China Power International Development Limited
中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 2380)

Results Announcement for Year 2019

The board of directors (the "**Board**") of China Power International Development Limited (the "**Company**") is pleased to announce the audited financial results of the Company and its subsidiaries (collectively, the "**Group**" or "**We**") for the year ended 31 December 2019.

Financial Highlights

	Year ended 31 December		
	2019	2018	Change
	RMB'000	*RMB'000*	*%*
Revenue	**27,763,287**	23,175,626	19.80
Profit for the year	**2,201,150**	1,637,185	34.45
Profit attributable to owners of the Company	**1,284,381**	1,098,355	16.94
	RMB	*RMB*	*%*
Basic earnings per share	**0.13**	0.11	18.18
Proposed final dividend	**0.13**	0.11	18.18
	MWh	*MWh*	*%*
Total power generation	**87,134,871**	74,101,429	17.59
Total electricity sold	**83,558,993**	70,964,796	17.75

- The increase in revenue and profit were mainly attributable to (i) the significant increase in the electricity sales of hydropower, (ii) the profits contributed by the new clean energy project companies through acquisitions and self-construction, and (iii) the increase in both electricity sales and average on-grid tariff of coal-fired power during the year under review.
- In 2019, excluding the one-off impairment and loss on disposal, the profit attributable to owners of the Company amounted to RMB1,942,430,000.
- As at 31 December 2019, the Group's clean energy installed capacity in hydropower, wind power and photovoltaic power increased by 51.4MW, 326MW and 872.1MW (i.e. 0.95%, 22.30% and 47.31%) respectively as compared to 2018.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Note	**Year ended 31 December** **2019** ***RMB'000***	2018 *RMB'000*
Revenue	2	**27,763,287**	23,175,626
Other income	3	**278,707**	300,346
Fuel costs		**(11,658,028)**	(11,020,697)
Depreciation		**(4,817,832)**	(3,906,575)
Staff costs		**(2,454,040)**	(2,063,525)
Repairs and maintenance		**(764,128)**	(608,509)
Consumables		**(373,255)**	(249,034)
Other gains and losses, net	4	**6,903**	359,625
Other operating expenses		**(2,500,275)**	(1,572,916)
Operating profit	5	**5,481,339**	4,414,341
Finance income	6	**148,526**	125,846
Finance costs	6	**(3,165,881)**	(2,578,254)
Share of results of associates		**224,704**	114,461
Share of results of joint ventures		**25,475**	(6,446)
Profit before taxation		**2,714,163**	2,069,948
Income tax expense	7	**(513,013)**	(432,763)
Profit for the year		**2,201,150**	1,637,185
Attributable to:			
Owners of the Company		**1,284,381**	1,098,355
Non-controlling interests		**916,769**	538,830
		2,201,150	1,637,185
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
- Basic	8	**0.13**	0.11
- Diluted	8	**N/A**	0.11
Dividends		**1,274,895**	1,078,757

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Profit for the year	**2,201,150**	1,637,185
Other comprehensive expense:		
Item that will not be reclassified to profit or loss:		
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax	**58,435**	(344,187)
Item that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on debt instruments at FVTOCI, net of tax	**733**	(993)
Other comprehensive income/(expense) for the year, net of tax	**59,168**	(345,180)
Total comprehensive income for the year	**2,260,318**	1,292,005
Attributable to:		
Owners of the Company	**1,321,616**	775,426
Non-controlling interests	**938,702**	516,579
Total comprehensive income for the year	**2,260,318**	1,292,005

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

		As at 31 December	
	Note	**2019**	2018
			Restated
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	9	**99,044,926**	95,539,610
Right-of-use assets		**6,685,104**	-
Prepayments for construction of power plants		**5,155,703**	2,388,715
Prepaid lease payments		**-**	1,106,126
Goodwill	10	**1,187,214**	951,231
Other intangible assets	11	**1,054,130**	897,014
Interests in associates		**2,780,410**	2,661,367
Interests in joint ventures		**550,774**	467,792
Equity instruments at FVTOCI		**3,362,808**	3,083,174
Deferred income tax assets		**719,142**	376,672
Restricted deposits		**11,800**	-
Other non-current assets		**6,758,646**	4,252,263
		127,310,657	111,723,964
Current assets			
Inventories		**689,862**	712,551
Prepaid lease payments		**-**	23,916
Accounts receivable	12	**3,412,791**	2,784,743
Prepayments, deposits and other receivables		**2,282,625**	2,035,965
Amounts due from related parties		**506,557**	1,061,935
Tax recoverable		**82,283**	60,496
Debt instruments at FVTOCI		**112,418**	237,299
Restricted deposits		**27,250**	23,692
Cash and cash equivalents		**1,238,290**	1,853,044
		8,352,076	8,793,641
Assets classified as held for sale	13	**4,626,965**	4,439,122
Total assets		**140,289,698**	124,956,727

	Note	As at 31 December **2019** ***RMB'000***	 2018 Restated *RMB'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**17,268,192**	17,268,192
Reserves		**13,051,883**	12,681,726
		30,320,075	29,949,918
Non-controlling interests		**14,813,134**	12,899,114
Total equity		**45,133,209**	42,849,032
LIABILITIES			
Non-current liabilities			
Deferred income		**70,722**	75,341
Bank borrowings		**22,547,366**	24,551,579
Borrowings from related parties	14	**26,444,744**	19,044,910
Other borrowings	15	**4,000,000**	2,000,000
Lease liabilities/obligations under finance leases		**3,740,809**	3,986,005
Deferred income tax liabilities		**1,743,183**	1,674,188
Provisions for other long-term liabilities	16	**1,074,477**	1,054,538
		59,621,301	52,386,561

