuclear Company, enhancing the strength of the principal business of Datang Nuclear Company, reinforcing its capacity to withstand risk, effectively advancing construction of relevant invested nuclear projects, so as to maximize shareholders' interests.

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

For details of the transactions, please refer to the announcement of the Company dated 29 May 2023. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

2. On 26 October 2023, the Company entered into the Capital Increase Agreement with CDC and Datang Nuclear Company, pursuant to which the Company and CDC agreed to increase the registered capital in Datang Nuclear Company by way of cash. In particular, the Company agreed to make further capital contribution of RMB208.7200 million to Datang Nuclear Company and CDC agreed to make further capital contribution of RMB313.0900 million to Datang Nuclear Company based on the proportion of their respective shareholding in Datang Nuclear Company. Upon completion of the Capital Increase, the accumulated amount of capital contribution by the Company to Datang Nuclear Company would become RMB929.0103 million whereas its proportion of total shareholding would remain at 40%; the accumulated amount of capital contribution by CDC to Datang Nuclear Company would become RMB1,393.5204 million whereas its proportion of total shareholding would remain at 60%. For the Capital Increase, payment of the capital contribution shall be made by the Company and CDC within two months from the date of signing of the Capital Increase Agreement.



## Report of the Directors

The implementation of the Capital Increase Agreement and the Capital Increase by the Company and CDC to Datang Nuclear Company could further improve the capital adequacy ratio of Datang Nuclear Company, hence satisfying the capital needs of investment projects of Datang Nuclear Company, enhancing the strength of the principal business of Datang Nuclear Company, reinforcing its capacity to withstand risk, and effectively advancing construction of relevant invested nuclear projects, so as to maximize the shareholders' interests.

CDC is the controlling shareholder of the Company, which together with its subsidiaries holds approximately 53.09% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company. Datang Nuclear Company is a subsidiary of CDC, Datang Nuclear Company therefore is also a connected person of the Company.

For details of the transactions, please refer to the announcement of the Company dated 26 October 2023. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

3. On 24 November 2023, the Company entered into the Capital Increase Agreement with CDC, CDC Capital Holding Company, Datang Overseas Company, Datang Renewables Company and Datang Leasing Company, pursuant to which, CDC agreed to make a capital contribution by way of injection of its 30% equity interest held in Shanghai Datang Leasing Company, at the value of RMB537,668,604, to subscribe for all the newly increased registered capital of Datang Leasing Company, and CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company agreed to waive their pre-emptive rights in respect of the Capital Increase. Upon completion of the Capital Increase, CDC will hold 13.75% equity interest in Datang Leasing Company, and the equity interest in Datang Leasing Company held by CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company will be correspondingly diluted to 34.50%, 17.25%, 17.25% and 17.25%, respectively. For the Capital Increase, within 30 days from the effective date of the Capital Increase Agreement, (i) Datang Leasing Company shall conduct and complete the registration procedures for the Capital Increase with competing market supervision authority, and CDC, CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company shall provide positive support; and (ii) CDC shall procure Shanghai Datang Leasing Company to change the registration of its 30% equity interest to Datang Leasing Company, and Datang Leasing Company shall provide positive support.

For the Capital Increase, the introduction of CDC as a direct shareholder of Datang Leasing Company can improve the capital structure of Datang Leasing Company, increase the scale of owner's equity, stabilize the business scale, and significantly enhance the corporate image and influence in the open market of Datang Leasing Company, which will be conducive to the expansion of the financing channels and the increase of credit line by Datang Leasing Company, thereby further reducing its debt ratio and financing costs, enhancing the core competitiveness and profitability of Datang Leasing Company, and creating greater value for its shareholders. Taking into account the comprehensive factors such as the business arrangement and the actual situation of the Company, the Company proposes to waive its preemptive rights in respect of the Capital Increase.

CDC is the controlling shareholder of the Company, which together with its subsidiaries holds approximately 53.09% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company. As CDC Capital Holding Company, Datang Overseas Company, Datang Renewables Company and Datang Lease Company are all subsidiaries of CDC, they are also connected persons of the Company.

For details of the transactions, please refer to the announcement of the Company dated 24 November 2023. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

4. On 27 December 2023, the Company entered into the Capital Increase Agreement with CDC, Chaozhou Xinghua and Datang Chaozhou Company, pursuant to which the Company, CDC and Chaozhou Xinghua agreed to increase the registered capital in Datang Chaozhou Company by way of cash. In particular, the Company agreed to make further capital contribution of RMB890.07765 million to Datang Chaozhou Company, CDC agreed to make further capital contribution of RMB720.53905 million to Datang Chaozhou Company and Chaozhou Xinghua agreed to make further capital contribution of RMB84.76930 million to Datang Chaozhou Company based on their respective shareholding ratio in Datang Chaozhou Company. Upon completion of the Capital Increase, the accumulated amount of capital contribution by the Company to Datang Chaozhou Company would become RMB1,707.84960773 million whereas its total shareholding ratio would remain at 52.5%; the accumulated amount of capital contribution by CDC to Datang Chaozhou Company would become RMB1,382.54491579 million whereas its total shareholding ratio would remain at 42.5%; and the accumulated amount of capital contribution by Chaozhou Xinghua to Datang Chaozhou Company would become RMB162.65239597 million whereas its total shareholding ratio would remain at 5%. For the Capital Increase, the specific progress of the Capital Increase will be made in batches and in the same proportion in accordance with the construction progress of Datang Chaozhou Power Plant Units 5-6 Project. The parties to the agreement



## Report of the Directors

will determine the time of the payment of the amount of the Capital Increase by each shareholder of Datang Chaozhou Company in accordance with the capital needs of the construction of the Project. The entire amount of the Capital Increase shall be paid in full before the Project put into operation at the latest.

The implementation of the Capital Increase Agreement, and the Capital Increase made by the Company, CDC and Chaozhou Xinghua to Datang Chaozhou Company could further improve the capital adequacy ratio of Datang Chaozhou Company, thereby satisfying the capital needs of Datang Chaozhou Company for the construction of Units 5-6 Project. The Project is in line with the national energy industry policy and meets the requirements of the Company's development strategy and high-quality development, which is in the interests of the Company and the Shareholders as a whole.

CDC is the controlling shareholder of the Company, which together with its subsidiaries holds approximately 53.09% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company. Since Datang Chaozhou Company is held by CDC as to 42.5%, Datang Chaozhou Company is an associate of CDC, and thus Datang Chaozhou Company is also a connected person of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Chaozhou Xinghua and its ultimate beneficial owners are all third parties independent of the Company and its connected persons.

For details of the transactions, please refer to the announcement of the Company dated 27 December 2023. Unless otherwise specified, the abovementioned capitalised terms shall have the same meanings as defined in such announcement.

5. On 28 December 2023, the Company entered into the Capital Contribution Agreement with CDC, Guiguan Electric Power, Datang Renewable Power, Datang Environment and DEC Academy, pursuant to which CDC, the Company, Guiguan Electric Power, Datang Renewable Power, Datang Environment and DEC Academy agreed to jointly make capital contribution to the establishment of Datang Technology Innovation Company by way of cash. The registered capital of Datang Technology Innovation Company is RMB1.0 billion, of which CDC would make capital contribution of RMB510 million in cash, accounting for 51% of the registered capital of Datang Technology Innovation Company; the Company would make capital contribution of RMB120 million in cash, accounting for 12% of the registered capital of Datang Technology Innovation Company; Guiguan Electric Power would make capital contribution of RMB120 million in cash, accounting for 12% of the registered capital of Datang Technology Innovation Company; Datang Renewable Power would make capital contribution of RMB100 million in cash, accounting for 10% of the registered capital of Datang Technology Innovation Company; Datang Environment would make capital contribution of RMB50 million in cash, accounting for 5% of the registered capital of Datang Technology

Innovation Company; DEC Academy would make capital contribution of RMB100 million in cash, accounting for 10% of the registered capital of Datang Technology Innovation Company. Pursuant to the Capital Contribution Agreement, the amounts of capital contribution made by the parties to the agreement shall be paid in instalments within five years after the incorporation of Datang Technology Innovation Company. In particular, no less than 30% of the total subscribed capital contribution shall be paid in the first year, and shall be paid within 3 months after the incorporation of Datang Technology Innovation Company; no less than 20% of the total subscribed capital contribution shall be paid in the second year, and shall be paid within 15 months after the incorporation of Datang Technology Innovation Company; no less than 20% of the total capital contribution shall be paid in the third year, and shall be paid within 27 months after the incorporation of Datang Technology Innovation Company; no less than 20% of the total capital contribution shall be paid in the fourth year, and shall be paid within 39 months after the incorporation of Datang Technology Innovation Company; no less than 10% of the total capital contribution shall be paid in the fifth year, and shall be paid within 51 months after the incorporation of Datang Technology Innovation Company.

The implementation of the Capital Contribution Agreement and the investment in Datang Technology Innovation Company by the Company is a specific measure to actively implement the national science and technology innovation strategy which, by building a high-level joint innovation platform with complementary resources, synergy and sharing, openness and integration

as well as stability and sustainability, will be conducive to coordinating innovation forces of multi-party, multi-level and full chain, effectively integrating the resources of various innovation entities, coordinating the actions of various innovation entities, supporting the development of major scientific and technological innovation tasks, achieving breakthroughs in the innovation chain, accelerating the deep integration and development of the industrial chain and innovation chain, promoting the transformation and incubation of high-level scientific and technological innovation achievements, fostering strategic emerging industries and future industries, and cultivating high-end scientific and technological innovation talents, so as to provide positive support for the innovative and high-quality development of the Company.

CDC is the controlling shareholder of the Company, which together with its subsidiaries holds approximately 53.09% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company. Guiguan Electric Power, Datang Renewable Power and Datang Environment are all subsidiaries of CDC, and thus are also connected persons of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, DEC Academy and its ultimate beneficial owner(s) are all third parties independent of the Company and its connected persons.

For details of the transaction, please refer to the announcement of the Company dated 28 December 2023. Unless otherwise specified, the expressions above shall have the same meanings as defined in the announcement.



## Report of the Directors

### 3. Related party transactions

For details of related party transactions entered into by the Group during the Year are disclosed in Note 50 to the consolidated financial statements. Save as disclosed in the section headed “Connected Transactions” in this chapter, the related party transactions disclosed in Note 50 did not constitute connected transactions under Chapter 14A of the Listing Rules, or were exempted from the requirements of reporting, announcement and shareholders’ approval pursuant to the Listing Rules. The Company has complied with all the relevant requirements under Chapter 14A of the Listing Rules and made disclosure in this annual report.

### Retirement Scheme

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

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

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

### Interest Capitalization

During the Year, the interest capitalised in respect of construction-in-progress amounted to approximately RMB383,224 thousand.

### Auditors

Baker Tilly China (Special General Partnership) and Baker Tilly Hong Kong Limited were successively appointed as the Company’s domestic and international auditor for 2020, 2021, 2022 and 2023 respectively as approved at the 2020 second extraordinary general meeting, the 2020 annual general meeting, the 2021 annual general meeting and the 2022 annual general meeting of the Company, responsible for the audit work of the Company’s domestic and international financial reports. There has been no change in the auditors of Company in any of the preceding three years.

### Subsequent Events

Details of significant events affecting the Group that have occurred subsequent to the end of the Year are set out in Note 52 to the Financial Statements on page 242.

By order of the Board

**Wang Shunqi**

*Chairman*

22 March 2024

# REPORT OF THE SUPERVISORY COMMITTEE

Dear Supervisors,

In 2023, in the spirit of being accountable to all shareholders of Datang International Power Generation Co., Ltd. (“Datang International” or the “Company”) and in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Articles of Association of Datang International Power Generation Co., Ltd. (the “Articles of Association”), the Rules of Procedures of the Supervisory Committee Meeting of Datang International Power Generation Co., Ltd. (the “Rules of Procedures of the Supervisory Committee Meeting”) and the relevant requirements of the listing rules in the jurisdictions where the Company

is listed, members of the Supervisory Committee of the Company dutifully and conscientiously fulfilled their monitoring duties with promotion in lawful and compliant operation of the Company. In 2023, members of the Supervisory Committee attended all general meetings and Board meetings. They also actively participated in the review of the Company’s major decisions and examined the Company’s operation and financial position from time to time, striving to protect the rights of the shareholders, the benefits of the Company as well as the legal interests of staff within legal limits. The detailed report on the work of the Supervisory Committee for 2023 is as follows:

## I. Supervisory Committee Meetings

No.	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
1	4th meeting of the eleventh session of the Supervisory Committee	28 March 2023	On-site meeting	Considered and approved the resolutions on the working report for 2022 of the Supervisory Committee, financial report for 2022, provision of asset impairment, retirement and write-off of preliminary expenses of certain affiliated enterprises, profit distribution plan in 2022, publication of 2022 annual report, and internal control and appraisal report and audit report in 2022
2	5th meeting of the eleventh session of the Supervisory Committee	27 April 2023	On-site meeting	Considered and approved the resolutions on the first quarterly report in 2023 and changes in accounting policies
3	6th meeting of the eleventh session of the Supervisory Committee	29 May 2023	On-site meeting	Considered and approved the resolution on the retirement of fixed assets of Dou He Thermal Power Branch of Datang International
4	7th meeting of the eleventh session of the Supervisory Committee	28 July 2023	On-site meeting	Considered and approved the resolution on the retirement of fixed assets and inventories of certain affiliated enterprises
5	8th meeting of the eleventh session of the Supervisory Committee	29 August 2023	On-site meeting	Considered and approved the resolution on the publication of interim report of 2023



## Report of the Supervisory Committee

No.	Meeting Name	Convening Date	Convening Means	Major Issues Discussed at the Supervisory Committee Meeting
6	9th meeting of the eleventh session of the Supervisory Committee	26 October 2023	On-site meeting	Considered and approved the resolution on the third quarterly report in 2023
7	10th meeting of the eleventh session of the Supervisory Committee	23 November 2023	Communication conference	Considered and approved the resolution on the adjustment to the shareholder representative supervisor
8	11th meeting of the eleventh session of the Supervisory Committee	21 December 2023	On-site meeting	Considered and approved the resolutions on the election of the vice chairman of the supervisory committee and the retirement of fixed assets of Shanxi Zuoyun Company of Datang International

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

### 1. The Company's Operation in Compliance with Laws

During the reporting period, members of the Supervisory Committee acquired understanding of the major operating decision – making process through attending (or attending as observers) the general meetings, Board meetings and major internal integrated or professional meetings of the Company, and inspected and monitored the financial position and the operation of the Company. The Supervisory Committee is of the view that in 2023 the Company's business was regulated and operated in strict compliance with the Company Law and the Articles of Association and other relevant regulations and systems and its operation and decisions were scientific and rational. Meanwhile, the Company has established and continued to enhance its internal management and internal control systems and developed an effective internal control mechanism.

In fulfilling their duties, directors and senior management of the Company acted diligently and dutifully, abided by the State laws and regulations and the Articles of Association and systems of the Company and safe guarded the interests of the Company. No act which constituted violation of laws and regulations or contravention of the Company's interests and minority shareholders' lawful interests was discovered.

### 2. Financial Management of the Company

During the reporting period, the Supervisory Committee conscientiously and carefully examined and reviewed the Company's financial statements and financial information, expressed opinions on asset impairment, changes in accounting policies and retirement of assets, took part in reviewing the auditor's report and provided opinions and recommendations on the auditor's work. The Supervisory Committee is of the view that the preparation of the Company's financial statements complies

with the relevant requirements of the Accounting Standards for Business Enterprises and Financial Accounting Systems of the Company, and that the Company's financial report and the standard unqualified audit report issued by the accountants truthfully reflect the financial position and the operating results of the Company.

### 3. Acquisition and Disposal of Assets of the Company

During the reporting period, the Company mainly conducted the transfer of 11.06% of H shares of Inner Mongolia Yitai Coal Co., Ltd., the transfer of 5% equity interests in Anhui Huainan Luoneng Power Generation Co., Ltd. and the transfer of 100% equity interests in Huainan Luohe Power Generation Co., Ltd.

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

the rights and interests of the Company and minority shareholders.

### 4. Connected Transactions of the Company

During the reporting period, connected transactions have been considered and approved by the corresponding Board and/or general meetings of the Company, and during the execution process, the transaction cap for the period from January to December 2023 did not exceed the maximum limit approved. Major connected transactions include: connected transactions between the Company and China Datang Corporation Limited (a controlling shareholder) and its subsidiaries in respect of procurement of production or infrastructure materials, coal supply, technical services, infrastructure EPC contracting, sale of electricity (including water, gas and other resources), alternative power generation, franchising of flue gas environmental protection facilities, repair and maintenance service, financial assistance, financial leasing; coal supply and coal transportation conducted between the Company and related subsidiaries.

The non-major connected transactions conducted during the reporting period are the transactions conducted by the Company in its daily business activities, mainly including: rents, catering fees and labor fees incurred with the subsidiaries of China Datang Corporation Ltd., and information system development income obtained from the subsidiaries of China Datang Corporation Ltd.



## Report of the Supervisory Committee

The Supervisory Committee is of the opinion that the connected transactions of the Company in 2023 were conducted on normal commercial terms and were in compliance with the relevant requirements of the PRC laws and regulations and the Articles of Association; and the Company has fulfilled its approval and disclosure processes as required by the Shanghai Stock Exchange Listing Rules and the Hong Kong Listing Rules.

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

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

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

### III. Work Plan for 2024

In 2024, the Supervisory Committee of the Company will further improve its political quality and business ability, continue to conduct supervision on significant events of the Company through attending or presenting the Board meeting, attending relevant important meetings of the Company and other means, perform its supervisory duties in accordance with the provisions of the Company Law, the Articles of Association and the Rules of Procedures of the Supervisory Committee, and carry out supervisory work in accordance with the laws and regulations, so as to protect and safeguard the legitimate rights and interests of the shareholders and the Company, and help the Company develop in a high quality manner.

**Datang International Power Generation Co., Ltd.**  
*Supervisory Committee*  
22 March 2024

## TAXATION IN THE UNITED KINGDOM

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

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

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

An individual Relevant Shareholder will be subject to income tax on dividends he/she receives above an annual £500 tax free dividend allowance (excluding the circumstance that the dividend income falls within the individual Relevant Shareholder’s personal allowance). A corporate Relevant Shareholder should generally be exempt from UK corporation tax in respect of dividends paid to them by the Company subject to the relevant conditions being met. Where this is not the case, corporate Relevant Shareholders who control (directly or indirectly) at least 10% of the voting rights of the Company may be entitled to credit against UK corporation tax chargeable in respect of dividends paid to them by the Company for any underlying PRC tax payable by the Company in respect of the profits out of which dividends were paid.

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



# CORPORATE INFORMATION

## Registered name of the Company

大唐國際發電股份有限公司

## English name of the Company

Datang International Power Generation Company Limited

## Office address of the Company

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

## Principal place of business in Hong Kong

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

## Legal representative

Wang Shunqi

## Authorised representatives

Wang Shunqi  
Sun Yanwen

## Secretary to the Board

Sun Yanwen

## Principal banks

### In the PRC:

Industrial and Commercial Bank of China,  
Beijing Caishikou Branch  
No. 116, Guang'anmennei Street  
Xicheng District  
Beijing  
The People's Republic of China

### Outside the PRC:

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

## Domestic auditor

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

## International auditor

Baker Tilly Hong Kong Limited  
Level 8  
K11 ATELIER King's Road, 728 King's Road, Quarry Bay  
Hong Kong

### Legal advisors

#### as to PRC law:

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

#### as to Hong Kong law:

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

### Listing information

#### H Shares

The Stock Exchange of Hong Kong Limited  
Stock Code: 00991

#### A Shares

Shanghai Stock Exchange  
Stock Code: 601991

#### H Shares

The London Stock Exchange Limited  
Stock Code: DAT

### Share register and transfer office

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

### Information of the Company

#### Available at

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

and

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



## GLOSSARY OF TERMS

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

“Installed capacity”	The highest level of electrical output which a power plant is designed to be able to maintain continuously without causing damage to the plant
“MW”	1,000,000 watts (equivalent to 1,000 kW)
“kWh”	A unit of power generation equivalent to the output generated by 1,000 watts of power in one hour



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

## OPINION

We have audited the consolidated financial statements of Datang International Power Generation Company Limited and its subsidiaries (together the "Group") set out on pages 107 to 242, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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



# Independent Auditor's Report

## KEY AUDIT MATTERS

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

### Key Audit Matter

### How our audit addressed the key audit matter

#### Recognition of deferred tax assets

As at 31 December 2023, the Group recognised RMB2,179,664,000 deferred tax assets arising from deductible tax losses.