	Note	As at 31 December 2019 RMB'000	2018 Restated RMB'000
Current liabilities			
Accounts and bills payables	17	**874,076**	776,577
Construction costs payable		**6,172,925**	5,996,791
Other payables and accrued charges		**1,678,192**	1,202,118
Amounts due to related parties		**1,680,820**	2,535,264
Bank borrowings		**11,333,147**	6,557,141
Borrowings from related parties	14	**9,292,725**	6,547,385
Other borrowings	15	**528,000**	1,024,959
Lease liabilities/obligations under finance leases		**681,477**	1,205,997
Tax payable		**195,600**	165,906
		32,436,962	26,012,138
Liabilities associated with disposal group classified as held for sale	13	**3,098,226**	3,708,996
Total liabilities		**95,156,489**	82,107,695
Total equity and liabilities		**140,289,698**	124,956,727
Net current liabilities		**22,556,147**	16,488,371
Total assets less current liabilities		**104,754,510**	95,235,593

General Information

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

The financial information relating to the years ended 31 December 2019 and 2018 included in this announcement of annual results 2019 do not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. The Company's auditor has reported on the financial statements of the Group for the years ended 31 December 2019 and 2018. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Notes to the Consolidated Financial Statements

1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention except that equity instruments and debt instruments are measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Application of new and amendments to HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time in the current year:

HKFRS 16	Leases
Hong Kong (International Financial Reporting Interpretations Committee) Interpretation ("HK(IFRIC)-Int") 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to Hong Kong Accounting Standard ("HKAS") 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as disclosed below, the application of the above new and amendments to HKFRSs 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.

(b) Impacts on application of HKFRS 16 "Leases"

The Group has applied HKFRS 16 "Leases" for the first time in the current year. HKFRS 16 superseded HKAS 17 "Leases" and the related interpretations.

Transition and summary of effects arising from initial application of HKFRS 16:

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognized at the date of initial application, 1 January 2019. As at 1 January 2019, the Group recognized additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognized in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on a lease-by-lease basis, to the extent relevant to the respective lease contracts:

1. relied on the assessment of whether leases are onerous by applying HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as an alternative of impairment review;

2. elected not to recognize right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

3. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

4. applied a single discount rate to a portfolio of leases with a similar remaining term for similar class of underlying asset in a similar economic environment. Specifically, the discount rate for certain leases of leasehold land and buildings in the People's Republic of China (the "PRC" or "China") was determined on a portfolio basis; and

5. used hindsight based on facts and circumstances as at the date of initial application in determining the lease term for the Group's leases with extension and termination options.

When recognizing the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 5.49%.

	Note	As at 1 January 2019 *RMB'000*
Operating lease commitments disclosed as at 31 December 2018		617,534
Lease liabilities discounted at relevant incremental borrowing rates		402,447
Add: Extension options reasonably certain to be exercised		18,236
Less: Recognition exemption – short-term leases		(48)
Lease liabilities relating to operating leases recognized upon application of HKFRS 16		420,635
Add: Obligations under finance leases recognized as at 31 December 2018	(i)	5,192,002
Lease liabilities as at 1 January 2019		5,612,637
Analyzed for reporting purpose as:		
- Non-current		4,347,809
- Current		1,264,828
		5,612,637

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprised the following:

	Note	As at 1 January 2019 *RMB'000*
Right-of-use assets relating to operating leases recognized upon application of HKFRS 16		420,635
Amounts included in property, plant and equipment under HKAS 17		
- Assets previously under finance leases	(i)	5,448,206
Reclassified from prepaid lease payments	(ii)	1,266,137
Reclassified from prepaid rent for leasehold land		128,526
		7,263,504

Sale and leaseback transactions

The Group acts as a seller-lessee

In accordance with the transition provisions of HKFRS 16, sale and leaseback transactions entered into before the date of initial application were not reassessed. Upon application of HKFRS 16, the Group applies the requirements of HKFRS 15 "Revenue from Contracts with Customers" to assess whether sale and leaseback transaction constitutes a sale. During the year ended 31 December 2019, the Group did not enter into any sale and leaseback transactions.

The following adjustments were made to the amounts recognized in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Note	Carrying amounts previously reported as at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 as at 1 January 2019
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment (restated)	(i)	95,539,610	(5,448,206)	90,091,404
Prepaid lease payments	(ii)	1,106,126	(1,106,126)	-
Right-of-use assets		-	7,127,409	7,127,409
Other non-current assets				
- Prepaid rent for leasehold land		127,735	(127,735)	-
Current assets				
Prepayments, deposits and other receivables		2,035,965	(791)	2,035,174
Prepaid lease payments	(ii)	23,916	(23,916)	-
Assets classified as held for sale				
Prepaid lease payments	(ii)	136,095	(136,095)	-
Right-of-use assets		-	136,095	136,095
Non-current liabilities				
Lease liabilities	(i)	-	4,347,809	4,347,809
Obligations under finance leases	(i)	3,986,005	(3,986,005)	-
Current liabilities				
Lease liabilities	(i)	-	1,264,828	1,264,828
Obligations under finance leases	(i)	1,205,997	(1,205,997)	-

Notes:

(i) For assets previously under finance leases, the Group recategorized the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to RMB5,448,206,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of RMB3,986,005,000 and RMB1,205,997,000 to lease liabilities as non-current and current liabilities respectively on 1 January 2019.

(ii) Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments and prepaid lease payments classified as held for sale amounting to RMB23,916,000, RMB1,106,126,000 and RMB136,095,000 respectively were reclassified to right-of-use assets on 1 January 2019.

(c) New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts(1)
Amendments to HKFRS 3	Definition of a Business(2)
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture(3)

Amendments to HKAS 1 and HKAS 8	Definition of Material[(4)]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[(4)]

(1) Effective for annual periods beginning on or after 1 January 2021
(2) Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
(3) Effective for annual periods beginning on or after a date to be determined
(4) Effective for annual periods beginning on or after 1 January 2020

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

Based on the Group's current financial position, the directors anticipate that the application of the above new and amendments to HKFRSs in issue but not yet effective will have no material impact on the Group's financial positions and performance except for certain presentation and disclosures in the consolidated financial statements of the Group.

2 Turnover, revenue and segment information

Revenue, representing turnover net of sales related taxes, recognized during the year is as follows:

	2019	2018
	RMB'000	*RMB'000*
Types of goods:		
Sales of electricity to regional and provincial power grid companies (note (a))	**27,682,003**	23,132,372
Provision of power generation (note (b))	**81,284**	43,254
	27,763,287	23,175,626
Timing of revenue recognition:		
At a point in time	**27,763,287**	23,175,626

Notes:

(a) Pursuant to the power purchase agreements entered into between the Group and the respective regional and provincial power grid companies, the Group's sales of electricity were made to these power grid companies at the tariff rates agreed with the respective regional and provincial power grid companies as approved by the relevant government authorities in the PRC.

(b) Provision of power generation represents income from the provision of power generation to other companies in the PRC which is calculated based on mutually agreed terms.

Segment information

The chief operating decision maker has been identified as the executive directors and certain senior management (collectively referred to as the "CODM") who make strategic decisions. The CODM reviews the internal reporting of the Company and its subsidiaries in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from equity instruments at FVTOCI. Other information provided to the CODM is measured in a manner consistent with that in these consolidated financial statements.

Segment assets exclude equity instruments at FVTOCI, deferred income tax assets and corporate assets, which are managed on a central basis.

Segment liabilities exclude deferred income tax liabilities, tax payable and corporate liabilities, which are managed on a central basis.

Comparative figures on 31 December 2018 of certain assets included in the "Photovoltaic power electricity" segment have been restated in relation to the acquisition of a subsidiary stated in Note 10.

	Year ended 31 December 2019					
	Coal-fired electricity *RMB'000*	**Hydropower electricity** *RMB'000*	**Wind power electricity** *RMB'000*	**Photovoltaic power electricity** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment revenue						
Sales of electricity	**18,380,670**	**5,668,352**	**1,595,328**	**2,037,653**	**-**	**27,682,003**
Provision of power generation	**25,890**	**17,766**	**-**	**37,628**	**-**	**81,284**
	18,406,560	**5,686,118**	**1,595,328**	**2,075,281**	**-**	**27,763,287**
Segment results	**1,870,409**	**1,995,817**	**816,065**	**1,109,298**	**-**	**5,791,589**
Unallocated income	**-**	**-**	**-**	**-**	**203,831**	**203,831**
Unallocated expenses	**-**	**-**	**-**	**-**	**(514,081)**	**(514,081)**
Operating profit/(loss)	**1,870,409**	**1,995,817**	**816,065**	**1,109,298**	**(310,250)**	**5,481,339**
Finance income	**9,747**	**18,264**	**20,290**	**65,367**	**34,858**	**148,526**
Finance costs	**(1,243,476)**	**(998,136)**	**(326,576)**	**(564,045)**	**(33,648)**	**(3,165,881)**
Share of results of associates	**161,719**	**-**	**-**	**18,682**	**44,303**	**224,704**
Share of results of joint ventures	**19,723**	**-**	**-**	**15**	**5,737**	**25,475**
Profit/(loss) before taxation	**818,122**	**1,015,945**	**509,779**	**629,317**	**(259,000)**	**2,714,163**
Income tax (expense)/credit	**(264,502)**	**(316,238)**	**4,791**	**(12,003)**	**74,939**	**(513,013)**
Profit/(loss) for the year	**553,620**	**699,707**	**514,570**	**617,314**	**(184,061)**	**2,201,150**
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure						
- Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	**3,791,184**	**1,358,937**	**7,280,571**	**3,296,806**	**145,825**	**15,873,323**
Depreciation of property, plant and equipment	**1,869,215**	**1,446,198**	**595,864**	**540,272**	**20,643**	**4,472,192**
Depreciation of right-of-use assets	**127,611**	**6,503**	**13,204**	**164,626**	**33,696**	**345,640**
Amortization of other intangible assets	**-**	**-**	**-**	**50,884**	**-**	**50,884**
Loss/(gain) on disposal of property, plant and equipment, net	**60,764**	**(6,590)**	**17,800**	**-**	**194**	**72,168**
Impairment of property, plant and equipment	**-**	**393,989**	**18,410**	**14,000**	**-**	**426,399**
Impairment of disposal group/assets classified as held for sale	**85,521**	**80,920**	**-**	**-**	**-**	**166,441**
Impairment of amount due from a joint venture	**-**	**261,300**	**-**	**-**	**-**	**261,300**
(Reversal)/provision of impairment of other receivables	**(5,418)**	**14,531**	**2,041**	**1,543**	**16,409**	**29,106**