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

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

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

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

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

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

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

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

### How our audit addressed the key audit matter

#### Impairment of property, plant and equipment

As at 31 December 2023, the carrying amount of property, plant and equipment of the Group was RMB217,702,477,000.

Management identified indicators of potential impairment of certain property, plant and equipment and performed impairment assessments of these assets as at 31 December 2023 by using value-in-use calculations, as recoverable amounts, for each cash-generating units ("CGUs") by preparing discounted cash flow forecasts for each CGU.

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

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

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

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

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

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



## Independent Auditor's Report

### OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## Independent Auditor's Report

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

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

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

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

**Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, 22 March 2024

**Gao Yajun**

Practising Certificate Number P06391

# Consolidated Statement of Profit or Loss

for the year ended 31 December 2023

	Note	2023 RMB'000	2022 RMB'000 (restated)
<b>Operating revenue</b>	8	<b>122,404,466</b>	116,828,044
<b>Operating costs</b>			
Fuel for power and heat generation		(73,899,893)	(75,774,455)
Depreciation	13(a)	(13,649,639)	(13,236,046)
Repairs and maintenance		(2,571,320)	(2,909,658)
Salaries and staff welfare	13(a)	(11,184,197)	(9,053,290)
Local government surcharges		(1,222,455)	(1,270,111)
Others	13(b)	(11,853,397)	(11,522,598)
<b>Total operating costs</b>		<b>(114,380,901)</b>	(113,766,158)
<b>Operating profit</b>		<b>8,023,565</b>	3,061,886
Share of results of associates	22	2,320,944	2,173,758
Share of results of joint ventures	23	(57,400)	(137,898)
Investment income		176,284	309,085
Interest income		97,794	93,101
Other income and other gains and losses, net	10	908,732	1,286,240
Finance costs	11	(5,765,631)	(6,709,577)
<b>Profit before tax</b>		<b>5,704,288</b>	76,595
Income tax expense	12	(2,602,793)	(856,686)
<b>Profit/(loss) for the year</b>	13	<b>3,101,495</b>	(780,091)
<b>Profit/(loss) for the year attributable to:</b>			
<b>Holders of equity instruments of the Company</b>			
– Owners of the Company		(212,002)	(1,704,685)
– Holders of other equity instruments		1,650,743	1,377,624
		1,438,741	(327,061)
– Non-controlling interests		1,662,754	(453,030)
		<b>3,101,495</b>	(780,091)
<b>Loss per share</b>			
Basic and diluted (RMB cents)	17	(1.15)	(9.21)



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	2023 RMB'000	2022 RMB'000 (restated)
Profit/(loss) for the year	<u>3,101,495</u>	<u>(780,091)</u>
<b>Other comprehensive income, net of tax(Note 12(b)):</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive income/(expense) of associates	9,917	(3,644)
Exchange differences on translating foreign operations	6,219	(6,004)
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value gain on investments in equity instruments at fair value through other comprehensive income	<u>247,560</u>	<u>52,531</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>263,696</u>	<u>42,883</u>
<b>Total comprehensive income/(expense) for the year</b>	<u>3,365,191</u>	<u>(737,208)</u>
<b>Total comprehensive income/(expense) for the year attributable to:</b>		
<b>  Holders of equity instruments of the Company</b>		
– Owners of the Company	55,220	(1,651,671)
– Holders of other equity instruments	<u>1,650,743</u>	<u>1,377,624</u>
	1,705,963	(274,047)
– Non-controlling interests	<u>1,659,228</u>	<u>(463,161)</u>
	<u>3,365,191</u>	<u>(737,208)</u>

# Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 RMB'000	2022 RMB'000 (restated)	2021 RMB'000 (restated)
<b>Non-current assets</b>				
Property, plant and equipment	18	217,702,477	214,335,002	210,725,904
Right-of-use assets	19	7,002,991	6,578,204	5,208,944
Investment properties	20	535,805	504,326	500,315
Intangible assets	21	2,263,932	2,179,723	2,071,345
Interests in associates	22	20,066,515	19,807,043	17,970,978
Interests in joint ventures	23	113,256	65,556	203,454
Financial assets at fair value through profit or loss	24	4,094,705	4,033,991	3,876,320
Financial assets at fair value through other comprehensive income	24	829,952	1,133,858	916,995
Deferred tax assets	37	3,019,945	4,406,467	4,247,671
Other non-current assets	25	8,114,663	9,051,868	5,294,930
		<u>263,744,241</u>	<u>262,096,038</u>	<u>251,016,856</u>
<b>Current assets</b>				
Inventories	26	3,634,605	4,282,756	6,244,631
Trade and notes receivables	27	19,666,906	18,657,259	18,971,892
Prepayments and other receivables	28	7,449,213	9,932,017	8,821,318
Tax recoverable		59,458	74,304	325,510
Current portion of other non-current assets	25	468,370	1,341	22,200
Cash and cash equivalents and restricted deposits	29	9,016,673	10,141,563	11,273,676
		<u>40,295,225</u>	<u>43,089,240</u>	<u>45,659,227</u>
<b>Current liabilities</b>				
Trade payables and accrued liabilities	40	28,639,574	31,996,584	30,878,506
Contract liabilities	40	1,723,120	1,481,026	1,789,396
Consideration payable		710,361	300,212	169,216
Tax payables		1,136,929	1,244,432	1,362,900
Dividend payables		635,615	486,560	561,668
Short-term loans	41	29,019,793	37,431,025	39,277,353
Short-term bonds	42	–	5,008,824	6,329,701
Current portion of lease liabilities	39	435,680	562,503	215,492
Current portion of non-current liabilities	34,35,38	28,929,253	23,917,770	15,531,859
		<u>91,230,325</u>	<u>102,428,936</u>	<u>96,116,091</u>
<b>Net current liabilities</b>		<u>(50,935,100)</u>	<u>(59,339,696)</u>	<u>(50,456,864)</u>
<b>Total assets less current liabilities</b>		<u>212,809,141</u>	<u>202,756,342</u>	<u>200,559,992</u>



## Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 RMB'000	2022 RMB'000 (restated)	2021 RMB'000 (restated)
<b>Capital and reserves</b>				
Share capital	30	18,506,711	18,506,711	18,506,711
Reserves		8,838,050	9,291,956	11,173,200
		<b>27,344,761</b>	27,798,667	29,679,911
Non-controlling interests		14,882,100	13,682,424	14,011,587
Other equity instruments	33	46,210,976	34,844,222	32,844,824
<b>Total equity</b>		<b>88,437,837</b>	76,325,313	76,536,322
<b>Non-current liabilities</b>				
Long-term loans	34	114,959,024	108,721,962	102,799,710
Long-term bonds	35	290,000	6,484,736	9,188,105
Deferred income	36	1,718,570	1,828,056	1,968,218
Deferred tax liabilities	37	843,800	773,880	717,176
Lease liabilities	39	1,509,931	1,498,234	1,359,707
Other non-current liabilities	38	5,049,979	7,124,161	7,990,754
		<b>124,371,304</b>	126,431,029	124,023,670
		<b>212,809,141</b>	202,756,342	200,559,992

The consolidated financial statements on pages 107 to 242 were approved and authorised for issue by the board of directors on 22 March 2024 and are signed on its behalf by:

**Xu Guang**  
Director

**Wang Shunqi**  
Director

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	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	Accumulated 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
<b>At 1 January 2022</b>												
As previously reported	18,506,711	14,281,451	6,474,905	(8,475,360)	10,231,431	46,940	(529,567)	(10,846,888)	29,689,623	32,844,824	14,011,661	76,546,108
- Adjustment on initial application of amendments to IAS 12 (Note 2)	-	-	-	-	-	-	-	(9,712)	(9,712)	-	(74)	(9,786)
<b>At 1 January 2022, as restated</b>	18,506,711	14,281,451	6,474,905	(8,475,360)	10,231,431	46,940	(529,567)	(10,856,600)	29,679,911	32,844,824	14,011,587	76,536,322
(Loss)/profit for the year, as restated	-	-	-	-	-	-	-	(1,704,685)	(1,704,685)	1,377,624	(453,030)	(780,091)
Other comprehensive (expense)/income, net of tax (Note 12(b)):												
- Share of other comprehensive expense of associates	-	-	-	-	-	-	(3,644)	-	(3,644)	-	-	(3,644)
- Exchange differences on translating foreign operations	-	-	-	-	-	(6,004)	-	-	(6,004)	-	-	(6,004)
- Fair value gain/(loss) on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	62,662	-	62,662	-	(10,131)	52,531
<b>Total comprehensive (expense)/income for the year, as restated</b>	-	-	-	-	-	(6,004)	59,018	(1,704,685)	(1,651,671)	1,377,624	(463,161)	(737,208)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	154,550	154,550
Distribution made to holders of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	(1,456,354)	-	(1,456,354)
Disposal of subsidiaries (Note 44(b))	-	-	-	-	-	-	-	-	-	-	504,221	504,221
Dividends declared to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(580,243)	(580,243)
Business combination under common control	-	-	-	(115,970)	-	-	-	-	(115,970)	-	-	(115,970)
Acquisition of additional interests in a subsidiary without change in control (Note 44(a))	-	(41,164)	-	-	-	-	-	-	(41,164)	-	41,164	-
Transfer to statutory surplus reserve	-	-	246,704	-	-	-	-	(246,704)	-	-	-	-
Transfer from discretionary surplus reserve	-	-	-	-	(909,807)	-	-	909,807	-	-	-	-
Redemption of perpetual bonds (Note 33)	-	(78,128)	-	-	-	-	-	-	(78,128)	(15,921,872)	-	(16,000,000)
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	(1,938)	1,938	-	-	-	-
Issue of perpetual bonds (Note 33)	-	(26,212)	-	-	-	-	-	-	(26,212)	18,000,000	-	17,973,788
Others	-	200,560	-	-	-	-	-	(168,659)	31,901	-	14,306	46,207
<b>At 31 December 2022, as restated</b>	18,506,711	14,336,507	6,721,609	(8,591,330)	9,321,624	40,936	(472,487)	(12,064,903)	27,798,667	34,844,222	13,682,424	76,325,313



# Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	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	Accumulated losses	Total	Other equity instruments	Non-controlling interests	Total equity
	RMB'000	(Note 32(a)) RMB'000	(Note 32(b)) RMB'000	(Note 32(c)) RMB'000	(Note 32(d)) RMB'000	RMB'000	(Note 32(e)) RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 1 January 2023</b>												
As previously reported	18,506,711	14,336,507	6,721,609	(8,591,330)	9,321,624	40,936	(472,487)	(12,057,632)	27,805,938	34,844,222	13,682,507	76,332,667
– Adjustment on initial application of amendments to IAS 12 (Note 2)	-	-	-	-	-	-	-	(7,271)	(7,271)	-	(83)	(7,354)
<b>At 1 January 2023, as restated</b>	18,506,711	14,336,507	6,721,609	(8,591,330)	9,321,624	40,936	(472,487)	(12,064,903)	27,798,667	34,844,222	13,682,424	76,325,313
(Loss)/profit for the year	-	-	-	-	-	-	-	(212,002)	(212,002)	1,650,743	1,662,754	3,101,495
Other comprehensive income/ (expense), net of tax (Note 12(b)):												
– Share of other comprehensive expense of associates	-	-	-	-	-	-	9,917	-	9,917	-	-	9,917
– Exchange differences on translating foreign operations	-	-	-	-	-	6,219	-	-	6,219	-	-	6,219
– Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	251,086	-	251,086	-	(3,526)	247,560
<b>Total comprehensive income/ (expense) for the year</b>	-	-	-	-	-	6,219	261,003	(212,002)	55,220	1,650,743	1,659,228	3,365,191
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	399,765	399,765
Distribution made to holders of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	(1,283,989)	-	(1,283,989)
Disposal of subsidiaries (Note 44(b))	-	2,153	-	-	-	-	-	-	2,153	-	34,223	36,376
Dividend paid (Note 16)	-	-	-	-	-	-	-	(536,695)	(536,695)	-	-	(536,695)
Dividends declared to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(825,730)	(825,730)
Acquisition of additional interests in a subsidiary without change in control (Note 44(a))	-	43,215	-	-	-	-	-	-	43,215	-	(101,989)	(58,774)
Transfer to statutory surplus reserve	-	-	179,889	-	-	-	-	(179,889)	-	-	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	(400,161)	400,161	-	-	-	-
Issue of perpetual bonds (Note 33)	-	(31,605)	-	-	-	-	-	-	(31,605)	21,000,000	-	20,968,395
Redemption of perpetual bonds (Note 33)	-	-	-	-	-	-	-	-	-	(10,000,000)	-	(10,000,000)
Others	-	150,493	-	-	-	-	-	(136,687)	13,806	-	34,179	47,985
<b>At 31 December 2023</b>	18,506,711	14,500,763	6,901,498	(8,591,330)	9,321,624	47,155	(611,645)	(12,730,015)	27,344,761	46,210,976	14,882,100	88,437,837

# Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	Note	2023 RMB'000	2022 RMB'000
<b>Operating activities</b>			
Cash generated from operations	43	24,628,052	20,735,048
Income tax paid		(1,213,840)	(832,082)
Interest received		139,279	101,957
<b>Net cash generated from operating activities</b>		<b>23,553,491</b>	<b>20,004,923</b>
<b>Investing activities</b>			
Withdrawal/(placement) of restricted bank balances		57,650	(400,155)
Proceeds on disposal of property, plant and equipment, right-of-use assets, investment properties and intangible assets		84,935	256,548
Purchase of property, plant and equipment		(20,280,071)	(20,336,895)
Purchase of intangible assets		(188,714)	(210,023)
Purchase of right-of-use assets		(129,983)	(340,120)
Increase in investments in associates		(268,357)	(785,265)
Increase in investments in joint ventures		(105,100)	–
Dividend received from associates		3,750,234	1,124,265
Proceeds on disposal of associates and joint ventures		(187)	6,428
Dividend received from equity investments		132,917	300,927
Purchase of equity investments		(50,000)	(215,000)
Proceeds on disposal of equity investments		583,741	26,939
Net cash inflow/(outflow) from disposal of subsidiaries	44(b)	232,459	(61,196)
Net cash outflow from de-registration of subsidiaries		–	(719)
Other investing activities		410,149	505,026
<b>Net cash used in investing activities</b>		<b>(15,770,527)</b>	<b>(20,129,240)</b>



## Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	Note	2023 RMB'000	2022 RMB'000
<b>Financing activities</b>			
Acquisition of non-controlling interests		(58,774)	–
Capital injections from non-controlling interests		399,765	135,947
Net proceeds from issue of perpetual bonds		20,968,395	17,973,788
Redemption of perpetual bonds		(10,000,000)	(16,000,000)
Raise of new long-term loans		43,497,128	43,258,585
Repayment of long-term loans		(33,061,536)	(30,722,463)
Raise of new long-term bonds		–	290,000
Repayment of long-term bonds		(3,000,000)	–
Raise of new short-term loans		61,815,054	87,073,604
Repayment of short-term loans		(71,758,439)	(91,867,270)
Raise of new short-term bonds		8,500,000	14,550,000
Repayment of short-term bonds		(13,500,000)	(15,956,372)
Dividends paid		(1,213,370)	(636,748)
Raise of other pledged financing		2,615,000	3,242,076
Repayment to other pledged financing		(5,893,202)	(3,657,018)
Repayment to lease liabilities		(921,442)	(915,980)
Interest paid		(7,475,237)	(8,343,308)
Government grants received		246,071	156,850
<b>Net cash used in financing activities</b>		<b>(8,840,587)</b>	<b>(1,418,309)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,057,623)</b>	<b>(1,542,626)</b>
<b>Effect of foreign exchange rate changes</b>		<b>(9,617)</b>	<b>10,358</b>
<b>Cash and cash equivalents at 1 January</b>		<b>9,532,755</b>	<b>11,065,023</b>
<b>Total cash and cash equivalents at 31 December, represented by bank balance and cash</b>	29	<b>8,465,515</b>	<b>9,532,755</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 1 GENERAL INFORMATION

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

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

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

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

## 2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

### New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement	Disclosure of Accounting Policies

2

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

### New and amendments to IFRSs that are mandatorily effective for the current year (continued)

#### Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note 4 to the consolidated financial statements.

#### Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The details of the impacts on each financial statement line item and loss per share arising from the application of the amendments are set out below in this note. Comparative figures have been restated.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

### New and amendments to IFRSs that are mandatorily effective for the current year (continued)

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

For the year ended 31 December 2023, the effect of the application of the amendments on the consolidated statement of profit or loss and other comprehensive income are income tax expense increased by RMB5,535,000 (2022: decreased by RMB2,432,000), in which, total comprehensive income for the year (2022: total comprehensive expense for the year) attributable to the owners of the Company decreased by RMB5,389,000 (2022: decreased by RMB2,441,000) and non-controlling interests decreased by RMB146,000 (2022: increased by RMB9,000).

For the year ended 31 December 2023, the effect of the application of the amendments on the basic and diluted loss per share are increased by RMB0.03 cent (2022: decreased by RMB0.01 cent).

The effect of the amendments on the consolidated statement of financial position as at the end of the immediately preceding financial year, i.e. 31 December 2022, are accumulated losses increased by RMB7,271,000, non-controlling interests decreased by RMB83,000, deferred tax assets increased by RMB79,789,000 and deferred tax liabilities increased by RMB87,143,000.

The effect of the amendments on the consolidated statement of financial position as at the beginning of the comparative period, i.e. 1 January 2022, are accumulated losses increased by RMB9,712,000, non-controlling interests decreased by RMB74,000, deferred tax assets increased by RMB26,213,000 and deferred tax liabilities increased by RMB35,999,000.

#### Amendments to IFRSs in issue but not yet effective

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

At 31 December 2023, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2023, the Group had net current liabilities of RMB50,935,100,000. The Group had significant undrawn borrowing facilities, subject to certain conditions, of not less than RMB150 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these consolidated financial statements on a going concern basis.

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

### Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Basis of consolidation (continued)

- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

### Changes in the Group's interests in existing subsidiaries

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Changes in the Group's interests in existing subsidiaries (continued)

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

### Business combinations

#### Acquisition method for business combination involving entity not under common control

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting issued by International Accounting Standards Board in March 2018 (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37") or IFRIC 21 Levies ("IFRIC 21"), in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Business combinations (continued)

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

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Business combinations (continued)

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

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

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

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

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

### Goodwill

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Goodwill (continued)

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

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

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

### Investments in associates and joint ventures

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Investments in associates and joint ventures (continued)

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

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

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Changes in the Group's interests in associates and joint ventures

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

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

### Revenue from contracts with customers

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Revenue from contracts with customers (continued)

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

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

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

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

#### (a) Sales of electricity and heat supply

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

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

#### (b) Sales of coal and other goods

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases

#### Definition of a lease

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

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

#### The Group as a lessee

##### *Allocation of consideration to components of a contract*

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

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

##### *Short-term leases and leases of low-value assets*

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

#### The Group as a lessee (continued)

##### *Right-of-use assets*

The cost of right-of-use asset includes:

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

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

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

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

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

##### *Refundable rental deposits*

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

#### The Group as a lessee (continued)

##### *Lease liabilities*

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

The lease payments include:

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

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

#### The Group as a lessee (continued)

##### *Lease modifications*

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

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

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

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

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

#### The Group as a lessor

##### *Classification and measurement of leases*

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

#### The Group as a lessor (continued)

##### *Allocation of consideration to components of a contract*

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

##### *Refundable rental deposits*

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

##### *Lease modification*

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

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

#### Sale and leaseback transactions

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

##### *The Group acts as a seller-lessee*

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

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

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Borrowing costs

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

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

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

### Government grants

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Employee benefits

#### Pension and other social obligation

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

#### Termination benefits

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

#### Short-term benefits

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

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

### Taxation

Income tax expense represents the sum current and deferred income tax expense.