	As at 31 December 2019					
	Coal-fired electricity	Hydropower electricity	Wind power electricity	Photovoltaic power electricity	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets						
Other segment assets	**39,779,154**	**38,663,618**	**23,527,396**	**23,100,487**	**-**	**125,070,655**
Assets classified as held for sale	**4,626,965**	**-**	**-**	**-**	**-**	**4,626,965**
Goodwill	**67,712**	**872,865**	**-**	**246,637**	**-**	**1,187,214**
Interests in associates	**2,194,187**	**12,000**	**-**	**137,012**	**437,211**	**2,780,410**
Interests in joint ventures	**410,092**	**-**	**-**	**55,477**	**85,205**	**550,774**
	47,078,110	**39,548,483**	**23,527,396**	**23,539,613**	**522,416**	**134,216,018**
Equity instruments at FVTOCI						**3,362,808**
Deferred income tax assets						**719,142**
Other unallocated assets						**1,991,730**
Total assets per consolidated statement of financial position						**140,289,698**
Segment liabilities						
Other segment liabilities	**(4,718,299)**	**(3,426,553)**	**(3,213,380)**	**(4,014,102)**	**-**	**(15,372,334)**
Liabilities associated with disposal group classified as held for sale	**(3,098,226)**	**-**	**-**	**-**	**-**	**(3,098,226)**
Borrowings	**(24,259,123)**	**(24,588,153)**	**(10,273,821)**	**(9,643,166)**	**(5,381,719)**	**(74,145,982)**
	(32,075,648)	**(28,014,706)**	**(13,487,201)**	**(13,657,268)**	**(5,381,719)**	**(92,616,542)**
Deferred income tax liabilities						**(1,743,183)**
Tax payable						**(195,600)**
Other unallocated liabilities						**(601,164)**
Total liabilities per consolidated statement of financial position						**(95,156,489)**

	Year ended 31 December 2018					
	Coal-fired electricity *RMB'000*	Hydropower electricity *RMB'000*	Wind power electricity *RMB'000*	Photovoltaic power electricity *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment revenue						
Sales of electricity	16,562,217	4,559,756	904,567	1,105,832	-	23,132,372
Provision of power generation	27,421	5,553	935	9,345	-	43,254
	16,589,638	4,565,309	905,502	1,115,177	-	23,175,626
Segment results	1,584,567	2,209,734	397,424	566,127	-	4,757,852
Unallocated income	-	-	-	-	144,457	144,457
Unallocated expenses	-	-	-	-	(487,968)	(487,968)
Operating profit/(loss)	1,584,567	2,209,734	397,424	566,127	(343,511)	4,414,341
Finance income	3,451	7,609	6,072	29,295	79,419	125,846
Finance costs	(994,489)	(1,125,960)	(179,855)	(185,297)	(92,653)	(2,578,254)
Share of results of associates	78,623	-	-	13,434	22,404	114,461
Share of results of joint ventures	(7,685)	-	-	406	833	(6,446)
Profit/(loss) before taxation	664,467	1,091,383	223,641	423,965	(333,508)	2,069,948
Income tax expense	(147,132)	(241,502)	(8,029)	(17,122)	(18,978)	(432,763)
Profit/(loss) for the year	517,335	849,881	215,612	406,843	(352,486)	1,637,185
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure						
- Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	3,730,637	796,329	4,247,469	2,629,195	160,248	11,563,878
Depreciation of property, plant and equipment	1,660,552	1,405,220	403,216	422,557	15,030	3,906,575
Amortization of prepaid lease payments	14,742	1,921	765	999	1,682	20,109
Amortization of other intangible assets	-	-	-	3,086	-	3,086
(Gain)/loss on disposal of property, plant and equipment and prepaid lease payments, net	(60,728)	(40,341)	-	(116)	108	(101,077)
Impairment of inventories	4,798	4,212	-	1,357	-	10,367
Impairment of other receivables	34,585	-	-	-	-	34,585

	As at 31 December 2018 (Restated)					
	Coal-fired electricity *RMB'000*	**Hydropower electricity** *RMB'000*	**Wind power electricity** *RMB'000*	**Photovoltaic power electricity** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment assets						
Other segment assets	37,577,087	39,816,482	16,031,583	17,347,875	-	110,773,027
Assets classified as held for sale	4,439,122	-	-	-	-	4,439,122
Goodwill	67,712	872,865	-	10,654	-	951,231
Interests in associates	2,117,915	2,000	-	140,675	400,777	2,661,367
Interests in joint ventures	395,070	-	-	1,254	71,468	467,792
	44,596,906	40,691,347	16,031,583	17,500,458	472,245	119,292,539
Equity instruments at FVTOCI						3,083,174
Deferred income tax assets						376,672
Other unallocated assets						2,204,342
Total assets per consolidated statement of financial position						124,956,727
Segment liabilities						
Other segment liabilities	(4,882,605)	(2,452,959)	(3,702,247)	(4,906,376)	-	(15,944,187)
Liabilities associated with disposal group classified as held for sale	(3,708,996)	-	-	-	-	(3,708,996)
Borrowings	(20,771,233)	(21,188,207)	(7,116,410)	(6,818,620)	(3,831,504)	(59,725,974)
	(29,362,834)	(23,641,166)	(10,818,657)	(11,724,996)	(3,831,504)	(79,379,157)
Deferred income tax liabilities						(1,674,188)
Tax payable						(165,906)
Other unallocated liabilities						(888,444)
Total liabilities per consolidated statement of financial position						(82,107,695)

All revenue from external customers are generated from the PRC. As at 31 December 2019, except for cash and bank balances equivalent to RMB227,041,000 (2018: RMB119,729,000) which were deposited with certain banks in Hong Kong, substantially all of the Group's assets, liabilities and capital expenditure were located or utilized in the PRC.

The Group's major customers are regional and provincial power grid companies. For the year ended 31 December 2019, the Group's external revenue amounting to RMB17,690,517,000 (2018: RMB15,996,709,000) was generated from four (2018: four) major customers, each of which accounted for 10% or more of the Group's external revenue.

3 Other income

	2019	2018
	RMB'000	*RMB'000*
Rental income	**7,289**	67,908
Hotel operations income	**23,943**	32,085
Income from provision of repairs and maintenance services	**78,077**	79,983
Dividend income	**124,745**	77,108
Income from provision of IT and other services	**27,892**	26,899
Value-added tax refund	**200**	2,779
Compensation income	**12,572**	13,584
Others	**3,989**	-
	278,707	300,346

4 Other gains and losses, net

	2019	2018
	RMB'000	*RMB'000*
Amortization of deferred income	**5,977**	7,527
Government subsidies	**15,361**	40,936
(Loss)/gain on disposal of property, plant and equipment and prepaid lease payments, net	**(72,168)**	101,077
Gain on disposal of a subsidiary	**51**	32,298
Sales of unused power production quota	**333,806**	138,317
Profits on sales of heat, trading of coal, coal by-products, spare parts and others	**209,902**	36,017
Loss on deemed disposal of partial interest in an associate	**-**	(17,181)
Impairment of property, plant and equipment (Note 9)	**(426,399)**	-
Impairment of assets classified as held for sale (note)	**(166,441)**	-
Profits on trading of electricity	**68,196**	14,252
Gain on bargain purchase	**24,305**	-
Others	**14,313**	6,382
	6,903	359,625

Note:

In addition to the impairment of RMB85,521,000 for China Power Shentou Power Generating Company Limited* (中電神頭發電有限責任公司) ("CP Shentou") as disclosed in Note 13, during the year ended 31 December 2019, the Group entered into certain agreements with Hunan Provincial Power Company to sell certain electricity transmission assets, which categorized in "electricity supply equipment" with total carrying amounts of approximately RMB513,400,000 for a total consideration of approximately RMB432,480,000. These assets were written down to their fair values less costs of disposal and have been reclassified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", and an impairment of RMB80,920,000 was recognized as other losses. These disposals were completed during the year.

5 Operating profit

Operating profit is stated after charging the following:

	2019	2018
	RMB'000	*RMB'000*
Amortization of prepaid lease payments	**-**	20,109
Amortization of other intangible assets	**50,884**	3,086
Auditor's remuneration	**8,217**	7,851
Research and development expenses	**77,729**	18,019
Depreciation:		
- owned property, plant and equipment	**4,472,192**	3,827,628
- property, plant and equipment under finance leases	**-**	78,947
- right-of-use assets	**345,640**	-
Lease rental expenses:		
- equipment	**3,588**	5,323
- leasehold land and buildings	**18,783**	77,844
Separation and transfer expenses on water/power/gas supply and property management (note)	**209,882**	-
Impairment of inventories	**-**	10,367
Impairment of amount due from a joint venture and other receivables	**290,406**	34,585
Reservoir maintenance and usage fees	**135,241**	125,917
Cost of purchase of unused power production quota	**74,690**	7,167

Note:

In accordance with the "Notice of the Office of the State Council on the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance Regarding the Guidelines Related to the Separation and Transfer of "Water/Power/Gas Supply and Property Management" in the Employee Living Areas of the State-owned Enterprises (《國務院辦公廳轉發國務院國資委、財政部關於國有企業職工家屬區「三供一業」分離移交工作指導意見的通知》)" (Guo Ban Fa [2016] No. 45), the Group separated its functions of water, power and heat (gas) supply and property management in the employee living areas of the Group and transferred to professional enterprise or institution for socialized management. The expenses arising from the separation and transfer of "water/power/gas supply and property management" of the Group amounted to RMB209,882,000 and were charged to profit and loss.

6 Finance income and finance costs

	2019	2018
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**15,526**	82,870
Interest income from related parties	**36,247**	15,002
Interest income on discounting effect on clean energy power price premium receivable (Note 12(b))	**96,753**	27,974
	148,526	125,846
Finance costs		
Interest expense on		
- bank borrowings	**1,469,160**	2,026,651
- long-term borrowings from related parties	**1,201,257**	398,836
- short-term borrowings from related parties	**312,010**	172,385
- long-term other borrowings	**124,364**	64,201
- short-term other borrowings	**1,209**	19,080
- amounts due to related parties	**3,812**	2,898
- lease liabilities/obligations under finance leases	**291,155**	109,606
- provisions for other long-term liabilities (Note 16)	**91,809**	86,110
	3,494,776	2,879,767
Less: amounts capitalized to property, plant and equipment	**(394,012)**	(456,061)
	3,100,764	2,423,706
Exchange losses, net	**65,117**	154,548
	3,165,881	2,578,254

The weighted average interest rate on capitalized borrowings is approximately 4.37% (2018: 4.48%) per annum.

7 Income tax expense

No Hong Kong profits tax has been provided for as the Group did not have any estimated assessable profits in Hong Kong for the year ended 31 December 2019 (2018: Nil).

The provision for PRC current income tax was calculated based on the statutory tax rate of 25% (2018: 25%) on the estimated assessable profits for the year except that certain subsidiaries of the Group were either exempted from PRC Enterprise Income Tax or entitled to the preferential tax rate of 7.5%, 10%, 12.5% or 15% (2018: 7.5%, 10%, 12.5% or 15%).