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Taxation (continued)

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

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Property, plant and equipment

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

Construction in progress represents buildings and structures under construction and plant and equipment and transportation facilities pending installation. Construction in progress is carried at cost less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning property 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. The cost of those items are measured in accordance with the measurement requirements of IAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Investment properties

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

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

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

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

### Intangible assets other than goodwill

#### Intangible assets acquired separately

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Intangible assets other than goodwill (continued)

#### Internally-generated intangible assets – research and development expenditure

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

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

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

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Intangible assets other than goodwill (continued)

#### **Intangible assets acquired in a business combination**

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

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Intangible assets other than goodwill (continued)

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

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

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

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

### Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Cash and cash equivalents (continued)

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 48.

### Inventories

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

### Provisions

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

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

### Contingent liabilities

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments

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

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

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

### Financial assets

#### *Classification and subsequent measurement of financial assets*

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Classification and subsequent measurement of financial assets (continued)*

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

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

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

A financial asset is classified as held for trading if:

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

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

(i) Amortised cost and interest income

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Classification and subsequent measurement of financial assets (continued)*

(ii) Debts instruments/receivables classified as at FVTOCI

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

(iii) Equity instruments designated as at FVTOCI

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

(iv) Financial assets at FVTPL

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

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

##### *Impairment of financial assets subject to impairment to assessment under IFRS 9*

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment to assessment under IFRS 9 (continued)*

The Group always recognises lifetime ECL for trade receivables.

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

(i) Significant increase in credit risk

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment to assessment under IFRS 9 (continued)*

(i) Significant increase in credit risk (continued)

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

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

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

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment to assessment under IFRS 9 (continued)*

(iii) Credit-impaired financial assets (continued)

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment to assessment under IFRS 9 (continued)*

(v) Measurement and recognition of ECL (continued)

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

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

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

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

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

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

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Derecognition of financial assets*

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

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

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

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

#### Financial liabilities and equity instruments

##### *Classification as debt or equity*

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

##### *Equity instruments*

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

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial liabilities and equity instruments (continued)

##### *Financial liabilities*

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

##### *Financial guarantee contract*

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

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

##### *Derecognition of financial liabilities*

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

#### Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Segment reporting

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Dividend distribution

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

### Related parties

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### Critical judgement in applying accounting policies

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

### Going concern basis

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

### Key sources of estimation uncertainty

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

### Estimated impairment of property, plant and equipment

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

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

During the year ended 31 December 2023, impairment losses of RMB1,232,598,000 (2022: RMB388,283,000) were recognised in profit or loss.

### Estimated impairment of intangible assets including goodwill

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

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

At 31 December 2023, the carrying amount of goodwill was RMB762,979,000 (2022: RMB762,979,000). No impairment loss was recognised in profit or loss during the years ended 31 December 2023 and 2022. In respect of other intangible assets amounting to RMB1,500,953,000 (2022: RMB1,416,744,000), no impairment losses was recognised during the years ended 31 December 2023 and 2022. Details of the impairment assessment are disclosed in note 21.

### Deferred tax assets

At 31 December 2023, deferred tax assets of RMB2,179,664,000 (2022: RMB3,561,474,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax assets has been recognised on the tax losses of RMB22,798,498,000 (2022: RMB22,114,287,000) due to the unpredictability of future profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place. The information about the Group's deferred tax assets are disclosed in note 37.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

### Estimated impairment of intangible assets including goodwill (continued)

#### Provision of ECL for trade receivables

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

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

#### Income taxes

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

During the year ended 31 December 2023, income tax expense of RMB2,602,793,000 (2022: RMB856,686,000 (restated)) was charged to profit or loss.

#### Fair value measurement of financial instruments

At 31 December 2023, certain of the Group's financial assets are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Relevant information about the utilisation of valuation techniques and input in the process of determining the fair value are disclosed in note 7.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT

### (a) Capital risk management

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

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

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

	2023 RMB'000	2022 RMB'000 (restated)
Short-term loans	29,019,793	37,431,025
Short-term bonds	–	5,008,824
Long-term loans	135,490,108	125,689,933
Long-term bonds	6,569,167	9,684,028
	<u>171,079,068</u>	<u>177,813,810</u>
Less: Cash and cash equivalents and restricted deposits	(9,016,673)	(10,141,563)
Net debt	162,062,395	167,672,247
Equity attributable to owners of the Company	27,344,761	27,798,667
Debt to equity ratio	5.93	6.03

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

### (b) Categories of financial instruments

	2023 RMB'000	2022 RMB'000
<b>Financial assets:</b>		
Financial assets at amortised cost	30,880,828	31,944,166
Financial assets at fair value through profit or loss	4,094,705	4,033,991
Financial assets at fair value through other comprehensive income	858,512	1,654,488
	<hr/>	<hr/>
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost	210,179,210	223,532,571
	<hr/>	<hr/>

### (c) Financial risk management

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

#### Currency risk

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



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

### (c) Financial risk management (continued)

#### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to bank deposits, fixed-rate bank loans and lease liabilities. The Group's exposure to interest rate risk primarily arises from variable-rate bank loans.

Most of the bank deposits are maintained in the savings and fixed deposits accounts in the PRC. The interest rates are regulated by the People's Bank of China while the Group closely monitors the fluctuation on such rates periodically. As the average interest rates applied to the deposits are relatively low, the directors are of the opinion that the Group is not exposed to any significant interest rate risk and no sensitivity analysis presented for these assets held as at 31 December 2023 and 2022.

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

#### *Sensitivity analysis*

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

At 31 December 2023, if interest rates on loans had been 50 basis points (2022: 50 basis points) lower with all other variables held constant, consolidated profit after tax (2022: loss after tax) for the year would have been RMB616,247,000 higher (2022: RMB612,892,000 lower), arising mainly as a result of lower interest expense on the loans. If interest rates on loans had been 50 basis points (2022: 50 basis points) higher with all other variables held constant, consolidated profit after tax (2022: loss after tax) for the year would have been RMB616,247,000 lower (2022: RMB612,892,000 higher), arising mainly as a result of higher interest expense on the loans.

#### Other price risk

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

### (c) Financial risk management (continued)

#### Credit risk and impairment assessment

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

#### *Trade receivables arising from contracts with customers*

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

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

In respect of trade receivables arising from tariff premium of renewable energy, pursuant to Caijian [2012] No. 102 Notice on the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance ("MOF"), the NDRC and the National Energy Administration ("NEA") in March 2012, a set of standardised procedures for the settlement of the aforementioned renewable energy tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies.

In February 2020, the MOF, NDRC and NEA jointly issued new guidelines and notices, i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法). Pursuant to the new guidelines and notices, the quota of new subsidies should be decided based on the scale of subsidy funds, there will be no new subsidy catalogue published for tariff premium and as an alternative, power grid enterprises will publish list of renewable energy projects qualified for tariff premium periodically after the renewable energy generators gone through certain approval and information publicity process.

As at 31 December 2023, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. The tariff premium receivables are settled in accordance with prevailing government policies and prevalent payment trends of the MOF. There is no due date for settlement. The directors are of the opinion that the approvals will be obtained in due course and these trade receivables from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

### (c) Financial risk management (continued)

#### Credit risk and impairment assessment (continued)

##### *Trade receivables arising from contracts with customers (continued)*

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

The Group uses internal credit rating to assess the impairment for its customers in relation to its sales of coal and others operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB284,839,000 as at 31 December 2023 (2022: RMB280,213,000) were assessed individually.

At 31 December 2023, trade receivables due from the top five debtors amounted to RMB8,528,084,000 (2022: RMB7,204,515,000), representing 42.96% (2022: 39.39% (restated)) of the total trade receivables. Except for trade receivables, the Group has no significant concentrations of credit risk.

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

##### *Notes receivables, other receivables and cash and cash equivalents and restricted bank deposits*

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

For other receivables, management makes periodic individual assessment on their recoverability based on historical settlement records and also quantitative and qualitative information that is reasonable and supportive forward-looking information. At 31 December 2023, the Group had made an accumulated lifetime loss allowance on credit-impaired other receivables amounting to RMB396,125,000 (2022: RMB395,206,000).

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

### (c) Financial risk management (continued)

#### Liquidity risk

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

As at 31 December 2023, the Group has net current liabilities of approximately RMB50,935,100,000 (2022: RMB59,339,696,000). The Group relies on borrowings as a significant source of liquidity. As at 31 December 2023, the Group has available undrawn borrowing facilities of not less than RMB150 billion (2022: RMB150 billion).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating, the undiscounted amount is derived based on management's best estimates at the end of the reporting period, taking into consideration interest rate curve, if available.

	Weighted average interest rate	Less than 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
<b>At 31 December 2023</b>							
Long-term loans	3.15%	29,090,779	30,813,629	50,895,123	66,260,296	177,059,827	135,490,108
Long-term bonds	3.89%	6,527,348	305,080	-	-	6,832,428	6,569,167
Other non-current liabilities	3.83%	2,391,798	2,512,683	2,004,427	1,891,312	8,800,220	7,168,981
Trade payables and accrued liabilities	-	28,639,574	-	-	-	28,639,574	28,639,574
Consideration payables	-	710,361	-	-	-	710,361	710,361
Dividends payables	-	635,615	-	-	-	635,615	635,615
Short-term loans	2.88%	30,167,278	-	-	-	30,167,278	29,019,793
Lease liabilities	4.01%	493,533	485,592	1,281,992	1,254,496	3,515,613	1,945,611
		98,656,286	34,116,984	54,181,542	69,406,104	256,360,916	210,179,210



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 6 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

#### (c) Financial risk management (continued)

##### Liquidity risk (continued)

	Weighted average interest rate	Less than 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
<b>At 31 December 2022</b>							
Long-term loans	3.55%	24,047,858	27,679,255	44,170,498	74,413,078	170,310,689	125,689,933
Long-term bonds	4.28%	3,361,192	6,447,676	305,080	–	10,113,948	9,684,028
Other non-current liabilities	4.21%	4,106,225	3,149,187	5,026,939	496,236	12,778,587	10,874,668
Trade payables and accrued liabilities	–	31,996,584	–	–	–	31,996,584	31,996,584
Consideration payables	–	300,212	–	–	–	300,212	300,212
Dividends payables	–	486,560	–	–	–	486,560	486,560
Short-term loans	3.40%	38,994,292	–	–	–	38,994,292	37,431,025
Short-term bonds	2.04%	5,008,932	–	–	–	5,008,932	5,008,824
Lease liabilities	4.14%	704,578	459,558	1,259,782	1,417,053	3,840,971	2,060,737
		<u>109,006,433</u>	<u>37,735,676</u>	<u>50,762,299</u>	<u>76,326,367</u>	<u>273,830,775</u>	<u>223,532,571</u>
Financial guarantee issued: maximum amount guaranteed (Note)	–	25,600	–	–	–	25,600	–

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

### 7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

Disclosures of level in fair value hierarchy at 31 December 2023:

Financial assets	Fair value as at			Valuation technique(s)	Significant input(s)	Relationship of unobservable input(s) to fair value
	31 December 2023	31 December 2022	Fair value hierarchy			
Equity instruments measured at fair value through profit or loss	Unlisted equity shares, amount of RMB4,094,705,000	Unlisted equity shares, amount of RMB4,033,991,000	Level 3	Market comparable approach	Discount for lack of marketability 30.50% (2022: 26.87%-31.11%) (Note (i))	The higher the discount rate, the lower the fair value
Equity instruments measured at fair value through other comprehensive income	N/A	Listed equity shares, amount of RMB304,923,000	Level 1	Quoted bid prices in an active market	N/A	N/A
	Unlisted equity shares, amount of RMB829,952,000	Unlisted equity shares, amount of RMB828,935,000	Level 3	Market comparable approach	Discount for lack of marketability 30.50% (2022: 26.87%-32.20%) (Note (ii))	The higher the discount rate, the lower the fair value
Notes receivables at fair value through other comprehensive income	RMB28,560,000	RMB520,630,000	Level 2	Discounted cash flow	Estimated future cash flows are discounted at market interest rate that reflects the time value to the date of settlement	N/A

Notes:

- (i) The fair value of unlisted equity instruments is determined using the net assets ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2023, it is estimated that with all other variable held constant, a decrease/increase in discount for lack of marketability by 5% would have increase/decrease (2022: decrease/increase) the Group's consolidated profit after tax (2022: loss after tax) for the year by RMB88,736,000 (2022: RMB91,085,000).
- (ii) The fair value of unlisted equity instruments is determined using the net assets ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2023, it is estimated that with all other variable held constant, a decrease/increase in discount for lack of marketability by 5% would have increase/decrease (2022: decrease/increase) the Group's consolidated other comprehensive income (2022: other comprehensive expense) by RMB9,427,000 (2022: RMB9,912,000).



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

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

During the years ended 31 December 2023 and 2022, there were no 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 2022	3,876,320	727,557
Additions	–	215,000
Disposals	–	(26,938)
Fair value change recognised in profit or loss	157,671	–
Fair value change recognised in other comprehensive income	–	(86,684)
At 31 December 2022 and 1 January 2023	<b>4,033,991</b>	<b>828,935</b>
Additions	–	50,000
Disposals	–	(16,308)
Fair value change recognised in profit or loss	60,714	–
Fair value change recognised in other comprehensive income	–	(32,675)
At 31 December 2023	<b>4,094,705</b>	<b>829,952</b>

Of the total gains or losses for the period included in profit or loss, RMB60,714,000 (2022: RMB157,671,000) gain relates to financial assets at FVTPL held at the end of the current reporting period. Fair value gains or losses on financial assets at fair value through profit or loss are included in 'other gains and losses'.

Included in other comprehensive income is an amount of RMB32,675,000 (2022: RMB86,684,000) loss relating to unlisted equity securities classified as equity instruments at FVTOCI held at the end of the current reporting period and is reported as changes of FVTOCI reserve.

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 8 OPERATING REVENUE

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

	2023 RMB'000	2022 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sales of electricity and heat supply	116,404,003	110,542,950
Others	6,000,463	6,285,094
	<b>122,404,466</b>	<b>116,828,044</b>

## 9 SEGMENT INFORMATION

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

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

In the current year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. Prior year segment disclosures have been represented to conform with the current year's presentation.

Senior Management assesses the performance of the operating segments based on a measure of profit/(loss) 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. Other segments – engaged in aluminium smelting, coal mining and treatment of flyash and others.

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



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 9 SEGMENT INFORMATION (CONTINUED)

#### Segment revenues and results

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

#### Year ended 31 December 2023

	Power and heat generation segment RMB'000	Other segments RMB'000	Total RMB'000
<b>SEGMENT REVENUE</b>			
Revenue from external customers	116,404,003	6,000,463	122,404,466
Inter-segment revenue (Note)	1,001,622	502,427	1,504,049
	<u>117,405,625</u>	<u>6,502,890</u>	<u>123,908,515</u>
Segment profit/(loss)	<u>5,610,713</u>	<u>(39,616)</u>	<u>5,571,097</u>

#### Year ended 31 December 2022

	Power and heat generation segment RMB'000	Other segments RMB'000	Total RMB'000
<b>SEGMENT REVENUE</b>			
Revenue from external customers	110,542,950	6,285,094	116,828,044
Inter-segment revenue (Note)	1,415,788	8,889,217	10,305,005
	<u>111,958,738</u>	<u>15,174,311</u>	<u>127,133,049</u>
Segment (loss)/profit	<u>(1,835,736)</u>	<u>1,816,118</u>	<u>(19,618)</u>

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit or loss do not include income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 9 SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

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

	2023 RMB'000	2022 RMB'000 (restated)
<b>SEGMENT ASSETS</b>		
Power and heat generation segment	296,749,124	296,637,221
Other segments	7,249,794	8,495,043
Total reporting segment assets	<b>303,998,918</b>	305,132,264
<b>SEGMENT LIABILITIES</b>		
Power and heat generation segment	209,592,204	221,683,970
Other segments	5,940,764	7,143,957
Total reporting segment liabilities	<b>215,532,968</b>	228,827,927

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

	2023 RMB'000	2022 RMB'000
Total reporting segment profit/(loss)	5,571,097	(19,618)
IFRSs adjustments	133,191	96,213
Profit before tax under IFRSs	<b>5,704,288</b>	76,595



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 9 SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (continued)

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

	2023 RMB'000	2022 RMB'000 (restated)
<b>Assets</b>		
Total reportable segment assets	303,998,918	305,132,264
IFRSs adjustments	40,548	53,014
Total assets under IFRSs	<u>304,039,466</u>	<u>305,185,278</u>
<b>Liabilities</b>		
Total reportable segment liabilities	215,532,968	228,827,927
IFRSs adjustments	68,661	32,038
Total liabilities under IFRSs	<u>215,601,629</u>	<u>228,859,965</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 9 SEGMENT INFORMATION (CONTINUED)

### Other segment information

Year ended 31 December 2023

	Power and heat generation segment RMB'000	Other segments RMB'000	Total RMB'000
<i>Amounts included in the measurement of segment results or segment assets:</i>			
Addition of non-current assets*	25,059,078	325,796	25,384,874
Depreciation and amortisation	13,258,614	487,526	13,746,140
Impairment of non-current assets*	21,834	1,334,087	1,355,921
Share of results of associates	1,548,270	772,674	2,320,944
Share of results of joint ventures	(57,400)	–	(57,400)
Interest income	85,784	12,010	97,794
Interest expenses	5,634,260	131,371	5,765,631
Interests in associates	10,241,331	9,825,184	20,066,515
Interests in joint ventures	113,256	–	113,256
<i>Amounts regularly provided to the CODM but not included in the measurement of segment results:</i>			
Income tax expense	2,519,525	83,268	2,602,793



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 9 SEGMENT INFORMATION (CONTINUED)

#### Other segment information (continued)

Year ended 31 December 2022

	Power and heat generation segment RMB'000	Other segments RMB'000	Total RMB'000
<i>Amounts included in the measurement of segment results or segment assets:</i>			
Addition of non-current assets*	24,152,032	382,383	24,534,415
Depreciation and amortisation	12,860,279	467,642	13,327,921
Impairment of non-current assets*	388,283	–	388,283
Share of results of associates	975,525	1,198,233	2,173,758
Share of results of joint ventures	(137,898)	–	(137,898)
Interest income	84,997	8,104	93,101
Interest expenses	6,566,373	143,204	6,709,577
Allowance for inventories	24,423	–	24,423
Interests in associates	9,258,668	10,548,375	19,807,043
Interests in joint ventures	65,556	–	65,556
<i>Amounts regularly provided to the CODM but not included in the measurement of segment results:</i>			
Income tax expense (restated)	750,352	106,334	856,686

\* Non-current assets exclude financial assets and deferred tax assets.

#### Geographical information

No geographical information is presented as more than 90% of the Group's revenue during the years ended 31 December 2023 and 2022 and most of their customers and non-current assets as at 31 December 2023 and 2022 were located in the PRC.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 9 SEGMENT INFORMATION (CONTINUED)

### Information about major customers

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

	2023 RMB'000	2022 RMB'000
Customer A <sup>1</sup>	16,882,020	14,646,039
Customer B <sup>1</sup>	14,028,847	13,169,171

<sup>1</sup> Revenue from power and heat generation segment

## 10 OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2023 RMB'000	2022 RMB'000
Gain on change of fair value of financial assets at fair value through profit or loss	60,714	157,671
Amortisation of deferred income	349,915	294,323
Gain/(loss) on disposal of non-current assets	13,173	(114)
Gain on disposal of subsidiaries (Note 44(b))	521,244	504,221
Gain on disposal of interests in associates	187	844
Gain on de-registration of subsidiaries	–	185,507
(Loss)/gain from disposal of property, plant and equipment	(104,549)	33,826
Carbon emissions rights trading income	23,231	31,537
Others	44,817	78,425
	<b>908,732</b>	<b>1,286,240</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 11 FINANCE COSTS

	2023 RMB'000	2022 RMB'000
Interest expense on bank loans, bonds and other borrowings	6,023,318	6,922,140
Interest on lease liabilities	88,405	98,492
Less: amounts capitalised in property, plant and equipment	<u>(383,224)</u>	<u>(358,810)</u>
	5,728,499	6,661,822
Foreign exchange loss, net	3,605	1,364
Others	<u>33,527</u>	<u>46,391</u>
	<u>5,765,631</u>	<u>6,709,577</u>

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying capitalisation rate ranged from 2.60% to 3.75% (2022: 2.90% to 4.80%) per annum to expenditure on qualifying assets.