The amount of income tax recognized in the consolidated income statement represents:

	2019	2018
	RMB'000	*RMB'000*
PRC current income tax		
Charge for the year	**631,877**	455,915
Under provision in prior years	**4,160**	3,598
	636,037	459,513
Deferred income tax		
Credit for the year	**(123,024)**	(26,750)
	513,013	432,763

Share of income taxation charge attributable to associates and joint ventures for the year ended 31 December 2019 of RMB64,621,000 (2018: RMB55,594,000) and RMB5,579,000 (2018: RMB2,753,000) respectively were included in the Group's share of results of associates/joint ventures.

8 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of shares in issue during the year.

	2019	2018
Profit for the year attributable to owners of the Company (RMB'000)	**1,284,381**	1,098,355
Weighted average number of shares in issue (shares in thousands)	**9,806,886**	9,806,886
Basic earnings per share (RMB)	**0.13**	0.11

(b) Diluted

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the year ended 31 December 2019.

For the year ended 31 December 2018, the computation of diluted earnings per share did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market share price of the Company's shares during the year, therefore, diluted earnings per share was same as basic earnings per share.

9 Property, plant and equipment

	2019	2018
		Restated
	RMB'000	*RMB'000*
At 1 January	**95,539,610**	75,118,822
Adjustments upon application of HKFRS 16	**(5,448,206)**	-
Additions and transfer from prepayments (note)	**11,977,678**	12,890,182
Acquired on acquisitions of subsidiaries	**714,296**	15,481,063
Reclassified from right-of-use assets	**1,896,374**	-
Disposal of a subsidiary	**-**	(94,652)
Disposals	**(955,233)**	(53,238)
Reclassified to disposal group classified as held for sale (Note 13)	**-**	(3,895,992)
Depreciation charged for the year	**(4,472,192)**	(3,906,575)
Impairment written off upon disposal	**218,998**	-
Impairment recognized for the year (Note 4)	**(426,399)**	-
At 31 December	**99,044,926**	95,539,610

Note:

Additions included additions of dam of RMB53,726,000 (2018: RMB10,978,000) (Note 16) which were the recognition of provisions for inundation compensation caused by the construction of certain hydropower plants of the Group. These provisions were based on the review and assessment performed by the management to reflect the current best estimates at year end.

10 Goodwill

During the year ended 31 December 2019, Wu Ling Power Corporation* (五凌電力有限公司) ("Wu Ling Power"), a subsidiary of the Group, entered into the purchase agreements with Henan GCL New Energy Investment Company Limited and Suzhou GCL New Energy Investment Co., Ltd. to acquire 55% equity interests in each of Jiangling County GCL Photovoltaic Power Co., Ltd. ("Jiangling GCL"), Xin'an GCL Photovoltaic Power Co., Ltd. ("Xin'an GCL") and Ruzhou GCL Photovoltaic Power Co., Ltd. ("Ruzhou GCL"). Wu Ling Power obtained control over Jiangling GCL, Xin'an GCL and Ruzhou GCL in April 2019 and such acquisitions have been accounted for using the acquisition method.

The Group recorded goodwill on acquisitions of Jiangling GCL, Xin'an GCL and Ruzhou GCL at initial accounting were RMB88,561,000, RMB71,497,000 and RMB75,925,000 respectively. They included the benefits of the expected synergies, revenue growth, future market development and assembled workforce of these three companies. These benefits are not recognized separately from goodwill as they do not meet the recognition criteria for identifiable intangible assets.

During the year ended 31 December 2019, the initial accounting for the acquisition of Zhongning Longji Photovoltaic New Energy Company Limited ("Zhongning Longji") was completed. As a result, adjustments to the provisional values of identifiable assets and liabilities of Zhongning Longji were recognized and the comparative figure on goodwill was restated upward by RMB4,970,000.

11 Other intangible assets

Other intangible assets represent the carrying amount of the favourable tariff contracts acquired on the acquisition of certain photovoltaic power companies. These intangible assets have finite useful lives and are amortized on a straight-line basis over the periods of 17 to 20 years (2018: 18 to 20 years).

12 Accounts receivable

	2019	2018
	RMB'000	*RMB'000*
Accounts receivable from regional and provincial power grid companies (notes (a) and (b))	**7,378,774**	4,798,696
Accounts receivable from other companies (note (a))	**16,866**	9,481
	7,395,640	4,808,177
Notes receivable (note (d))	**13,893**	13,473
	7,409,533	4,821,650
Analyzed for reporting purpose as:		
- Non-current (included in other non-current assets) (note (b))	**3,996,742**	2,036,907
- Current	**3,412,791**	2,784,743
	7,409,533	4,821,650

Notes:

The analysis below covered those included in the disposal group classified as held for sale (Note 13) of RMB152,005,000 (2018: RMB146,009,000).

(a) The ageing analysis of the accounts receivable based on the invoice date is as follows:

	2019	2018
	RMB'000	*RMB'000*
Unbilled (note (b))	**4,419,540**	2,335,601
1 to 3 months	**3,128,105**	2,618,585
	7,547,645	4,954,186

The accounts receivable that were neither past due nor impaired had been assessed by reference to the historical information about counterparty default rates. The existing counterparties did not have significant default in the past.

(b) As at 31 December 2019, accounts receivable from regional and provincial power grid companies included clean energy power price premium receivables of RMB4,419,540,000 (2018: RMB2,335,601,000), which was unbilled and stated after discounting.

The clean energy power price premium, which was a component of the government-approved on-grid tariff for wind and photovoltaic power generation, was recognized as revenue from sales of electricity in the consolidated income statement of the Group for its wind and photovoltaic power projects.