## 12 INCOME TAX EXPENSE

### (a) Taxation in consolidated statement of profit of loss

	2023 RMB'000	2022 RMB'000 (restated)
Current tax:		
PRC Enterprise Income Tax ("EIT"):		
Provision for the year	1,146,679	984,023
Over provision in respect of prior years	<u>(10,460)</u>	<u>(18,128)</u>
	1,136,219	965,895
Deferred tax	<u>1,466,574</u>	<u>(109,209)</u>
	<u>2,602,793</u>	<u>856,686</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 12 INCOME TAX EXPENSE (CONTINUED)

#### (a) Taxation in consolidated statement of profit or loss (continued)

The PRC EIT represents tax charged on the estimated assessable profits arising in the PRC. In general, the Group's subsidiaries operating in the PRC are subject to PRC EIT rate of 25% (2022: 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.

The tax charge for the year can be reconciled to the profit before tax as follows:

	2023 RMB'000	2022 RMB'000 (restated)
Profit before tax	5,704,288	76,595
Tax at PRC EIT rate of 25% (2022: 25%)	1,426,072	19,149
Tax effect of income not taxable for tax purpose	(348,123)	(626,576)
Tax effect of expenses not deductible for tax purpose	60,139	113,627
Utilisation of tax losses previously not recognised	(109,450)	(382,999)
Tax effect of tax losses not recognised	1,087,704	2,415,340
Tax effect of deductible temporary differences not recognised	338,467	54,198
Effect of income tax on concessionary rate in the PRC	(867,004)	(725,879)
Over provision in respect of prior years	(10,460)	(18,128)
Reversal of deferred tax assets recognised in prior years	1,168,697	–
Others	(143,249)	7,954
Income tax expense	2,602,793	856,686

During the year ended 31 December 2023, the Group assessed and considered that it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities where deferred tax assets have been recognised in prior years for their cumulative unused tax losses. Consequently, deferred tax assets of RMB1,168,697,000 has been reversed and charged to profit or loss in 2023 (2022: Nil).



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 12 INCOME TAX EXPENSE (CONTINUED)

- (b) In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:

	2023			2022		
	Before taxation RMB'000	Taxation credited (Note 37(b)) RMB'000	Net of taxation RMB'000	Before taxation RMB'000	Taxation credited (Note 37(b)) RMB'000	Net of taxation RMB'000
Share of other comprehensive income/ (expense) of associates	9,917	–	9,917	(3,644)	–	(3,644)
Exchange differences on translating foreign operations	6,219	–	6,219	(6,004)	–	(6,004)
Fair value gain on investments in equity instruments at fair value through other comprehensive income	237,428	10,132	247,560	28,802	23,729	52,531
	253,564	10,132	263,696	19,154	23,729	42,883

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

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

	2023 RMB'000	2022 RMB'000
Staff costs including directors' and supervisors' emoluments		
– Salaries and welfares	8,765,346	6,656,010
– Retirement benefits and other benefits	2,418,851	2,397,280
Total staff cost	<u>11,184,197</u>	9,053,290
Auditor's remuneration		
– Audit service	12,015	11,585
– Non-audit services	3,958	4,069
Total auditor's remuneration	<u>15,973</u>	15,654
Recognition of impairment of trade receivables, net	4,556	6,267
Recognition of impairment of other receivables, net	20,769	6,452
Allowance for inventories	–	24,423
Cost of inventories recognised as an expense	78,364,718	80,968,019
Impairment of property, plant and equipment	1,232,598	388,283
Impairment of interest in an associate	123,323	–
Rental income generated from investment properties	(34,016)	(25,776)
Rental income generated from plant and equipment	(51,539)	(58,704)
Loss/(gain) from disposal of property, plant and equipment	104,549	(33,826)
Depreciation on right-of-use assets	295,873	226,536
Depreciation on property, plant and equipment	13,328,211	12,978,156
Depreciation on investment properties	25,555	31,354
Total depreciation on non-current assets	<u>13,649,639</u>	13,236,046
Amortisation of intangible assets	<u>96,501</u>	91,875
Interest income from entrusted loans receivables	(40,787)	(8,158)
Dividend income from financial assets at fair value through profit or loss	(132,877)	(266,259)
Dividend income from financial assets at fair value through other comprehensive income	(1,253)	(34,668)



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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

(b) Other operating expenses:

	2023 RMB'000	2022 RMB'000
Auditor's remuneration	15,973	15,654
Recognition of impairment of trade receivables, net	4,556	6,267
Impairment of interest in an associate	123,323	–
Impairment of property, plant and equipment	1,232,598	388,283
Allowance for inventories	–	24,423
Amortisation of intangible assets	96,501	91,875
Procurement cost of aluminum products and coal products	4,464,825	5,169,141
Environmental protection fee	3,701,997	3,362,390
Electricity expenses	360,837	231,023
Water fee and water resource fee	558,049	550,807
Sales services fee	50,292	58,029
Property management fee	118,428	147,062
Greenery fee	40,846	42,432
Intermediary fees	69,011	66,134
Insurance	110,521	123,811
Office expenses	73,803	82,950
Outsourcing expenses	113,897	145,180
Public security fire fee	45,673	91,791
Information expenses	104,349	107,074
Others (Note)	567,918	818,272
	<b>11,853,397</b>	<b>11,522,598</b>

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS

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

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

For the year ended 31 December 2023

Name of directors	Fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Zhu Shaowen	-	-	-	-	-	-	-
Cao Xin	-	-	-	-	-	-	-
Zhuo Xianquo	-	-	-	-	-	-	-
Jin Shengxiang	-	-	-	-	-	-	-
Sun Yongxing	-	-	-	-	-	-	-
Liu Jianlong (i)	-	-	-	-	-	-	-
Li Jingfeng (iv)	-	-	-	-	-	-	-
Liang Yongpan (iv)	-	222	1,204	1,426	15	81	1,522
Ying Xuejun	-	-	-	-	-	-	-
Wang Shunqi (iii)	-	18	144	162	1	8	171
Xu Guang (iii)	-	50	159	209	4	23	236
Ma Jixian (iii)	-	-	-	-	-	-	-
Liu Jizhen (i)	85	-	-	85	-	-	85
Niu Dongxiao	137	-	-	137	-	-	137
Zong Wenlong	137	-	-	137	-	-	137
Si Fengqi (iv)	137	-	-	137	-	-	137
Xiao Zheng (iv)	-	147	675	822	12	58	892
Zhao Yi	137	-	-	137	-	-	137
You Yong (iii)	-	-	-	-	-	-	-
Tian Dan (ii)	-	-	-	-	-	-	-
Zhu Dahong (ii)	45	-	-	45	-	-	45
	<b>678</b>	<b>437</b>	<b>2,182</b>	<b>3,297</b>	<b>32</b>	<b>170</b>	<b>3,499</b>
<b>Name of the supervisors</b>							
Zhang Xiaoxu (iv)	-	-	-	-	-	-	-
Liu Liming	-	-	-	-	-	-	-
Guo Hong	-	198	794	992	15	89	1,096
Xu Xiangyang	-	703	-	703	14	89	806
Han Fang (iii)	-	-	-	-	-	-	-
	<b>-</b>	<b>901</b>	<b>794</b>	<b>1,695</b>	<b>29</b>	<b>178</b>	<b>1,902</b>
	<b>678</b>	<b>1,338</b>	<b>2,976</b>	<b>4,992</b>	<b>61</b>	<b>348</b>	<b>5,401</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (CONTINUED)

### (a) Directors' and supervisors' emoluments (continued)

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

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. Certain directors are not paid directly by the Company but receive emoluments from the Company's holding company, in respect of their services to the larger group which includes the Group. No appointment has been made as the qualifying services provided by these directors to the Group are incidental to their responsibilities to the larger group.

Notes:

- (i) Resigned on 21 February 2023
- (ii) Appointed on 21 February 2023
- (iii) Appointed on 21 December 2023
- (iv) Resigned on 21 December 2023

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (CONTINUED)

### (a) Directors' and supervisors' emoluments (continued)

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

For the year ended 31 December 2022

Name of directors	Fees	Basic salaries and allowances	Discretionary bonus	Subtotal	Retirement benefits	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Liang Yongpan	-	242	991	1,233	54	140	1,427
Ying Xuejun	-	92	498	590	19	58	667
Cao Xin	-	-	-	-	-	-	-
Zhao Xianguo	-	-	-	-	-	-	-
Zhu Shaowen	-	-	-	-	-	-	-
Liu Jizhen (v)	137	-	-	137	-	-	137
Niu Dongxiao	137	-	-	137	-	-	137
Sun Yongxing	-	-	-	-	-	-	-
Jin Shengxiang	-	-	-	-	-	-	-
Liu Jianlong (v)	-	-	-	-	-	-	-
Su Min (iii)	-	-	-	-	-	-	-
Kou Baoquan (i)	82	-	-	82	-	-	82
Zong Wenlong	82	-	-	82	-	-	82
Si Fengqi	82	-	-	82	-	-	82
Xiao Zheng	-	220	509	729	55	140	924
Li Jingfeng (iv)	-	-	-	-	-	-	-
Zhao Yi (ii)	-	-	-	-	-	-	-
	520	554	1,998	3,072	128	338	3,538
<b>Name of the supervisors</b>							
Zhang Xiaoxu	-	-	-	-	-	-	-
Liu Liming (ii)	-	-	-	-	-	-	-
Guo Hong	-	198	817	1,015	47	140	1,202
Xu Xiangyang	-	645	-	645	43	140	828
Wang Tongliang (i)	-	321	-	321	15	55	391
	-	1,164	817	1,981	105	335	2,421
	520	1,718	2,815	5,053	233	673	5,959



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 14 BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (CONTINUED)

### (a) Directors' and supervisors' emoluments (continued)

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

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. Certain directors are not paid directly by the Company but receive emoluments from the Company's holding company, in respect of their services to the larger group which includes the Group. No appointment has been made as the qualifying services provided by these directors to the Group are incidental to their responsibilities to the larger group.

Notes:

- (i) Resigned on 29 June 2022
- (ii) Appointed on 29 June 2022
- (iii) Resigned on 22 December 2022
- (iv) Appointed on 22 December 2022
- (v) Resigned on 21 February 2023

There was no arrangement under which a director or a supervisor waived or agreed to waive any remunerations during the year (2022: Nil).

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

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

## 15 EMPLOYEES' EMOLUMENTS

### (a) Retirement benefits schemes

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

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

The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. During the year ended 31 December 2023, the total retirement benefit scheme contributions charged to the consolidated statement of profit or loss amounted to RMB2,418,851,000 (2022: RMB2,397,280,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 15 EMPLOYEES' EMOLUMENTS (CONTINUED)

### (b) Housing benefits

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

### (c) Five highest paid individuals

The five highest paid individuals in the Group during the year included one (2022: one) director and one (2022: one) supervisor whose emoluments are reflected in the analysis presented in note 14(a) to the consolidated financial statements. The emoluments of the remaining three (2022: three) individuals are set out below:

	2023 RMB'000	2022 RMB'000
Basic salaries and allowances	616	587
Discretionary bonus	2,717	2,136
Retirement benefits	45	138
Other benefits	266	370
	<u>3,644</u>	<u>3,231</u>

The emoluments fell within the following band:

	Number of individuals	
	2023	2022
HKD1,000,001 to HKD1,500,000	<u>3</u>	<u>3</u>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 16 DIVIDENDS

Pursuant to the Board of Directors' meeting on 22 March 2024, the directors of the Company recommended to declare the final dividends for the year ended 31 December 2023 of RMB0.0075 per share totalling RMB138,800,000 (tax inclusive). Such recommendation is to be approved by the shareholders at the annual general meeting. Dividends declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.

During the year ended 31 December 2023, a final dividend of RMB0.029 per share in respect of the year ended 31 December 2022 totalling RMB536,695,000 (tax inclusive) was declared and paid to the owners of the Company.

During the year ended 31 December 2022, no dividend was declared and paid to the owners of the Company.

### 17 LOSS PER SHARE

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

	2023 RMB'000	2022 RMB'000 (restated)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share	<u>(212,002)</u>	<u>(1,704,685)</u>
	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>18,506,711</u>	<u>18,506,711</u>

Note:

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2023 and 2022.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 18 PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures RMB'000	Electricity utility plants RMB'000	Transportation facilities RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost</b>						
At 1 January 2022	132,329,739	226,636,123	1,989,842	5,399,669	23,230,038	389,585,411
Transfer from construction in progress	3,472,369	13,074,012	26,184	119,153	(16,691,718)	-
Transfer to investment properties (Note 20)	(56,172)	-	-	-	-	(56,172)
Additions	27,847	2,581,461	24,978	43,568	18,253,176	20,931,030
Disposals/write-off	(600,167)	(2,291,122)	(292,952)	(2,569,221)	(514,991)	(6,268,453)
Disposal of subsidiaries (Note 44(b))	(706,021)	(2,262,188)	(4,447)	(7,789)	(17,797)	(2,998,242)
At 31 December 2022 and 1 January 2023	<b>134,467,595</b>	<b>237,738,286</b>	<b>1,743,605</b>	<b>2,985,380</b>	<b>24,258,708</b>	<b>401,193,574</b>
Transfer from construction in progress	1,716,423	14,898,833	15,804	74,059	(16,705,119)	-
Transfer to investment properties (Note 20)	(72,912)	-	-	-	-	(72,912)
Additions	22,983	672,298	174,171	40,552	19,687,427	20,597,431
Disposals/write-off	(185,338)	(2,069,060)	(47,383)	(60,002)	(13,094)	(2,374,877)
Disposal of subsidiaries (Note 44(b))	(2,146,082)	(6,712,596)	(34,550)	(1,722)	(346,619)	(9,241,569)
At 31 December 2023	<b>133,802,669</b>	<b>244,527,761</b>	<b>1,851,647</b>	<b>3,038,267</b>	<b>26,881,303</b>	<b>410,101,647</b>
<b>Accumulated depreciation and impairment losses</b>						
At 1 January 2022	44,003,352	129,010,794	1,499,870	3,281,644	1,063,847	178,859,507
Charge for the year	3,967,255	8,755,207	64,554	191,140	-	12,978,156
Impairment losses	40	192,550	285	-	195,408	388,283
Transfer to investment properties (Note 20)	(20,807)	-	-	-	-	(20,807)
Eliminated upon disposals/write-off	(337,802)	(525,677)	(282,838)	(1,791,693)	-	(2,938,010)
Disposal of subsidiaries (Note 44(b))	(486,705)	(1,910,421)	(4,255)	(7,176)	-	(2,408,557)
At 31 December 2022 and 1 January 2023	<b>47,125,333</b>	<b>135,522,453</b>	<b>1,277,616</b>	<b>1,673,915</b>	<b>1,259,255</b>	<b>186,858,572</b>
Charge for the year	4,150,172	8,918,732	75,937	183,370	-	13,328,211
Impairment losses	-	19,261	-	-	1,213,337	1,232,598
Transfer to investment properties (Note 20)	(7,598)	-	-	-	-	(7,598)
Eliminated upon disposals/write-off	(89,196)	(1,799,718)	(44,861)	(19,939)	-	(1,953,714)
Disposal of subsidiaries (Note 44(b))	(1,526,833)	(5,497,824)	(32,833)	(1,409)	-	(7,058,899)
At 31 December 2023	<b>49,651,878</b>	<b>137,162,904</b>	<b>1,275,859</b>	<b>1,835,937</b>	<b>2,472,592</b>	<b>192,399,170</b>
<b>Carrying amount</b>						
At 31 December 2023	<b>84,150,791</b>	<b>107,364,857</b>	<b>575,788</b>	<b>1,202,330</b>	<b>24,408,711</b>	<b>217,702,477</b>
At 31 December 2022	87,342,262	102,215,833	465,989	1,311,465	22,999,453	214,335,002



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 18 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

At 31 December 2023, certain buildings and structures with the carrying amount of RMB9,110,783,000 (2022: RMB9,866,394,000) are still in the process of applying the title certificate.

#### Impairment assessment

During the year ended 31 December 2023, being influenced by changes in political and industrial environment of certain regions in the PRC, some coal and power generation projects ceased to continue development and advancement. Accordingly, certain property, plant and equipment become idle or physically damaged. The Group does not expect to have future economic benefits recoverable from the use of such property, plant and equipment. There is no alternative use of such property, plant and equipment which is specifically designed. The recoverable amounts of such property, plant and equipment are estimated to be zero by the management of the Group. As a result, impairment loss of RMB1,232,598,000 (2022: RMB388,283,000) was recognised in profit or loss on such property, plant and equipment.

### 19 RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Buildings and structures RMB'000	Electricity utility plants RMB'000	Transportation facilities RMB'000	Others RMB'000	Total RMB'000
At 31 December 2023						
Carrying amount	2,952,318	445,804	3,051,098	278,249	275,522	7,002,991
At 31 December 2022						
Carrying amount	3,043,176	139,154	2,692,995	471,643	231,236	6,578,204
For the year ended 31 December 2023						
Charge for the year	93,607	56,003	94,151	41,704	10,408	295,873
For the year ended 31 December 2022						
Charge for the year	94,034	35,001	24,841	47,391	25,269	226,536

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 19 RIGHT-OF-USE ASSETS (CONTINUED)

	2023 RMB'000	2022 RMB'000
Expense relating to short-term leases	51,838	68,565
Total cash outflow for leases	1,103,263	984,545
Additions to right-of-use assets	1,001,187	1,769,089

Right-of-use assets of RMB2,952,318,000 (2022: RMB3,043,176,000) represent land use rights located in the PRC.

The Group has lease arrangements for buildings and structures, electricity utility plants and transportation facilities. The lease terms was ranged from two to twenty years.

Extension options are included in the lease of buildings and structures, electricity utility plants and transportation facilities. Certain periods covered by extension options were included in these lease terms as the Group was reasonably certain to exercise the option.

In respect of lease arrangement for transportation facilities, the Group has options to purchase transportation facilities for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such lease.

The Group has obtained the land use right certificates for all land use rights except for leasehold lands with carrying amount of RMB122,107,000 (2022: RMB163,172,000) where the Group is still in the process of applying the title certificates.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 20 INVESTMENT PROPERTIES

	RMB'000
<b>Cost</b>	
At 1 January 2022	747,346
Transfer from property, plant and equipment (Note 18)	56,172
	<b>803,518</b>
At 31 December 2022 and 1 January 2023	<b>803,518</b>
Transfer from property, plant and equipment (Note 18)	72,912
Disposals	(9,656)
	<b>866,774</b>
At 31 December 2023	<b>866,774</b>
<b>Accumulated depreciation</b>	
At 1 January 2022	247,031
Charge for the year	31,354
Transfer from property, plant and equipment (Note 18)	20,807
	<b>299,192</b>
At 31 December 2022 and 1 January 2023	<b>299,192</b>
Charge for the year	25,555
Transfer from property, plant and equipment (Note 18)	7,598
Eliminated upon disposals	(1,376)
	<b>330,969</b>
At 31 December 2023	<b>330,969</b>
<b>Carrying amount</b>	
At 31 December 2023	<b>535,805</b>
At 31 December 2022	504,326

The above investments properties are depreciated on a straight-line basis to allocate the cost to the residual value over their estimated useful lives of 30 years.

The Group lease out properties under operating leases with monthly rental payable.

During the year ended 31 December 2023, the Group had recognised the rental income generated from investment properties for the amount of RMB34,016,000 (2022: RMB25,776,000). Direct operating expenses arising on the investment properties amounted to RMB6,528,000 (2022: RMB6,876,000).

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessees option to purchase the property at the end of lease term.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 21 INTANGIBLE ASSETS

	Goodwill RMB'000	Mining rights RMB'000	Resource use rights RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
<b>Cost</b>						
At 1 January 2022	954,118	1,017,060	37,847	660,196	55,215	2,724,436
Additions	-	-	-	136,402	73,621	210,023
Disposal of subsidiaries (Note 44(b))	-	-	-	(10,796)	-	(10,796)
Disposal/write-off	-	-	-	(10,053)	-	(10,053)
At 31 December 2022 and 1 January 2023	954,118	1,017,060	37,847	775,749	128,836	2,913,610
Additions	-	427	-	111,751	76,536	188,714
Disposal of subsidiaries (Note 44(b))	-	-	-	(6,332)	-	(6,332)
Disposals/write-off	-	-	-	(12,552)	-	(12,552)
At 31 December 2023	954,118	1,017,487	37,847	868,616	205,372	3,083,440
<b>Accumulated amortisation and impairment losses</b>						
At 1 January 2022	191,139	56,230	37,089	347,962	20,671	653,091
Charge for the year	-	8,412	30	66,937	16,496	91,875
Disposal of subsidiaries (Note 44(b))	-	-	-	(9,652)	-	(9,652)
Eliminated upon disposals/write-off	-	-	-	(1,427)	-	(1,427)
At 31 December 2022 and 1 January 2023	191,139	64,642	37,119	403,820	37,167	733,887
Charge for the year	-	26,810	30	64,069	5,592	96,501
Disposal of subsidiaries (Note 44(b))	-	-	-	(5,276)	-	(5,276)
Eliminated upon disposals/write-off	-	-	-	(5,604)	-	(5,604)
At 31 December 2023	191,139	91,452	37,149	457,009	42,759	819,508
<b>Carrying amount</b>						
At 31 December 2023	762,979	926,035	698	411,607	162,613	2,263,932
At 31 December 2022	762,979	952,418	728	371,929	91,669	2,179,723



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 21 INTANGIBLE ASSETS (CONTINUED)

The above intangible assets, other than goodwill, have finite useful lives. Mining rights are amortised based on the units of production method while other intangible assets are amortised on a straight-line basis over the following periods:

Resource use rights	10 – 40 years
Computer software	2 – 9 years
Others	10 years

#### Impairment assessment on goodwill

For the purposes of impairment testing, goodwill with indefinite useful lives have been allocated to CGUs of the Group. The carrying amounts of goodwill allocated to these units are as follows:

	2023 RMB'000	2022 RMB'000
<b>Power and heat generation segment</b>		
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	273,795	273,795
Zhangjiakou Power Plant No. 2 Generator Yuneng (Group) Company Limited	33,561	33,561
Inner Mongolia Datang International Hohhot Aluminium and Power Company Limited	18,040	18,040
Yunnan Datang International Deqin Hydropower Development Company Limited	902	902
Sichuan Jinkang Electricity Development Company Limited	18	18
Shenzhen Datang Baochang Gas Power Generation Company Limited	130,830	130,830
	165,995	165,995
	623,141	623,141
<b>Other segments</b>		
Inner Mongolia Datang International Zhunge'er Mining Company Limited	120,177	120,177
Inner Mongolia Baoli Coal Company Limited	18,712	18,712
Datang Tongzhou Technology Company Limited	949	949
	139,838	139,838
	762,979	762,979

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 21 INTANGIBLE ASSETS (CONTINUED)

### Impairment assessment on goodwill (continued)

The recoverable amounts of the above CGUs were determined based on value in use calculations using discounted cash flow method.

The value in use calculations use cash flow projections based on financial budgets approved by the management covering a five-year period with growth rate of 1%-6% (2022: 1%-3%) which is consistent with the forecasts included in industry reports. Both sets of cash flows beyond the five-year period are extrapolated using zero growth rate (2022: zero growth rate). Cash flow projections during the budget period for (i) power generation units are based on expected tariff rates, demands of electricity in specific regions where these power plants are located and fuel cost and (ii) coal mining entities are based on the expected coal price, the estimated remaining coal reserves and the mining plan.

The pre-tax discount rates used in respective value in use calculations ranged from 8.57% to 15.51% (2022: 10.06% to 18.83%) per annum. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The recoverable amount is significantly above the carrying amount of those CGUs. Management of the Group believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of each of the CGUs to exceed their respective recoverable amount.

During the years ended 31 December 2023 and 2022, management of the Group determines that, based on the above assessments, there is no impairment of goodwill.

## 22 INTERESTS IN ASSOCIATES

	2023 RMB'000	2022 RMB'000
Interests in associates under equity method	20,066,515	19,807,043
Share of results of associates	2,320,944	2,173,758



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 22 INTERESTS IN ASSOCIATES (CONTINUED)

Set out below are the associates of the Group as at 31 December 2023 and 2022, which in the opinion of the directors are material to the Group and principally affected the results or assets of the Group:

Name of associate	Place of incorporation/ registration	Paid-up capital RMB'000	Percentage of equity interest held by the Group		Principal activities
			2023	2022	
Fujian Ningde Nuclear Power Company Limited ("Ningde Nuclear Power")	the PRC	11,177,500	44.00%	44.00%	Nuclear power development, construction and operations
Tongmei Datang Tashan Coal Mine Company Limited ("Tashan Coal")	the PRC	2,072,540	28.00%	28.00%	Coal mine construction and mining
China Datang Group Finance Company Limited ("Datang Finance") (Note (i))	the PRC	4,869,872	16.95%	16.95%	Financial services
Datang Finance Leasing Company Limited ("Datang Leasing") (Note (ii))	the PRC	2,898,495 (2022: 2,499,824)	17.25%	20.00%	Finance leasing business

Notes:

- (i) Although the Group holds less than 20% equity interest in Datang Finance, the Group exercises significant influence over Datang Finance because the Group has board representation in Datang Finance.
- (ii) On 24 November 2023, the Company entered into the Capital Increase Agreement with China Datang and other minority shareholders of Datang Leasing, pursuant to which, China Datang will make a capital contribution totalling RMB537,668,000 to Datang Leasing. Accordingly, the Group's effective equity interests in Datang Leasing decreased from 20.00% to 17.25%, as a result, the Group recognised a gain on disposal of interest in associates of RMB187,000. Although the Group holds less than 20% equity interest in Datang Leasing, the Group exercises significant influence over Datang Leasing because the Group has board representation in Datang Leasing.
- (iii) During the year ended 31 December 2023, the Company held 15.00% equity interest in an associate Datang Wealth Management Co., Ltd. ("Datang Wealth") amounting RMB123,323,000. Datang Wealth is the subsidiary of Zhongzhi Enterprise Group Co., Ltd., which Zhongzhi group has entered into bankruptcy and liquidation procedures. Since Datang Wealth is in an abnormal operating status, the management of the Group considers that there was indication of impairment of the equity investment in Datang Wealth. The recoverable amounts of Datang Wealth are estimated to be zero by the management of the Group and the Group does not expect to have future economic benefits recoverable from Datang Wealth. As a result, impairment loss of RMB123,323,000 was recognised in profit or loss on interests in Datang Wealth.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 22 INTERESTS IN ASSOCIATES (CONTINUED)

All of the associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs.

Name	Ningde Nuclear Power		Tashan Coal	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Non-current assets	37,762,945	39,654,457	7,150,074	7,871,866
Current assets	6,803,649	6,791,436	24,289,063	21,928,244
Non-current liabilities	(20,906,490)	(22,774,346)	(2,495,695)	(1,452,474)
Current liabilities	(7,920,990)	(8,611,183)	(6,208,316)	(5,137,790)
Net assets	15,739,114	15,060,364	22,735,126	23,209,846
Revenue	11,455,631	10,958,390	11,710,209	12,436,787
Profit for the year	2,886,172	2,458,436	3,675,000	4,334,194
Other comprehensive income	–	–	–	–
Total comprehensive income	2,886,172	2,458,436	3,675,000	4,334,194
Dividends received from associates during the year	973,519	959,857	1,204,000	–



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 22 INTERESTS IN ASSOCIATES (CONTINUED)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Ningde Nuclear Power		Tashan Coal	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Net assets of the associates	15,739,114	15,060,364	22,735,126	23,209,846
Non-controlling interests of the associates' subsidiaries	–	–	(330)	(578)
	15,739,114	15,060,364	22,734,796	23,209,268
Proportion of the Group's ownership interest in the associates	44.00%	44.00%	28.00%	28.00%
Group's share of net assets	6,925,210	6,626,560	6,365,743	6,498,593
Other adjustments	17,898	17,898	(33,258)	(33,258)
Carrying amount of the Group's interest	6,943,108	6,644,458	6,332,485	6,465,335

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 22 INTERESTS IN ASSOCIATES (CONTINUED)

Name	Datang Finance		Datang Leasing	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Non-current assets	36,962,202	31,021,980	15,997,814	10,942,544
Current assets	10,297,290	19,917,292	17,511,573	11,488,759
Non-current liabilities	(346,491)	(56,012)	(8,804,523)	(4,495,358)
Current liabilities	(38,397,801)	(41,903,335)	(18,183,202)	(12,458,104)
Net assets	8,515,200	8,979,925	6,521,662	5,477,841
Revenue	1,283,863	1,313,257	1,118,676	894,145
Profit for the year	229,254	904,383	171,484	285,075
Other comprehensive income/ (expense)	55,829	(24,843)	–	–
Total comprehensive income	285,083	879,540	171,484	285,075
Dividends received from associates during the year	137,985	131,482	50,720	–



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 22 INTERESTS IN ASSOCIATES (CONTINUED)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Name	Datang Finance		Datang Leasing	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Net assets of the associates	8,515,200	8,979,925	6,521,662	5,477,841
Non-controlling interests of the associates' subsidiaries	–	–	(634,469)	(100)
Holders of perpetual bonds of the associates	–	–	(1,943,932)	(1,900,000)
	<b>8,515,200</b>	<b>8,979,925</b>	<b>3,943,261</b>	<b>3,577,741</b>
Proportion of the Group's ownership interest in the associates	16.95%	16.95%	17.25%	20.00%
Group's share of net assets	1,443,326	1,522,097	680,213	715,548
Goodwill and other adjustments	(24,847)	(24,847)	–	200
Carrying amount of the Group's interest	<b>1,418,479</b>	<b>1,497,250</b>	<b>680,213</b>	<b>715,748</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 22 INTERESTS IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

	2023 RMB'000	2022 RMB'000
The Group's share of results	(74,406)	(331,836)
The Group's share of other comprehensive income	454	567
The Group's share of total comprehensive expense	(73,952)	(331,269)
Aggregate carrying amount of the Group's interests in these associates	<u>4,692,230</u>	<u>4,484,252</u>

	2023 RMB'000	2022 RMB'000
The unrecognised share of losses/(gain) of associates for the year	<u>15,644</u>	<u>(251,625)</u>
Cumulative unrecognised share of losses of associates	<u>493,630</u>	<u>477,986</u>

### 23 INTERESTS IN JOINT VENTURES

	2023 RMB'000	2022 RMB'000
Interests in joint ventures under equity method	<u>113,256</u>	<u>65,556</u>
Share of results of joint ventures	<u>(57,400)</u>	<u>(137,898)</u>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 23 INTERESTS IN JOINT VENTURES (CONTINUED)

The balance represented the Group's interests in four (2022: three) joint ventures, which are not individually material.

All of the joint ventures are accounted for using the equity method in the consolidated financial statements.

Aggregate information of joint ventures that are not individually material:

	2023 RMB'000	2022 RMB'000
The Group's share of results	(57,400)	(137,898)
The Group's share of comprehensive income	–	–
The Group's share of total comprehensive expense	(57,400)	(137,898)
Aggregate carrying amount of the Group's interests in these joint ventures	<u>113,256</u>	<u>65,556</u>
	2023 RMB'000	2022 RMB'000
The unrecognised share of loss of a joint venture for the year	<u>315,171</u>	<u>127,508</u>
Cumulative unrecognised share of loss of a joint venture	<u>1,681,386</u>	<u>1,366,215</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### (a) Financial assets at fair value through profit or loss

	2023 RMB'000	2022 RMB'000
Unlisted equity investments	<u>4,094,705</u>	<u>4,033,991</u>

#### (b) Financial assets at fair value through other comprehensive income

	2023 RMB'000	2022 RMB'000
Equity securities listed in Hong Kong (Note)	–	304,923
Unlisted equity investments (Note)	<u>829,952</u>	<u>828,935</u>
	<u>829,952</u>	<u>1,133,858</u>

Note:

The directors of the Company have elected to designate these investments in equity instruments at fair value through other comprehensive income as they believe that they are not held for trading and for long-term investment purpose.

### 25 OTHER NON-CURRENT ASSETS

	2023 RMB'000	2022 RMB'000
Long-term receivables	44,262	85,828
Long-term prepaid expenses	645,562	605,771
Prepayments for acquisition of property, plant and equipment	6,121,519	6,502,476
Value-added tax recoverable	394,399	444,894
Entrusted loans receivables	637,944	1,131,093
Others	<u>739,347</u>	<u>283,147</u>
	8,583,033	9,053,209
Less: Current portion of other non-current assets	<u>(468,370)</u>	<u>(1,341)</u>
	<u>8,114,663</u>	<u>9,051,868</u>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 26 INVENTORIES

	2023 RMB'000	2022 RMB'000
Raw materials	3,512,348	4,097,847
Finished goods	3,237	34,575
Others	119,020	150,334
	<u>3,634,605</u>	<u>4,282,756</u>

### 27 TRADE AND NOTES RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade receivables	19,851,968	18,287,966
Less: Allowance for credit losses	<u>(232,919)</u>	<u>(228,859)</u>
	19,619,049	18,059,107
Notes receivables		
– At amortised cost	19,297	77,522
– At fair value through other comprehensive income	<u>28,560</u>	<u>520,630</u>
	47,857	598,152
	<u>19,666,906</u>	<u>18,657,259</u>

As at 31 December 2023 and 2022, trade receivables from contracts with customers amounted to RMB19,619,049,000 and RMB18,059,107,000 respectively.

Except for tariff premium receivables which have no due date for settlement, 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 27 TRADE AND NOTES RECEIVABLES (CONTINUED)

	2023 RMB'000	2022 RMB'000
Within one year	15,557,219	15,721,097
Between one to two years	2,362,572	1,781,923
Between two to three years	1,039,546	541,595
Over three years	707,569	612,644
	<b>19,666,906</b>	<b>18,657,259</b>

Notes receivables that are solely held for collection of contractual cash flows at maturity date are measured at amortised cost. Notes receivables that are held for collection of contractual cash flows and for selling purpose are measured at fair value through other comprehensive income. All notes received by the Group are with a maturity period of less than one year.

As at 31 December 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB98,028,000 (2022: RMB285,854,000) which are past due as at the reporting date. The past due balances are not considered as in default because the debtors are not in significant financial difficulty and the management expects that the debtor is able and likely to pay for the debts. The Group does not hold any collateral over these balances.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

	Lifetime ECL RMB'000
At 1 January 2022	224,906
Impairment losses recognised	6,267
Written-off	(2,314)
	<b>228,859</b>
At 31 December 2022 and 1 January 2023	<b>4,556</b>
Impairment losses recognised	<b>(496)</b>
Written-off	<b>(496)</b>
	<b>232,919</b>
At 31 December 2023	<b>232,919</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 28 PREPAYMENTS AND OTHER RECEIVABLES

	2023 RMB'000	2022 RMB'000
<b>Prepayments</b>		
Prepayments to suppliers	<u>2,937,426</u>	<u>5,159,414</u>
<b>Other receivables</b>		
Value-added tax recoverable	2,968,183	2,323,549
Receivables from fuel and materials	267,295	294,697
Advance to construction	169,954	199,003
Dividend receivables	204,218	1,358,970
Deposits	393,884	400,082
Others (Note)	<u>904,378</u>	<u>591,508</u>
	4,907,912	5,167,809
Less: Allowance for credit losses	<u>(396,125)</u>	<u>(395,206)</u>
	<u>4,511,787</u>	<u>4,772,603</u>
	<u>7,449,213</u>	<u>9,932,017</u>

Note:

Others mainly represents entrusted loans receivables, interest receivables and proceeds receivables from disposal of other non-current assets.

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

	Lifetime ECL RMB'000
At 1 January 2022	460,243
Impairment losses recognised	6,452
Written-off	(71,489)
	<u>395,206</u>
At 31 December 2022 and 1 January 2023	395,206
Impairment losses recognised	20,769
Written-off	(19,850)
	<u>396,125</u>
At 31 December 2023	<u>396,125</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 29 CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2023 RMB'000	2022 RMB'000
Deposits with banks and other financial institutions	9,016,591	10,141,459
Cash on hand	82	104
	<u>9,016,673</u>	<u>10,141,563</u>
Restricted deposits included in bank deposits (Note 48)	(551,158)	(608,808)
	<u>8,465,515</u>	<u>9,532,755</u>

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group.

Details of impairment assessment of bank balances and restricted deposits are set out in note 6(c).

### 30 SHARE CAPITAL

	2023 RMB'000	2022 RMB'000
Registered, issued and fully paid:		
12,396,089,106 (2022: 12,396,089,106) A shares of RMB1 each	12,396,089	12,396,089
6,110,621,398 (2022: 6,110,621,398) H shares of RMB1 each	6,110,622	6,110,622
	<u>18,506,711</u>	<u>18,506,711</u>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 31 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

#### (a) Statement of financial position of the Company

	2023 RMB'000	2022 RMB'000
<b>Non-current assets</b>		
Property, plant and equipment	10,769,713	12,097,013
Right-of-use asset	636,895	635,741
Investment properties	239,321	189,474
Intangible assets	99,796	89,220
Investments in subsidiaries	78,222,216	72,304,711
Interests in associates	19,048,618	19,174,489
Interests in joint ventures	–	65,556
Financial assets at fair value through profit or loss	3,962,645	3,911,975
Financial assets at fair value through other comprehensive income	515,482	467,382
Long-term entrusted loans to subsidiaries	1,862,870	4,758,681
Deferred tax assets	–	865,256
Other non-current assets	532,874	71,350
	<u>115,890,430</u>	<u>114,630,848</u>
<b>Current assets</b>		
Inventories	238,898	326,866
Trade and notes receivables	1,168,250	1,162,918
Prepayments and other receivables	2,502,274	3,919,768
Tax recoverable	4,627	4,627
Current portion of long-term entrusted loans to subsidiaries	4,400,990	2,851,653
Cash and cash equivalents	658,252	1,252,531
	<u>8,973,291</u>	<u>9,518,363</u>
<b>Current liabilities</b>		
Trade payables and accrued liabilities	1,317,774	2,334,693
Consideration payable	666,420	169,216
Taxes payables	46,588	27,667
Short-term loans	6,092,058	8,403,769
Short-term bonds	–	5,008,824
Current portion of lease liabilities	13,134	21,563
Current portion of non-current liabilities	9,108,894	6,244,976
	<u>17,244,868</u>	<u>22,210,708</u>
<b>Net current liabilities</b>	<u>(8,271,577)</u>	<u>(12,692,345)</u>
<b>Total assets less current liabilities</b>	<u>107,618,853</u>	<u>101,938,503</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 31 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

#### (a) Statement of financial position of the Company (continued)

	2023 RMB'000	2022 RMB'000
<b>Capital and reserves</b>		
Share capital	18,506,711	18,506,711
Reserves	34,491,267	34,847,631
	<b>52,997,978</b>	53,354,342
Other equity instruments	46,210,976	34,844,222
	<b>99,208,954</b>	88,198,564
<b>Non-current liabilities</b>		
Long-term loans	7,883,587	6,944,000
Long-term bonds	290,000	6,484,736
Deferred income	49,662	126,576
Deferred tax liabilities	179,851	167,184
Lease liabilities	6,799	17,443
	<b>8,409,899</b>	13,739,939
	<b>107,618,853</b>	101,938,503

#### (b) Reserves movement of the Company

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Discretionary surplus reserve RMB'000	FVTOCI reserve RMB'000	(Accumulated losses)/ retained earnings RMB'000	Total RMB'000
At 1 January 2022	18,044,987	6,341,376	10,231,431	(463,927)	(388,939)	33,764,928
Total comprehensive income/(expense) for the year	-	-	-	(1,763)	1,156,357	1,154,594
Appropriation to statutory surplus reserve	-	246,704	-	-	(246,704)	-
Transfer from discretionary surplus reserve	-	-	(909,807)	-	909,807	-
Others	74,262	-	-	-	(146,153)	(71,891)
	<b>18,119,249</b>	<b>6,588,080</b>	<b>9,321,624</b>	<b>(465,690)</b>	<b>1,284,368</b>	<b>34,847,631</b>
At 31 December 2022 and 1 January 2023	18,119,249	6,588,080	9,321,624	(465,690)	1,284,368	34,847,631
Total comprehensive income for the year	-	-	-	8,017	161,247	169,264
Appropriation to statutory surplus reserve	-	179,889	-	-	(179,889)	-
Others	36,640	-	-	-	(562,268)	(525,628)
	<b>18,155,889</b>	<b>6,767,969</b>	<b>9,321,624</b>	<b>(457,673)</b>	<b>703,458</b>	<b>34,491,267</b>
At 31 December 2023	18,155,889	6,767,969	9,321,624	(457,673)	703,458	34,491,267



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 32 RESERVES

### (a) Capital reserve

Capital reserve mainly comprised: (i) the difference between the nominal amount of the domestic shares issued and the fair value of the net assets injected into the Company during its formation and also proceeds from the issue of H shares and A shares in excess of their par value, net of issuance expenses; (ii) the premium from convertible bonds converted to shares; (iii) the effect from acquisition of additional interests in subsidiaries of the Group; and (iv) specific reserves made pursuant to the relevant PRC regulations (Note).