It was expected that the approval for the settlement of the tariff premium for the Group's certain wind and photovoltaic power projects would be obtained after 31 December 2020 (2018: obtained after 31 December 2019) and the corresponding power price premium receivables were estimated to be recovered after twelve months from the reporting date. Therefore, the Directors considered the electricity sales contract contains a significant financing component. During the year ended 31 December 2019, the respective clean energy power price premium was adjusted for this financing component based on an effective interest rate of 4.75% (2018: 4.75%) per annum. The Group's revenue was adjusted by RMB259,392,000 (2018: RMB172,450,000), and interest income amounting to RMB96,753,000 (2018: RMB27,974,000) (Note 6) was recognized.

(c) As at 31 December 2019, accounts receivable of RMB80,000,000 (2018: Nil) was securitized by the Group. As the Group only provided collection services in accordance with the agreement without any charges on such services, the Group considered that all the risks and rewards of these accounts receivables have been transferred to the counterparties and such accounts receivables were derecognized accordingly.

(d) As at 31 December 2019, notes receivable were bank acceptance notes issued by third parties and were normally with a maturity period of 360 days (2018: 360 days).

(e) As at 31 December 2019, certain bank borrowings, long-term borrowings from related parties (including SPIC Financial Company Limited* (國家電投集團財務有限公司) ("SPIC Financial"), Industrial and Commercial Bank of China Limited ("ICBC") and Agricultural Bank of China Limited ("ABC")), and certain lease liabilities (2018: obligations under finance leases) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these debts as at 31 December 2019 amounted to RMB3,760,170,000 (2018: RMB1,580,203,000).

13 Assets and liabilities classified as held for sale

During the year ended 31 December 2018, Shanxi Shentou Power Generating Company Limited* (山西神頭發電有限責任公司), a wholly-owned subsidiary of the Company, entered into a joint venture agreement to form Sujin Energy Holding Company Limited* (蘇晉能源控股有限公司) ("Sujin Energy"), an associate of the Group, in Shanxi Province of the PRC. The Company would use its 80% interest in CP Shentou as part of the capital contribution to Sujin Energy. Accordingly, the assets and liabilities attributable to CP Shentou had been classified as a disposal group held for sale and were separately presented in the consolidated statement of financial position as at 31 December 2018.

As at 31 December 2019, the abovementioned capital contribution has not yet completed due to certain events which were beyond the Group's control. As the Group remains committed to the sale of CP Shentou and such transaction is highly probable to complete within one year, the assets and liabilities attributable to CP Shentou continued to be classified as a disposal group held for sale and were separately presented in the consolidated statement of financial position. An impairment of RMB85,521,000 is recognized as other losses in the consolidated income statement, being the difference of CP Shentou's fair value less costs to sell and its carrying amount as at 31 December 2019.

In both years ended 31 December 2018 and 2019, the operation of CP Shentou was included in the Group's "Coal-fired electricity" segment for segment reporting.

14 Borrowings from related parties

	2019	2018
	RMB'000	*RMB'000*
Non-current		
Long-term borrowings from State Power Investment Corporation Limited* (國家電力投資集團有限公司) ("SPIC") (note (a))	**5,380,000**	1,930,000
Long-term borrowings from SPIC Financial (note (b))	**3,328,000**	2,013,800
Long-term borrowings from ICBC and ABC (note (c))	**21,615,279**	17,617,419
Long-term borrowing from other related party	**50,000**	-
	30,373,279	21,561,219
Less: Current portion of long-term borrowings from SPIC	**(1,180,000)**	(1,100,000)
Less: Current portion of long-term borrowings from SPIC Financial	**(796,800)**	(20,800)
Less: Current portion of long-term borrowings from ICBC and ABC	**(1,951,735)**	(1,395,509)
	26,444,744	19,044,910
Current		
Short-term borrowings from SPIC (note (d))	**1,100,000**	970,296
Short-term borrowings from China Power International Holding Limited ("CPI Holding") (note (e))	**550,000**	1,720,000
Short-term borrowings from SPIC Financial (note (f))	**550,000**	140,000
Short-term borrowings from ICBC and ABC (note (g))	**2,654,794**	970,000
Short-term borrowings from other related parties (note (h))	**509,396**	230,780
Current portion of long-term borrowings from SPIC (note (a))	**1,180,000**	1,100,000
Current portion of long-term borrowings from SPIC Financial (note (b))	**796,800**	20,800
Current portion of long-term borrowings from ICBC and ABC (note (c))	**1,951,735**	1,395,509
	9,292,725	6,547,385
	35,737,469	25,592,295

Notes:

The analysis below covered those included in the disposal group classified as held for sale (Note 13) of RMB1,492,000,000 (2018: RMB1,794,000,000).

(a) The long-term fixed-rate borrowings from SPIC were unsecured, interest bearing from 2.94% to 5.15% (2018: 2.88% to 5.58%) per annum and were wholly repayable within five years.

(b) The long-term borrowings from SPIC Financial of RMB7,000,000 (2018: RMB7,800,000) were secured against the rights on accounts receivable of a subsidiary of the Group, interest bearing at 4.41% (2018: 4.41%) per annum. The remaining balances were unsecured and interest bearing from 4.28% to 5.23% (2018: 3.92% to 5.50%) per annum.

(c) The long-term borrowings from ICBC and ABC of RMB7,618,642,000 (2018: RMB5,991,160,000) were secured against the rights on accounts receivable of certain subsidiaries of the Group, interest bearing from 4.41% to 4.90% (2018: 4.41% to 4.90%) per annum. The balance of RMB216,400,000 (2018: RMB228,000,000) was guaranteed by a non-controlling shareholder of a subsidiary, interest bearing at 4.90% (2018: 5.15%) per annum and the balance of RMB196,820,000 (2018: RMB227,820,000) was secured against property, plant and equipment (2018: property, plant and equipment and prepaid lease payments) of certain subsidiaries of the Group, interest bearing from 4.41% to 4.90% (2018: 4.41% to 4.90%) per annum. The remaining balances were unsecured and interest bearing from 4.28% to 4.90% (2018: 4.28% to 5.15%) per annum.