Note:

Pursuant to relevant PRC regulations, coal mining and power generation companies are required to set aside an amount to a fund for future development and work safety which they transferred certain amounts from retained earnings/(accumulated losses) to capital reserve. The fund can then be used for future development and work safety of the coal mining and power generation operations, and is not available for distribution to shareholders. When qualifying development expenditure and improvements of safety incurred, an equivalent amount is transferred from capital reserve to retained earnings/(accumulated losses).

### (b) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, it is required to appropriate 10% of its net profit under PRC GAAP, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such reserve reaches 50% of the Company's share capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of share capital.

### (c) Merger reserve

It represented the difference between the consideration payable to China Datang for acquisition of certain of its subsidiaries under common control combinations and share capital of the acquired subsidiaries.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 32 RESERVES (CONTINUED)

#### (d) Discretionary surplus reserve

Pursuant to the articles of association of the Company, the appropriation of profit to the discretionary surplus reserve and its utilisation are made in accordance with the recommendation of the board of directors and is subject to shareholders' approval at their general meeting.

The discretionary surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them.

In accordance with the articles of association of the Company, distributable profit of the Company is derived based on the lower of profit determined in accordance with PRC GAAP and IFRSs.

#### (e) FVTOCI reserve

The FVTOCI reserve comprise share of cumulative net change in the fair value of financial assets measured at other comprehensive income of the Group and associates and joint ventures of the Group at the end of the reporting period and will not be reclassified to profit or loss in subsequent periods.

### 33 OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS

	Principal RMB'000	Distribution/ appropriation RMB'000	Total RMB'000
At 1 January 2022	32,421,872	422,952	32,844,824
Issuance of perpetual bonds	18,000,000	–	18,000,000
Redemption of perpetual bonds	(15,921,872)	–	(15,921,872)
Profit attributable to holders of perpetual bonds	–	1,377,624	1,377,624
Distributions made to holders of perpetual bonds	–	(1,456,354)	(1,456,354)
At 31 December 2022 and 1 January 2023	<b>34,500,000</b>	<b>344,222</b>	<b>34,844,222</b>
Issuance of perpetual bonds	<b>21,000,000</b>	–	<b>21,000,000</b>
Redemption of perpetual bonds	<b>(10,000,000)</b>	–	<b>(10,000,000)</b>
Profit attributable to holders of perpetual bonds	–	<b>1,650,743</b>	<b>1,650,743</b>
Distributions made to holders of perpetual bonds	–	<b>(1,283,989)</b>	<b>(1,283,989)</b>
At 31 December 2023	<b>45,500,000</b>	<b>710,976</b>	<b>46,210,976</b>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 33 OTHER EQUITY INSTRUMENTS – PERPETUAL BONDS (CONTINUED)

During the year ended 31 December 2023, the company issued the perpetual bonds in an aggregate principal amount of RMB21 billion with coupon rates ranging from 2.95% to 3.99%. The net proceeds after deducting the issuance cost (recognised in capital reserve) amounted to RMB20,968,395,000. 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 two/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 two/three years from the third/fourth interest-bearing year onwards.

Interest payment of RMB1,283,989,000 (2022: RMB1,456,354,000) has been paid by the Group to the holders of perpetual bonds for the year ended 31 December 2023.

During the year ended 31 December 2022, the Company issued the perpetual bonds in an aggregate principal amounts of RMB18 billion with coupon rates ranging from 2.75% to 3.94%. The net proceeds after deducting the issuance cost (recognised in capital reserve) amounted to RMB17,973,788,000. 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/five 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/five years from the fourth/sixth interest-bearing year onwards.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 34 LONG-TERM LOANS

	2023 RMB'000	2022 RMB'000
Long-term bank loans	127,690,710	117,400,373
Other long-term loans	7,799,398	8,289,560
	<b>135,490,108</b>	125,689,933
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(20,531,084)</b>	(16,967,971)
	<b>114,959,024</b>	108,721,962

Long-term loans are repayable as follows:

	2023			2022		
	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000
Within one year or on demand	19,527,214	1,003,870	20,531,084	14,834,386	2,133,585	16,967,971
More than one year, but not exceeding two years	25,940,416	997,308	26,937,724	21,217,316	1,829,920	23,047,236
More than two years, but not more than five years	38,753,050	4,080,088	42,833,138	32,543,816	2,907,817	35,451,633
More than five years	43,470,030	1,718,132	45,188,162	48,804,855	1,418,238	50,223,093
	<b>127,690,710</b>	<b>7,799,398</b>	<b>135,490,108</b>	<b>117,400,373</b>	<b>8,289,560</b>	<b>125,689,933</b>

Long-term loans are classified as follows:

	2023			2022		
	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000
Secured loans	29,465,895	741,873	30,207,768	30,702,829	368,661	31,071,490
Guaranteed loans	1,888,119	520,783	2,408,902	1,941,216	651,421	2,592,637
Unsecured loans	96,336,696	6,536,742	102,873,438	84,756,328	7,269,478	92,025,806
	<b>127,690,710</b>	<b>7,799,398</b>	<b>135,490,108</b>	<b>117,400,373</b>	<b>8,289,560</b>	<b>125,689,933</b>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 34 LONG-TERM LOANS (CONTINUED)

The interest rates for long-term loans per annum at 31 December were as follows:

	2023	2022
Long-term bank loans	1.20% – 5.10%	1.20% – 5.10%
Other long-term loans	2.10% – 5.23%	2.95% – 5.10%

At 31 December 2023, long-term loans were guaranteed by the following parties:

	2023			2022		
	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long- term loans RMB'000	Total RMB'000
The Company	1,352,126	520,783	1,872,909	1,008,764	520,812	1,529,576
Others	535,993	–	535,993	932,452	130,609	1,063,061
	<u>1,888,119</u>	<u>520,783</u>	<u>2,408,902</u>	<u>1,941,216</u>	<u>651,421</u>	<u>2,592,637</u>

Please refer to note 48 for the details of assets pledged for securing the long-term loans.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 35 LONG-TERM BONDS

	2023 RMB'000	2022 RMB'000
Corporate bonds (Note)	6,569,167	9,684,028
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(6,279,167)</u>	<u>(3,199,292)</u>
	<u>290,000</u>	<u>6,484,736</u>

Note:

At 31 December 2023, such bonds, are secured by assets of China Datang and of which certain portion were counter-guaranteed by the Company, are of 3 to 10 years (2022: 3 to 10 years) term with fixed annual coupon and effective interest rates ranged from 2.60% to 5.10% per annum (2022: 2.60% to 5.10% per annum). As at 31 December 2023, accrued interests of RMB79,167,000 (2022: RMB200,260,000) was included in corporate bonds.

Long-term bonds are repayable as follows:

	2023 RMB'000	2022 RMB'000
Within one year or on demand	6,279,167	3,199,292
More than one year, but not exceeding two years	290,000	6,194,736
More than two years, but not more than five years	<u>–</u>	<u>290,000</u>
	<u>6,569,167</u>	<u>9,684,028</u>

## 36 DEFERRED INCOME

Deferred income primarily represented government grants received by the Group from local environmental protection authorities for undertaking approved environmental protection projects.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 37 DEFERRED TAX

#### (a) Deferred tax assets

	Deductible tax losses RMB'000	Intragroup unrealised profits RMB'000	Depreciation RMB'000	Government grants RMB'000	Impairment of assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2022							
As previously reported	3,520,775	293,187	68,289	177,094	47,686	114,427	4,221,458
Adjustment on initial application of amendments to IAS12 (Note 2)	-	-	-	-	-	26,213	26,213
At 1 January 2022, as restated	3,520,775	293,187	68,289	177,094	47,686	140,640	4,247,671
Credit/(charge) to profit or loss, as restated	71,545	32,585	(2,958)	(17,539)	39,940	66,069	189,642
Disposal of subsidiaries (Note 44(b))	(30,846)	-	-	-	-	-	(30,846)
At 31 December 2022, as restated	3,561,474	325,772	65,331	159,555	87,626	206,709	4,406,467
At 1 January 2023							
As previously reported	3,561,474	325,772	65,331	159,555	87,626	126,920	4,326,678
Adjustment on initial application of amendments to IAS12 (Note 2)	-	-	-	-	-	79,789	79,789
At 1 January 2023, as restated	3,561,474	325,772	65,331	159,555	87,626	206,709	4,406,467
Credit/(charge) to profit or loss	(1,381,810)	(15,854)	(4,895)	(7,848)	(11,171)	35,056	(1,386,522)
At 31 December 2023	2,179,664	309,918	60,436	151,707	76,455	241,765	3,019,945

No deferred tax asset has been recognised in respect of certain unused tax losses of RMB22,798,498,000 (2022: RMB22,114,287,000) due to the unpredictability of future profit streams. The unused tax losses not recognised can be carried forward for five years from the year of the incurrence and an analysis of their expiry dates are as follows:

	2023 RMB'000	2022 RMB'000
Unused tax losses expiring in:		
2023	-	2,906,363
2024	2,274,436	2,495,298
2025	3,604,350	3,608,779
2026	8,330,785	9,292,841
2027	3,785,767	3,811,006
2028	4,803,160	-
	22,798,498	22,114,287

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 37 DEFERRED TAX (CONTINUED)

### (b) Deferred tax liabilities

	Assets revaluation RMB'000	Fair value change on equity instruments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2022				
As previously reported	481,844	142,876	56,457	681,177
Adjustment on initial application of amendments to IAS12 (Note 2)	-	-	35,999	35,999
At 1 January 2022, as restated	481,844	142,876	92,456	717,176
Charge/(credit) to profit or loss, as restated	(14,701)	53,340	41,794	80,433
Credit to other comprehensive income (Note 12(b))	-	(23,729)	-	(23,729)
At 31 December 2022, as restated	467,143	172,487	134,250	773,880
At 1 January 2023				
As previously reported	467,143	172,487	47,107	686,737
Adjustment on initial application of amendments to IAS12 (Note 2)	-	-	87,143	87,143
At 1 January 2023, as restated	467,143	172,487	134,250	773,880
Charge/(credit) to profit or loss	(11,408)	20,805	70,655	80,052
Credit to other comprehensive income (Note 12(b))	-	(10,132)	-	(10,132)
At 31 December 2023	455,735	183,160	204,905	843,800



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 38 OTHER NON-CURRENT LIABILITIES

	2023 RMB'000	2022 RMB'000
Other pledged financing (Note)	6,731,373	10,564,196
Others	437,608	310,472
	<u>7,168,981</u>	<u>10,874,668</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,119,002)	(3,750,507)
	<u>5,049,979</u>	<u>7,124,161</u>

Note:

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery.

Other pledged financing are repayable as follows:

	2023 RMB'000	2022 RMB'000
Within one year or on demand	1,696,105	3,459,463
More than one year, but not exceeding two years	1,716,375	2,115,810
More than two years, but not more than five years	1,691,694	4,494,397
More than five years	1,627,199	494,526
	<u>6,731,373</u>	<u>10,564,196</u>

The interest rates for other pledged financing per annum at 31 December were as follows:

	2023	2022
Fixed rate	<u>1.85% – 5.57%</u>	<u>1.33% – 5.70%</u>

The pledged financing borrowed from independent third parties are secured by certain of the Group's property, plant and equipment. For the details, please refer to note 48.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 39 LEASE LIABILITIES

Lease liabilities payable:	2023 RMB'000	2022 RMB'000
Within one year	435,680	562,503
After one year but within two years	282,723	234,532
After two years but within five years	650,880	612,589
After five years	576,328	651,113
	<b>1,945,611</b>	<b>2,060,737</b>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(435,680)</b>	<b>(562,503)</b>
Amount due for settlement after 12 months	<b>1,509,931</b>	<b>1,498,234</b>

The weighted average incremental borrowing rate applied to lease liabilities ranging from 2.45% to 4.99% (2022: 3.25% to 4.99%).

### 40 TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES

	2023 RMB'000	2022 RMB'000
Trade payables	21,797,352	26,586,252
Notes payables	910,065	1,766,912
Accrued expenses	167,746	152,793
Other payables	5,764,411	3,490,627
	<b>28,639,574</b>	<b>31,996,584</b>

	2023 RMB'000	2022 RMB'000
Contract liabilities	<b>1,723,120</b>	<b>1,481,026</b>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 40 TRADE PAYABLES AND ACCRUED LIABILITIES/CONTRACT LIABILITIES (CONTINUED)

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

	2023 RMB'000	2022 RMB'000
Within one year	17,347,939	21,849,632
Between one to two years	2,121,168	2,938,930
Between two to three years	1,051,515	1,460,667
Over three years	2,186,795	2,103,935
	<u>22,707,417</u>	<u>28,353,164</u>

Contract liabilities represent advances received for the sales of electricity, coal and others. These advances are recognised as contract liabilities until the sales transactions are made.

Revenue recognised during the year ended 31 December 2023 that was included in the contract liabilities as at 1 January 2023 is RMB1,481,026,000 (2022: RMB1,789,396,000).

The Group has applied the practical expedient in IFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date as the performance obligations had an original expected duration of one year or less.

### 41 SHORT-TERM LOANS

	2023 RMB'000	2022 RMB'000
Short-term bank loans	24,934,811	30,884,452
Other short-term loans	4,084,982	6,546,573
	<u>29,019,793</u>	<u>37,431,025</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 41 SHORT-TERM LOANS (CONTINUED)

Short-term loans are classified as follows:

	2023			2022		
	Short-term bank loans	Other short-term loans	Total	Short-term bank loans	Other short-term loans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Secured loans	-	66,519	66,519	65,111	627,204	692,315
Guaranteed loans	136,082	-	136,082	104,068	155,033	259,101
Unsecured loans	24,798,729	4,018,463	28,817,192	30,715,273	5,764,336	36,479,609
	<b>24,934,811</b>	<b>4,084,982</b>	<b>29,019,793</b>	<b>30,884,452</b>	<b>6,546,573</b>	<b>37,431,025</b>

At 31 December 2023, short-term loans of RMB136,082,000 (2022: RMB259,101,000) are guaranteed by the Company and a non-controlling shareholder of a subsidiary.

The interest rates for short-term loans per annum at 31 December were as follows:

	2023	2022
Short-term bank loans	1.75% – 3.99%	1.30% – 6.50%
Other short-term loans	2.50% – 3.79%	2.40% – 4.79%

Please refer to note 48 for the details of assets pledged for securing the short-term loans.

## 42 SHORT-TERM BONDS

At 31 December 2022, short-term bonds represented unsecured bonds issued by the Group with maturity date less than one year at par value of RMB100 each with fixed annual coupon and the effective interest rate was 1.34% to 2.80%.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### Reconciliation from profit before tax to cash generated from operations

	2023 RMB'000	2022 RMB'000
Profit before tax	5,704,288	76,595
Adjustments for:		
Interest income from entrusted loan receivables	(40,787)	(8,158)
Bank interest income	(97,794)	(93,101)
Dividend income	(134,130)	(300,927)
Depreciation of right-of-use assets	295,873	226,536
Depreciation of property, plant and equipment	13,328,211	12,978,156
Depreciation of investment properties	25,555	31,354
Amortisation of intangible assets	96,501	91,875
Share of results of associates	(2,320,944)	(2,173,758)
Share of results of joint ventures	57,400	137,898
Impairment of property, plant and equipment	1,232,598	388,283
Impairment of an associate	123,323	–
Allowance for inventories	–	24,423
Recognition of impairment of trade receivables, net	4,556	6,267
Recognition of impairment of other receivables, net	20,769	6,452
Loss/(gain) from disposal of property, plant and equipment	104,549	(33,826)
Finance costs	5,765,631	6,709,577
Release of government grant for property, plant and equipment	(349,915)	(294,323)
Gain on change of fair value of financial assets at fair value through profit or loss	(60,714)	(157,671)
(Gain)/loss on disposal of non-current assets	(13,173)	114
Gain on disposal of subsidiaries	(521,244)	(504,221)
Gain on disposal of interests in associates	(187)	(844)
Gain on de-registration of subsidiaries	–	(185,507)
Operating profit before working capital changes	23,220,366	16,925,194
(Increase)/decrease in trade and notes receivables	(1,650,834)	161,168
Decrease/(increase) in prepayments and other receivables	1,364,333	(1,552,466)
Increase in trade payables, accrued liabilities and contract liabilities	135,120	3,667,659
Decrease in inventories	580,798	1,897,222
Decrease/(increase) in other non-current assets	937,205	(474,766)
(Increase)/decrease in current portion of other non-current assets	(86,072)	20,859
Increase in other non-current liabilities	127,136	90,178
Cash generated from operations	24,628,052	20,735,048

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 44 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

### (a) Acquisition of additional interests in a subsidiary

During the year ended 31 December 2023 and 2022, the Group acquired additional issued shares of subsidiaries respectively:

	2023 RMB'000	2022 RMB'000
Carrying amount of non-controlling interests acquired	101,989	(41,164)
Consideration paid to non-controlling interests	(58,774)	–
Shortfall/(excess) of consideration paid recognised within owner's equity	43,215	(41,164)

Details of the Group's significant acquisition of additional interests in subsidiaries during the year ended 31 December 2023 and 2022 are as follows:

#### Sichuan Ganzi Datang International Renewable Power Company Limited ("Ganzi Renewable Power")

During the year ended 31 December 2023, Sichuan Datang International Renewable Power Company Limited ("Sichuan Datang") (a direct subsidiary of the Company) acquired additional equity interests in Ganzi Renewable Power from an independent shareholder of Ganzi Renewable Power for consideration of RMB58,774,000.

After that, the Group's effective equity interests in Ganzi Renewable Power increased from 50.00% to 100.00%. The carrying amount of the non-controlling interests in Ganzi Renewable Power on the date of acquisition was RMB101,989,000. The Group recognised a decrease in non-controlling interests of RMB101,989,000 and an increase in equity attributable to owners of the Company of RMB43,215,000.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 44 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

### (a) Acquisition of additional interests in a subsidiary (continued)

#### **Yunnan Datang International Lixianjiang Hydropower Development Company Limited (“Lixianjiang Hydropower”)**

During the year ended 31 December 2022, Yunnan Datang International Electric Power Company Limited (“Yunnan Datang”) (a direct subsidiary of the Company), Lixianjiang Hydropower (a direct subsidiary of Yunnan Datang) and certain shareholders of Lixianjiang Hydropower entered in a subscription agreement, pursuant to which the Yunnan Datang agreed to subscribe newly issued ordinary shares for consideration of approximately RMB139,000,000 through settlement of long-term entrusted loans made by Yunnan Datang to Lixianjiang Hydropower (the “Subscription”).

The Subscription are deemed as acquisition of additional interest in Lixianjiang Hydropower and the Group’s effective equity interests in Lixianjiang Hydropower was increased from 95.28% to 97.25%. The Group recognised an increase in non-controlling interests of RMB41,164,000 and a decrease in equity attributable to owners of the Company of RMB41,164,000.

### (b) Disposal of subsidiaries

During the year ended 31 December 2023, the Group disposed its equity interest in 3 (2022: 1) subsidiaries to third parties.

Details of the Group’s significant disposal during the year ended 31 December 2023 and 2022 are as follows:

On 3 July 2023, Datang Anhui Power Generation Company Limited (“Anhui Datang”) (a direct subsidiary the Company) entered into an equity transfer agreement with an independent third party, pursuant to which Anhui Datang disposed 5% equity interest of Anhui Huainan Luoneng Power Generation Co., Ltd. (“Huainan Luoneng”) for consideration of RMB28,359,000. Accordingly, the Group’s effective equity interests in Huainan Luoneng has been decreased from 52.80% to 47.80%, Huainan Luoneng ceased to be the subsidiary of the Group and was then accounted for as an associate of the Group using equity method. The fair value of the retained interests in Anhui Electric Power at the date on which the control was lost is regarded as the cost on initial recognition of the investment in an associate.

Further on 29 December 2023, Anhui Datang entered into an equity transfer agreement with Huainan Luoneng, pursuant to which Anhui Datang disposed 100% equity interest of Huainan Luohe Power Generation Co., Ltd. (“Huainan Luohe”) for consideration of RMB354,972,000.

The transactions have been completed during the year.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 44 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

#### (b) Disposal of subsidiaries (continued)

On 29 December 2022, Anhui Datang and Huainan Mining Group Company Limited (“Huainan Mining”) passed a resolution of shareholders meeting to amend the Memorandum and Article of Association of Anhui Electric Power Company Limited (“Anhui Electric Power”) (an indirect subsidiary of the Company), pursuant to which the relevant activities of Anhui Electric Power (including appointment of board of directors and distribution of profits) required unanimous consent of Anhui Datang and Huainan Mining. Accordingly, Anhui Electric Power ceased to be the subsidiary of the Group and was then accounted for as a joint venture of the Group using equity method. The fair value of the retained interests in Anhui Electric Power at the date on which the control was lost is regarded as the cost on initial recognition of the investment in a joint venture.

The net liabilities of the disposed subsidiaries at the date of disposal were as follows:

	2023 RMB'000	2022 RMB'000
Property, plant and equipment (Note 18)	2,182,670	589,685
Right-of-use assets	127,234	54,485
Intangible assets (Note 21)	1,056	1,144
Interests in associates	–	5,514
Deferred tax assets (Note 37)	–	30,846
Other non-current assets	–	17,883
Inventories	67,353	40,230
Trade and notes receivables	636,631	147,075
Prepayments and other receivables	336,642	47,337
Cash and cash equivalents	150,872	61,196
Trade payables and accrued liabilities	(760,441)	(228,234)
Contract liabilities	(147,775)	(67)
Tax payables	(15,036)	(1,075)
Current portion of non-current liabilities	(391,895)	(195,776)
Short-term loans	(1,217,229)	–
Long-term loans	(638,675)	(1,428,900)
Deferred income	(5,642)	(1,675)
Other non-current liabilities	(162,726)	(148,110)
Net assets/(liabilities) disposed of	163,039	(1,008,442)



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 44 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

#### (b) Disposal of subsidiaries (continued)

Consideration received:

	2023 RMB'000	2022 RMB'000
Cash received	383,331	–

Gain on disposal of subsidiaries:

	2023 RMB'000	2022 RMB'000
Consideration received	383,331	–
Interest in associates retained	335,175	–
Interest in joint venture retained	–	–
Net (assets)/liabilities disposed of	(163,039)	1,008,442
Non-controlling interests	(34,223)	(504,221)
Gain on disposal (Note 10)	521,244	504,221

Net cash inflow/(outflow) arising on disposal:

	2023 RMB'000	2022 RMB'000
Cash consideration	383,331	–
Less: Cash and cash equivalents disposed of	(150,872)	(61,196)
	232,459	(61,196)

### 45 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

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

	2023 RMB'000	2022 RMB'000
Associates	–	25,600

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 46 CAPITAL COMMITMENTS

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

	2023 RMB'000	2022 RMB'000
Property, plant and equipment	<u>22,796,129</u>	<u>14,802,381</u>

## 47 OPERATING LEASE COMMITMENT

The Group as lessor

Undiscounted lease payments receivable on leases are as follows:

	2023 RMB'000	2022 RMB'000
Within one year	57,846	78,212
In the second year	56,451	65,185
In the third year	44,590	49,429
In the fourth year	36,743	24,729
In the fifth year	32,457	16,600
After five years	<u>37,701</u>	<u>15,664</u>
	<u>265,788</u>	<u>249,819</u>

## 48 PLEDGE OF ASSETS

The Group had pledged the following assets to secure the borrowings of the Group at the end of the reporting period. The carrying amounts of the assets pledged are as follows:

	2023 RMB'000	2022 RMB'000
Tariff collection rights	5,120,803	4,955,169
Pledged bank deposit	551,158	608,808
Property, plant and equipment	8,284,569	16,501,093
Right-of-use assets	1,208,721	1,157,978
Others	<u>300,902</u>	<u>333,529</u>
	<u>15,466,153</u>	<u>23,556,577</u>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 49 RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with its related parties during the both years:

### (a) Significant balances and transactions with related parties

#### (i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group

Name of related company	Nature of transaction	2023 RMB'000	2022 RMB'000
<b>China Datang Group:</b>			
China National Water Resources & Electric Power Materials & Equipment Company Limited	Procurement of production and infrastructure materials and relevant auxiliary services	1,815,732	1,524,640
	Expenses of infrastructure EPC contracting	–	20,726
	Receiving services of property management and other logistics services	512	–
	Receiving technical supervision and technical services	537	–
	Receiving services of technological transformation, operations management and repair maintenance	11,581	–
	Lease payment	–	15
	Training service fee income	66	684
	Providing services of information system development	–	3,190
	Rental income	1,964	2,036
Datang Environment Industry Group Company Limited	Receiving services of franchising of flue gas environmental protection facilities	2,618,125	2,309,827
	Procurement of production and infrastructure materials and relevant auxiliary services	–	53,293
	Receiving services of technological transformation, operations management and repair and maintenance	–	1,742
	Labour supply expense	12,886	12,677
	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	765,536	761,514
	Providing services of operations management and repair and maintenance	4,729	106,416
	Providing production and infrastructure materials and relevant auxiliary services	109,054	3,474
	Income from equipment lease	1,153	192

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 49 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Significant balances and transactions with related parties (continued)

- (i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (continued)

Name of related company	Nature of transaction	2023 RMB'000	2022 RMB'000
<b>China Datang Group: (continued)</b>			
Datang Power Fuel Company Limited	Purchase of coal	1,495	3,913,850
	Sales of coal and transportation services	-	96,467
	Rental income	-	1,165
China Datang Corporation Science and Technology Research Institute	Procurement of production and infrastructure materials and relevant auxiliary services	-	63,337
	Receiving services of technological transformation, operations management and repair and maintenance	-	4,867
	Receiving services of technical supervision and technical services	333,824	254,354
	Receiving services of research and development in technological projects	-	22,681
	Training service fee income	5	-
	Receiving services of information system development	25	33
	Labour supply income	237	1,651



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 49 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Significant balances and transactions with related parties (continued)

#### (i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as "China Datang Group") and associates of the Group (continued)

Name of related company	Nature of transaction	2023 RMB'000	2022 RMB'000
China Datang Group: (continued)			
China Datang Group	Procurement of production and infrastructure materials and relevant auxiliary services	8	–
Technology Engineering Company Limited	Receiving services of franchising of flue gas environmental protection facilities	3,870	118,257
	Providing production and infrastructure materials and relevant auxiliary services	–	11,807
	Providing services of franchising of flue gas environmental protection facilities, water and electricity supply	299	57,453
	Providing services of operations management and repair and maintenance	–	13,487
	Expenses of infrastructure EPC contracting	–	104,292
	Rental income	–	293
Datang International Fuel Trading Company Limited	Purchase of coal	14,961,302	8,033,168
	Sales of coal and transportation services	113,043	202
	Rental income	413	–
China Datang Group International Trade Company Limited	Expenses of infrastructure EPC contracting	191,337	228,553
	Procurement of production and infrastructure materials and relevant auxiliary services	4,396,932	3,568,531
Datang (Beijing) Coal Sales Limited	Purchase of coal	1,667,430	705,703
	Rental income	1,811	151
	Sales of coal and transportation services	270,494	415,242

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 49 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Significant balances and transactions with related parties (continued)

- (i) Significant transactions with China Datang and its subsidiaries, associates and joint ventures other than the Group (collectively referred to as “China Datang Group”) and associates of the Group (continued)

Name of related company	Nature of transaction	2023 RMB'000	2022 RMB'000
<b>China Datang Group: (continued)</b>			
Ordos Guoyuan Mining Development Limited	Purchase of coal	680,755	1,039,346
Shanghai Datang Financial Lease Company Limited	Receiving direct lease	288,462	621,447
	Receiving sales and lease-back	552,200	716,000
Datang Commercial Factoring Company Limited	Receiving factoring business services	1,741,774	1,502,089
<b>Group's associates:</b>			
Datang Finance	Interest income	91,046	112,102
	Interest expenses	342,714	382,645
Datang Leasing	Receiving direct lease	1,510,202	1,209,532
	Receiving sales and lease-back	1,829,000	1,320,000

- (ii) Financial guarantees and financing facilities with China Datang Group and associates of the Group

	2023 RMB'000	2022 RMB'000
Financial guarantees and financing facilities with associates guaranteed by the Group Xiduo Railway Company	–	25,600
Guaranteed by China Datang Group The Company	3,000,000	6,000,000



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 49 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Significant balances and transactions with related parties (continued)

##### (iii) Significant balances with China Datang Group and associates of the Group

The Group has the following significant balances with related parties:

	2023 RMB'000	2022 RMB'000
<b>Bank deposits:</b>		
Associates:		
Datang Finance	8,164,820	9,419,783
<b>Other non-current assets:</b>		
China Datang Group:		
China National Water Resources & Electric Power Materials & Equipment Company Limited	951,522	92,662
China Datang International Trade Company Limited	3,487,193	1,904,250
<b>Trade receivables:</b>		
China Datang Group:		
Datang Environment Industry Group Company Limited	567,218	761,820
China Datang Group Technology and Engineering Company Limited	–	156,244
<b>Prepayments</b>		
China Datang Group:		
Datang Group International Trade Company Limited	384	2,001,205
China National Water Resources & Electric Power Materials & Equipment Company Limited	192,086	323,834
Datang International Fuel Trading Company Limited	26,823	202,021
<b>Other receivables</b>		
China Datang Group:		
Datang Bayannaer Wind Power Generation Company Limited	–	3,000
Huainan Luoneng	355,977	–
Datang Environment Industry Group Company Limited	2,216	5,004
China National Water Resources & Electric Power Materials & Equipment Company Limited	2,440	25,649

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 49 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Significant balances and transactions with related parties (continued)

##### (iii) Significant balances with China Datang Group and associates of the Group (continued)

The Group has the following significant balances with related parties: (continued)

	2023 RMB'000	2022 RMB'000
<b>Trade payables</b>		
China Datang Group:		
Datang Environment Industry Group Company Limited	2,256,116	2,715,969
China Datang Group Technology and Engineering Company Limited	213,545	590,148
China National Water Resources & Electric Power Materials & Equipment Company Limited	259,113	291,882
Datang Group International Trade Company Limited	916,915	749,243
Datang International Fuel Trading Company Limited	797,526	1,074,259
<b>Other payables</b>		
China Datang Group:		
China Datang	172,446	172,446
Datang International Energy Service Company Limited	103,757	103,757
Datang Huayin Electric Power Company Limited	136,155	136,155
Datang Environment Industry Group Company Limited	86,062	127,672
Associate:		
Datang Leasing	2,334,643	–
<b>Borrowing</b>		
China Datang Group:		
China Datang	794,600	794,600
Associate:		
Datang Finance	9,886,808	10,305,830
<b>Other non-current liabilities</b>		
China Datang Group:		
Shanghai Datang Financial Leasing Company Limited	1,988,258	3,649,956
Associate:		
Datang Leasing	2,252,104	4,600,590



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 49 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Significant balances and transactions with related parties (continued)

#### (iii) Significant balances with China Datang Group and associates of the Group (continued)

The Group has the following significant balances with related parties: (continued)

As at 31 December 2023, the bank deposits with an associate are unsecured, interest-bearing ranged from 0.35% to 3.03% per annum and repayable on demand (2022: 0.35% to 3.03%).

As at 31 December 2023, the trade receivables from China Datang Group and trade payables to China Datang Group are unsecured, interest free and repayable within one year (2022: same).

As at 31 December 2023, the borrowings from China Datang Group are unsecured and interest-bearing ranged from 2.38% to 4.75% per annum (2022: 3.50% to 4.75%).

As at 31 December 2023, the other non-current liabilities from China Datang Group and an associate are unsecured and interest-bearing ranged from 2.43% to 5.57% per annum (2022: 2.79% to 5.27%).

Except for mentioned above, all remaining balances are unsecured, interest free and repayable on demand (2022: same).

#### (iv) Significant transactions with government-related entities

Government-related entities, other than entities under China Datang which is a state-owned enterprise and its subsidiaries, directly or indirectly controlled, jointly controlled or significant influenced by the Central People's Government of the PRC ("Government-Related Entities") are also regarded as related parties of the Group.

For the purpose of the related party transactions disclosure, the Group has established procedures for determination, to the extent possible, of the identification of the ownership structure of its customers and suppliers as to whether they are Government-Related Entities to ensure the adequacy of disclosure for all material related party transactions given that many Government-Related Entities have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs.

During the years ended 31 December 2023 and 2022, the Group sold substantially all of its electricity to local government-related power grid companies. The Group maintained most of its bank deposits in government-related financial institutions while lenders of most of the Group's loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

During the years ended 31 December 2023 and 2022, other collectively significant transactions with Government-Related Entities also included purchases of fuel, and property, plant and equipment.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 49 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Significant balances and transactions with related parties (continued)

#### (v) Compensation to key management personnel of the Group

	2023 RMB'000	2022 RMB'000
Short-term benefits	10,937	11,498
Retirement benefits	135	479
	11,072	11,977

Details of directors' and supervisors' remunerations are included in note 14 to the consolidated financial statements.

## 50 PRINCIPAL SUBSIDIARIES

### (a) General information of subsidiaries

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Liaoning Datang International Renewable Power Company Limited	the PRC	Company with limited liability	2,289,881 (2022: 1,856,011)	100.00%	100.00%	-	-	Wind power generation
Liaoning Datang International Changtu Wind Power Company Limited	the PRC	Company with limited liability	920,350 (2022: 920,350)	-	-	100.00%	100.00%	Wind power generation
Datang Zhangzhou Wind Power Company Limited	the PRC	Company with limited liability	217,590 (2022: 217,590)	-	-	100.00%	100.00%	Wind power generation
Datang Hebei Power Generation Company Limited	the PRC	Company with limited liability	5,038,136 (2022: 3,921,136)	100.00%	100.00%	-	-	Power generation
Datang Heilongjiang Power Generation Company Limited	the PRC	Company with limited liability	3,669,760 (2022: 3,269,760)	100.00%	100.00%	-	-	Power generation



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Datang Anhui Power Generation Company Limited	the PRC	Company with limited liability	5,603,188 (2022: 4,303,188)	100.00%	100.00%	–	–	Power generation
Tianjin Datang International Panshan Power Generation Company Limited	the PRC	Company with limited liability	831,253 (2022: 831,253)	75.00%	75.00%	–	–	Power generation
Inner Mongolia Datang International Tuoketuo Power Generation Company Limited ("Tuoketuo Power")	the PRC	Company with limited liability	2,669,700 (2022: 1,714,020)	60.00%	60.00%	–	–	Power generation
Shanxi Datang International Shentou Power Generation Company Limited	the PRC	Company with limited liability	749,000 (2022: 749,000)	60.00%	60.00%	–	–	Power generation
Shanxi Datang International Yungang Thermal Power Company Limited	the PRC	Company with limited liability	690,000 (2022: 690,000)	100.00%	100.00%	–	–	Power generation and heat supply
Hebei Datang International Tangshan Thermal Power Company Limited	the PRC	Company with limited liability	380,264 (2022: 380,264)	80.00%	80.00%	–	–	Power generation and heat supply
Jiangsu Datang International Lvsigang Power Generation Company Limited	the PRC	Company with limited liability	1,217,532 (2022: 1,214,942)	55.00%	55.00%	–	–	Power generation
Guangdong Datang International Chaozhou Power Generation Company Limited ("Chaozhou")	the PRC	Company with limited liability	1,557,661 (2022: 1,557,661)	52.50%	52.50%	–	–	Power generation
Fujian Datang International Ningde Power Generation Company Limited	the PRC	Company with limited liability	825,090 (2022: 825,090)	51.00%	51.00%	–	–	Power generation
Chongqing Datang International Pengshui Hydropower Development Company Limited ("Pengshui Hydropower")	the PRC	Company with limited liability	2,096,618 (2022: 2,096,618)	40.00%	40.00%	24.00%	24.00%	Hydropower generation
Chongqing Datang International Wulong Hydropower Development Company Limited	the PRC	Company with limited liability	1,500,930 (2022: 1,500,930)	51.00%	51.00%	24.50%	24.50%	Hydropower generation

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Datang International (Hong Kong) Limited	Hong Kong	Company with limited liability	653,511 (2022: 653,511)	100.00%	100.00%	–	–	Import of power related fuel
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited ("Zhiganglaka")	the PRC	Company with limited liability	380,000 (2022: 380,000)	–	–	90.00%	90.00%	Hydropower generation
Hebei Datang International Wangtan Power Generation Company Limited	the PRC	Company with limited liability	450,000 (2022: 450,000)	70.00%	70.00%	–	–	Power generation
Chongqing Datang International Shizhu Power Generation Company Limited	the PRC	Company with limited liability	585,910 (2022: 585,910)	70.00%	70.00%	–	–	Power generation
Sichuan Datang International Ganzi Hydropower Development Company Limited ("Ganzi Hydropower")	the PRC	Company with limited liability	6,632,915 (2022: 6,632,915)	52.73%	52.73%	–	–	Hydropower generation
Beijing Datang Fuel Company Limited	the PRC	Company with limited liability	1,009,650 (2022: 1,009,650)	51.00%	51.00%	–	–	Coal trading
Zhejiang Datang Wushashan Power Generation Company Limited ("Wushashan Power")	the PRC	Company with limited liability	1,700,000 (2022: 1,700,000)	51.00%	51.00%	–	–	Power generation
Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited ("Tuoketuo II Power") (Note (i))	the PRC	Company with limited liability	1,174,390 (2022: 1,174,390)	40.00%	40.00%	–	–	Power generation
Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited	the PRC	Company with limited liability	458,000 (2022: 458,000)	100.00%	100.00%	–	–	Power generation and heat supply
Jiangxi Datang International Fuzhou Power Generation Company Limited ("Fuzhou Power")	the PRC	Company with limited liability	1,811,616 (2022: 1,811,616)	51.00%	51.00%	–	–	Power generation



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Liaoning Datang International Jinzhou Thermal Power Generation Limited	the PRC	Company with limited liability	368,000 (2022: 368,000)	100.00%	100.00%	–	–	Power generation and heat supply
Chongqing Datang International Wulongxingshun Wind Power Company Limited	the PRC	Company with limited liability	229,570 (2022: 229,570)	89.52%	89.52%	10.48%	10.48%	Wind power generation
Hebei Datang International Fengrun Thermal Power Hohhot Company Limited	the PRC	Company with limited liability	393,070 (2022: 393,070)	84.00%	84.00%	–	–	Power generation
Inner Mongolia Datang International Hohhot Aluminum and Power Company Limited	the PRC	Company with limited liability	3,242,281 (2022: 3,231,721)	100.00%	100.00%	–	–	Production and sale of alumina
Jiangsu Datang Shipping Company Limited	the PRC	Company with limited liability	264,900 (2022: 264,900)	98.11%	98.11%	–	–	Cargo shipping
Inner Mongolia Datang International Renewable Power Company Limited	the PRC	Company with limited liability	2,152,880 (2022: 2,132,880)	100.00%	100.00%	–	–	Wind power generation
Fujian Datang International Renewable Power Company Limited	the PRC	Company with limited liability	1,037,140 (2022: 947,820)	100.00%	100.00%	–	–	Wind power generation
Shanxi Datang International Linfen Thermal Power Company Limited	the PRC	Company with limited liability	342,520 (2022: 342,520)	80.00%	80.00%	–	–	Power generation and heat supply
Liaoning Datang International Fuxin Wind Power Company Limited	the PRC	Company with limited liability	526,860 (2022: 526,860)	–	–	100.00%	100.00%	Wind power generation
Tibet Datang International Nujian Upstream Hydropower Development Company Limited	the PRC	Company with limited liability	310,000 (2022: 310,000)	100.00%	100.00%	–	–	Hydropower generation
Datang International Nuclear Power Company Limited	the PRC	Company with limited liability	315,326 (2022: 315,326)	100.00%	100.00%	–	–	Nuclear power generation

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Datang Tongzhou Technology Company Limited	the PRC	Company with limited liability	100,000 (2022: 100,000)	100.00%	100.00%	–	–	Sales of coal ash and integrated application of solid wastes
Yunnan Datang International Electric Power Company Limited	the PRC	Company with limited liability	2,899,888 (2022: 2,899,888)	100.00%	100.00%	–	–	Hydropower generation
Hebei Datang International Renewable Power Company Limited	the PRC	Company with limited liability	1,394,166 (2022: 1,394,166)	100.00%	100.00%	–	–	Wind power generation
Inner Mongolia Datang International Haibowan Water Conservancy Hub Development Company Limited	the PRC	Company with limited liability	133,910 (2022: 133,910)	100.00%	100.00%	–	–	Hydropower generation
Jiangxi Datang International Xinyu Power Generation Company Limited	the PRC	Company with limited liability	633,912 (2022: 633,912)	100.00%	100.00%	–	–	Power generation
Hebei Datang International Qian'an Thermal Power Company Limited	the PRC	Company with limited liability	214,914 (2022: 214,914)	93.33%	93.33%	–	–	Power generation
Yuneng (Group) Company Limited	the PRC	Company with limited liability	2,114,963 (2022: 2,114,963)	100.00%	100.00%	–	–	Hydropower generation
Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	the PRC	Company with limited liability	161,970 (2022: 161,970)	100.00%	100.00%	–	–	Solar power generation
Sichuan Jinkang Electricity Development Company Limited ("Sichuan Jinkang")	the PRC	Company with limited liability	528,150 (2022: 528,150)	54.44%	54.44%	–	–	Hydropower generation
Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	the PRC	Company with limited liability	338,270 (2022: 338,270)	100.00%	100.00%	–	–	Power generation and heat supply
Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	the PRC	Company with limited liability	600,000 (2022: 600,000)	90.00%	90.00%	–	–	Power generation and heat supply



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Erdos Ruidefeng Mining Company Limited	the PRC	Company with limited liability	237,220 (2022: 237,220)	100.00%	100.00%	–	–	Wholesale of coal
Jiangxi Datang International Renewable Power Company Limited	the PRC	Company with limited liability	2,237,192 (2022: 2,092,192)	100.00%	100.00%	–	–	Wind power generation
Shenzhen Datang Baochang Gas Power Generation Company Limited ("Baochang Gas")	the PRC	Company with limited liability	705,700 (2022: 705,700)	90.88%	90.88%	–	–	Power generation
Guangdong Datang International Zhaoqing Thermal Power Company Limited	the PRC	Company with limited liability	932,981 (2022: 932,981)	100.00%	100.00%	–	–	Power generation
Liaoning Datang International Shendong Thermal Power Company Limited	the PRC	Company with limited liability	1,316,144 (2022: 916,144)	100.00%	100.00%	–	–	Power generation
Guangdong Datang International Leizhou Power Generation Company Limited ("Leizhou Power") (Note (ii))	the PRC	Company with limited liability	1,731,758 (2022: 1,731,758)	34.00%	34.00%	–	–	Power generation
Hebei Datang InternationalTangshan Beijiao Thermal Power Generation Company Limited	the PRC	Company with limited liability	708,950 (2022: 548,950)	100.00%	100.00%	–	–	Power generation and heat Supply
Jiangsu Datang International Jintan Thermal Power Company Limited	the PRC	Company with limited liability	1,015,408 (2022: 1,015,408)	100.00%	100.00%	–	–	Power generation and heat Supply
Liaoning Datang International Huludao Thermal Power Company Limited	the PRC	Company with limited liability	1,338,630 (2022: 1,154,740)	100.00%	100.00%	–	–	Power generation and heat supply
Zhejiang Datang International Renewable Power Company Limited	the PRC	Company with limited liability	492,229 (2022: 428,249)	100.00%	100.00%	–	–	Wind power generation
Guangdong Datang International Marketing Company Limited	the PRC	Company with limited liability	200,000 (2022: 200,000)	100.00%	100.00%	–	–	Power and heat supply

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Liaoning Datang International Shenfu Thermal Power Company Limited	the PRC	Company with limited liability	116,980 (2022: 114,550)	100.00%	100.00%	–	–	Power generation and heat Supply
Zhejiang Datang Power Marketing Company Limited	the PRC	Company with limited liability	201,000 (2022: 201,000)	100.00%	100.00%	–	–	Power trading
Fujian Datang Power Marketing Company Limited	the PRC	Company with limited liability	201,000 (2022: 201,000)	100.00%	100.00%	–	–	Power trading
Datang Jingjinji Power Marketing Company Limited	the PRC	Company with limited liability	201,000 (2022: 201,000)	100.00%	100.00%	–	–	Power trading
Liaoning Datang International Huludao Heat Power Company Limited	the PRC	Company with limited liability	153,125 (2022: 152,495)	100.00%	100.00%	–	–	Heat supply
Ningxia Datang International Hongsibao Renewable Power Company Limited	the PRC	Company with limited liability	816,477 (2022: 816,477)	100.00%	100.00%	–	–	Solar power generation
Ningxia Datang International Bronze Gorge Wind Power Company Limited	the PRC	Company with limited liability	209,448 (2022: 209,448)	100.00%	100.00%	–	–	Wind power generation
Shanxi Datang International Zuoyun Wind Power Company Limited	the PRC	Company with limited liability	328,518 (2022: 328,518)	100.00%	100.00%	–	–	Wind power generation
Datang Foshan Thermal Power Company Limited	the PRC	Company with limited liability	632,520 (2022: 611,520)	100.00%	100.00%	–	–	Power generation and heat supply
Datang Shantou Renewable Power Company Limited	the PRC	Company with limited liability	1,725,619 (2022: 1,725,619)	100.00%	100.00%	–	–	Wind power generation
Jiangxi Datang Power Marketing Company Limited	the PRC	Company with limited liability	201,000 (2022: 201,000)	100.00%	100.00%	–	–	Power and heat trading
Liaoning Zhuanghe Nuclear Power Company Limited ("Liaoning Zhuanghe Nuclear") (Note (iii))	the PRC	Company with limited liability	400,000 (2022: 400,000)	46.00%	46.00%	–	–	Nuclear power generation



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

Name of subsidiary	Place of incorporation/ registration/ and operation	Kind of legal entity	Paid-up capital RMB'000	Percentage of equity interest				Principal activities
				Direct 2023	Direct 2022	Indirect 2023	Indirect 2022	
Datang Chongqing Energy Marketing Company Limited	the PRC	Company with limited liability	201,000 (2022: 201,000)	100.00%	100.00%	–	–	Power generation and heat supply
Datang Fuzhou Linchuan Renewable Power Company Limited	the PRC	Company with limited liability	285,360 (2022: 285,360)	–	–	100.00%	100.00%	Wind and solar power generation
Datang (Gaoan) Renewable Power Company Limited	the PRC	Company with limited liability	215,518 (2022: 215,518)	–	–	100.00%	100.00%	Wind and solar power generation
Datang (Wannian County) Renewable Power Company Limited	the PRC	Company with limited liability	131,987 (2022: 131,987)	–	–	100.00%	100.00%	Wind and solar power generation
Datang Huizhou Thermal Power Company Limited	the PRC	Company with limited liability	148,590 (2022: 122,260)	100.00%	100.00%	–	–	Power generation and heat supply
Datang (Zhang Jia Kou) Renewable Power Company Limited	the PRC	Company with limited liability	187,390 (2022: 183,720)	100.00%	100.00%	–	–	Power generation
Datang Sunwu New Energy Company Limited	the PRC	Company with limited liability	118,100 (2022: 108,100)	–	–	100.00%	100.00%	Wind power generation
Datang (Alashanzuoqi) Electric Power Company Limited	the PRC	Company with limited liability	355,700 (2022: 282,700)	–	–	100.00%	100.00%	Wind and solar power generation
Datang Xinyu Gaoxin Renewable Power Company Limited	the PRC	Company with limited liability	211,940 (2022: 191,940)	–	–	100.00%	100.00%	Production and supply of power and heat

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

### (a) General information of subsidiaries (continued)

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows: (continued)

All the above subsidiaries are limited liability companies except that Zhiganglaka Company is also a foreign investment enterprise while Baochang Gas and Fuzhou Power are also sino foreign equity joint ventures.

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Notes:

- (i) During the year ended 31 December 2006, the Company entered into an agreement with China Datang, one of the shareholders of Tuoketuo II Power, which holds 20% equity interest in Tuoketuo II Power. In 2020, the abovementioned agreement was terminated and the Company entered into a new agreement with Datang Beijing Tianjin Hebei Energy Development Company Limited, one of the shareholders of Tuoketuo II Power, which holds 20% equity interest in Tuoketuo II Power. Pursuant to these agreements, the shareholder representatives and directors appointed from China Datang will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Tuoketuo II Power. Therefore, the Company obtained control over Tuoketuo II Power and accounted for it as a subsidiary onwards.
- (ii) During the year ended 31 December 2015, the Company entered into an agreement with China Datang, one of the shareholders of Leizhou Power, which holds 30% equity interest in Leizhou Power. Pursuant to this agreement, the shareholder representatives and directors appointed from China Datang will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Leizhou Power. Therefore, the Company obtained control over Leizhou Power and accounted for it as a subsidiary onwards.
- (iii) During the year ended 31 December 2020, the Company entered into an agreement with CPI Nuclear Power Company Limited., one of the shareholders of Liaoning Zhuanghe Nuclear, which holds 44% equity interest in Liaoning Zhuanghe Nuclear. Pursuant to this agreement, the shareholder representatives and directors appointed from CPI Nuclear Power Company Limited will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Liaoning Zhuanghe Nuclear. Therefore, the Company obtained control over Liaoning Zhuanghe Nuclear and accounted for it as a subsidiary onwards.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Name	Tuoketuo Power		Sichuan Jinkang	
	2023	2022	2023	2022
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	40.00%/40.00%	40.00%/40.00%	45.56%/45.56%	45.56%/45.56%
	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 31 December</b>				
Non-current assets	10,310,678	7,382,902	3,825,599	3,958,529
Current assets	3,107,560	2,775,418	41,137	69,558
Non-current liabilities	(4,634,185)	(2,975,937)	(2,253,213)	(2,235,494)
Current liabilities	(4,678,519)	(4,487,069)	(225,632)	(372,425)
Net assets	4,105,534	2,695,314	1,387,891	1,420,168
Non-controlling interests	1,642,213	1,078,124	632,323	647,029
Revenue	6,384,567	5,626,498	253,274	229,543
Profit/(loss) for the year	675,603	499,991	(32,545)	(72,744)
Total comprehensive income/(expense)	675,603	499,991	(32,545)	(72,744)
Profit/(loss) allocated to non-controlling interests	270,241	199,997	(14,827)	(33,142)
Dividends paid to non-controlling interests	(47,062)	–	–	–
Net cash generated from operating activities	583,682	1,456,652	213,258	164,156
Net cash used in investing activities	(2,949,362)	(2,230,374)	(55,886)	(52,638)
Net cash generated from/(used in) financing activities	2,161,940	781,222	(183,601)	(132,889)
Net (decrease)/increase in cash and cash equivalents	(203,740)	7,500	(26,229)	(21,371)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (continued)

Name	Pengshui Hydropower		Ganzi Hydropower	
	2023	2022	2023	2022
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	36.00%/36.00%	36.00%/36.00%	47.27%/47.27%	47.27%/47.27%
	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 31 December:</b>				
Non-current assets	8,312,094	8,015,430	28,238,629	29,078,745
Current assets	97,124	810,434	382,483	245,052
Non-current liabilities	(4,544,037)	(4,909,233)	(17,781,809)	(18,609,724)
Current liabilities	(749,973)	(722,424)	(3,357,131)	(3,278,202)
Net assets	3,115,208	3,194,207	7,482,172	7,435,871
Non-controlling interests	1,121,475	1,149,914	3,536,823	3,499,681
Revenue	1,093,460	1,319,868	2,854,761	2,758,237
Profit for the year	358,851	486,499	574,137	552,722
Other comprehensive income	–	–	–	39
Total comprehensive income	358,851	486,499	574,137	552,761
Profit allocated to non-controlling interests	129,186	175,140	271,395	261,272
Other comprehensive income allocated to non-controlling interests	–	–	–	18
Dividends paid to non-controlling interests	(157,626)	(234,903)	(235,144)	(216,461)
Net cash generated from operating activities	958,652	1,000,949	2,323,793	2,266,495
Net cash (used in)/generated from investing activities	(17,671)	300,289	(245,509)	(272,942)
Net cash used in financing activities	(966,386)	(1,293,704)	(1,974,379)	(2,208,626)
Net (decrease)/increase in cash and cash equivalents	(25,405)	7,534	103,905	(215,073)



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

(b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (continued)

Name	Tuoketuo II Power		Fuzhou Power	
	2023	2022	2023	2022
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	60.00%/60.00%	60.00%/60.00%	49.00%/49.00%	49.00%/49.00%
	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 31 December:</b>				
Non-current assets	3,645,033	3,891,630	4,009,403	3,960,233
Current assets	520,336	825,988	1,186,207	1,103,753
Non-current liabilities	(637,455)	(1,584,800)	(1,208,850)	(1,534,630)
Current liabilities	(1,372,409)	(1,048,536)	(2,334,418)	(1,990,787)
Net assets	2,155,505	2,084,282	1,652,342	1,538,569
Non-controlling interests	1,293,299	1,250,565	809,647	753,899
Revenue	3,911,167	4,139,693	4,186,637	4,543,603
Profit/(loss) for the year	393,919	554,495	120,410	(112,841)
Other comprehensive expense	–	–	–	(12,922)
Total comprehensive income/(expense)	393,919	554,495	120,410	(125,763)
Profit/(loss) allocated to non-controlling interests	236,352	332,697	59,001	(55,292)
Other comprehensive expense allocated to non-controlling interests	–	–	–	(6,332)
Dividends paid to non-controlling interests	(193,618)	–	–	–
Net cash generated from operating activities	947,826	867,038	546,639	301,154
Net cash used in investing activities	(93,526)	(29,238)	(352,021)	(27,487)
Net cash used in financing activities	(820,824)	(866,850)	(91,541)	(158,271)
Net increase/(decrease) in cash and cash equivalents	33,476	(29,050)	103,077	115,396

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 50 PRINCIPAL SUBSIDIARIES (CONTINUED)

- (b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (continued)

Name	Chaozhou Power		Wushashan Power	
	2023	2022	2023	2022
Principal place of business/country of incorporation	the PRC/the PRC		the PRC/the PRC	
% of ownership interests/voting rights held by non-controlling interests	47.50%/47.50%	47.50%/47.50%	49.00%/49.00%	49.00%/49.00%
	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 31 December:</b>				
Non-current assets	4,272,101	4,790,992	3,764,979	4,011,171
Current assets	1,276,235	1,324,677	1,081,079	1,184,041
Non-current liabilities	(1,146,180)	(772,015)	(1,246,835)	(1,207,479)
Current liabilities	(2,190,688)	(3,635,291)	(2,428,575)	(3,018,596)
Net assets	2,211,468	1,708,363	1,170,648	969,137
Non-controlling interests	1,050,448	761,109	573,618	478,878
Revenue	7,705,858	6,809,792	6,055,235	5,409,313
Profit/(loss) for the year	488,076	(157,270)	201,510	(448,668)
Total comprehensive income/(expense)	488,076	(157,270)	201,510	(448,668)
Profit/(loss) allocated to non-controlling interest	231,836	(74,703)	98,740	(219,848)
Dividends paid to non-controlling interest	–	–	–	–
Net cash generated from operating activities	884,823	1,027,023	825,354	212,152
Net cash used in investing activities	(199,023)	(140,425)	(288,915)	(195,654)
Net cash used in financing activities	(648,669)	(939,559)	(484,674)	(62,758)
Net increase/(decrease) in cash and cash equivalents	37,131	(52,961)	51,765	(46,260)



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

### 51 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At 1 January 2023 RMB'000	Cash inflows from financing activities RMB'000	Cash outflows from financing activities RMB'000	Disposal of subsidiaries (Note 44(b)) RMB'000	Non-cash changes RMB'000	At 31 December 2023 RMB'000
Long-term loans	125,689,933	43,497,128	(37,587,194)	(638,675)	4,528,916	135,490,108
Long-term bonds	9,684,028	–	(3,405,940)	–	291,079	6,569,167
Other pledged financing	10,564,196	2,615,000	(6,269,930)	(554,621)	376,728	6,731,373
Lease liabilities	2,060,737	–	(921,441)	–	806,315	1,945,611
Short-term loans (Note)	37,431,025	61,815,054	(72,595,691)	(1,217,229)	3,586,634	29,019,793
Short-term bonds	5,008,824	8,500,000	(13,545,670)	–	36,846	–
	<b>190,438,743</b>	<b>116,427,182</b>	<b>(134,325,866)</b>	<b>(2,410,525)</b>	<b>9,626,518</b>	<b>179,756,052</b>

	At 1 January 2022 RMB'000	Cash inflows from financing activities RMB'000	Cash outflows from financing activities RMB'000	Disposal of subsidiaries (Note 44(b)) RMB'000	De-registration of subsidiaries RMB'000	Non-cash changes RMB'000	At 31 December 2022 RMB'000
Long-term loans	114,582,711	43,258,585	(30,722,463)	(1,428,900)	–	–	125,689,933
Long-term bonds	9,384,399	290,000	–	–	–	9,629	9,684,028
Other pledged financing	11,323,024	3,242,076	(3,657,018)	(343,886)	–	–	10,564,196
Lease liabilities	1,575,199	–	(915,980)	–	–	1,401,518	2,060,737
Short-term loans (Note)	39,277,353	87,073,604	(91,867,270)	–	(735,120)	3,682,458	37,431,025
Short-term bonds	6,329,701	14,550,000	(15,956,372)	–	–	85,495	5,008,824
	<b>182,472,387</b>	<b>148,414,265</b>	<b>(143,119,103)</b>	<b>(1,772,786)</b>	<b>(735,120)</b>	<b>5,179,100</b>	<b>190,438,743</b>

Note: During the year ended 31 December 2023, short-term loans under supplies chain financing arrangements of RMB2,759,753,000 (2022: RMB3,682,458,000) represent the payments to the supplies by the relevant banks directly.

### 52 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Company issued the perpetual bonds in an aggregate principal amounts of RMB2,500 million with coupon rates ranging from 2.59% to 2.83%. Further details of these transaction are set out in the Company's announcement dated 23 January 2024 and 28 February 2024.

# Differences Between Financial Statements

For the year ended 31 December 2023

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

	Note	Net assets	
		2023 RMB'000	2022 RMB'000 (restated)
Net assets attributable to holders of equity instruments of the Company under IFRSs		73,555,737	62,642,889
Impact of IFRSs adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	106,466	106,466
Difference in accounting treatment on work safety funds	(b)	(120,396)	(132,862)
Applicable deferred tax impact of the above GAAP Differences		42,043	5,421
Non-controlling interests' impact of the above GAAP Differences after tax		10,234	(12,719)
Net assets attributable to equity holders of the Company under PRC GAAP		73,594,084	62,609,195
	Note	Net loss	
		2023 RMB'000	2022 RMB'000 (restated)
Profit/(loss) for the year attributable to holders of equity instruments of the Company under IFRSs		1,438,741	(327,061)
Impact of IFRSs adjustments:			
Difference in accounting treatment on work safety funds	(b)	(133,191)	(96,213)
Applicable deferred tax impact of the above GAAP Differences		36,622	7,321
Non-controlling interests' impact of the above GAAP Differences after tax		22,953	8,226
Net profit/(loss) for the year attributable to equity holders of the Company under PRC GAAP		1,365,125	(407,727)



## Differences Between Financial Statements

For the year ended 31 December 2023

Notes:

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

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

- (b) Difference in accounting treatment on work safety funds

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

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



大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991