(d) The short-term fixed-rate borrowings from SPIC were unsecured, interest bearing at 2.20% (2018: 2.94% to 4.45%) per annum and repayable within one year.

(e) The short-term borrowings from CPI Holding were unsecured, interest bearing at 3.92% (2018: 4.35%) per annum and repayable within one year.

(f) The short-term fixed-rate borrowings from SPIC Financial were unsecured, interest bearing from 3.92% to 4.34% (2018: 3.92%) per annum and repayable within one year.

(g) The short-term borrowings from ICBC and ABC were unsecured, interest bearing from 3.91% to 5.50% (2018: 4.35% to 4.57%) per annum and repayable within one year.

(h) The short-term borrowings from other related parties were unsecured, interest bearing from 4.13% to 4.35% (2018: 4.35% to 4.55%) per annum and repayable within one year.

15 Other borrowings

	2019	2018
	RMB'000	*RMB'000*
Non-current		
Corporate bonds issued by the Company (note (a))	**4,000,000**	2,000,000
Current		
Corporate bonds issued by a subsidiary (note (b))	**-**	999,959
Corporate bonds issued by the Company (note (c))	**500,000**	-
Short-term other borrowing from a third party (note (d))	**28,000**	25,000
	528,000	1,024,959
	4,528,000	3,024,959

Notes:

(a) The balance represented two unsecured RMB denominated medium-term notes, each of RMB2,000,000,000 issued by the Company in October 2018 and September 2019 respectively, for a term of three years each, which were interest bearing at 4.15% per annum and 3.55% per annum respectively.

(b) The balance as at 31 December 2018 represented certain long-term corporate bonds issued by Wu Ling Power for a term of ten years from April 2009 which were interest bearing at 4.60% per annum and were guaranteed by SPIC. These bonds were fully repaid during the current year.

(c) The balance represented the unsecured RMB denominated short-term note of RMB500,000,000 issued by the Company in September 2019 for a term of 270-days which was interest bearing at 2.80% per annum.

(d) The balance was unsecured and interest bearing from 3.92% to 4.35% (2018: 4.35%) per annum.

16 Provisions for other long-term liabilities

Provisions for other long-term liabilities represented provisions for inundation compensations caused by the construction of certain hydropower plants of the Group, namely the Baishi Power Plant, Tuokou Power Plant and Changzhou Hydropower Plant in accordance with the rules and regulations of inundation compensation.

The provisions were measured at the present value of the expenditures expected to be required to settle the compensations, based on the latest rules and regulations as set out by the relevant local government authorities in the PRC, compensation per unit of area, growth rate of compensation, the expected useful lives of these hydropower plants, using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provisions due to the passage of time had been recognized as interest expense.

Analysis of the provisions for inundation compensations as at 31 December 2019 and 2018 is as follows:

	2019	2018
	RMB'000	*RMB'000*
Non-current liabilities	**1,074,477**	1,054,538
Current liabilities (included in other payables and accrued charges)	**99,309**	87,363
	1,173,786	1,141,901

The movements of the provisions for inundation compensations during the years ended 31 December 2019 and 2018 are as follows:

	2019	2018
	RMB'000	*RMB'000*
At 1 January	**1,141,901**	1,048,325
Acquired on acquisition of a subsidiary	**-**	230,286
Recognition during the year (Note 9)	**53,726**	10,978
Interest expense (Note 6)	**91,809**	86,110
Payment	**(113,650)**	(233,798)
At 31 December	**1,173,786**	1,141,901

17 Accounts and bills payables

	2019	2018
	RMB'000	*RMB'000*
Accounts payable (note (a))	**710,675**	666,699
Bills payable (note (b))	**163,401**	109,878
	874,076	776,577

Notes:

The analysis below covered those included in the disposal group classified as held for sale (Note 13) of RMB110,283,000 (2018: RMB94,344,000).

(a) The normal credit period for accounts payable generally ranges from 60 to 180 days. The ageing analysis of the accounts payable based on the invoice date is as follows:

	2019	2018
	RMB'000	*RMB'000*
1 to 6 months	**763,627**	708,304
7 to 12 months	**1,544**	4,265
Over 1 year	**55,787**	48,474
	820,958	761,043

(b) As at 31 December 2019, bills payable were bills of exchange with maturity period ranged from 3 to 12 months (2018: ranged from 3 to 12 months).

18 Event after the reporting period

As the outbreak of novel coronavirus epidemic continues to spread across the global, the Group will continue to closely monitor the development of the novel coronavirus epidemic and ensure a stable operation. By the date of this announcement, the impact of novel coronavirus epidemic on the Group's subsequent operating results is still under assessment.

BUSINESS REVIEW

In 2019, the national total electricity consumption in China rose by 4.5% as compared with the previous year, representing a drop of 4 percentage points in growth rate year-on-year. The national power generation recorded an increase of 4.7% as compared with the previous year, among which, hydropower, wind power and photovoltaic power grew by 5.7%, 10.9% and 26.5% respectively as compared with the previous year while coal-fired power increased by 2.4% as compared with the previous year, which is lower than the growth rate of the national power generation. As of the end of 2019, the national power generation installed capacity grew by 5.8% year-on-year with a continuous slowdown in growth rate, of which the installed capacity of non-fossil energy power generation accounted for 62.8% of the additional power generation installed capacity, maintaining the rapid development trend of clean energy.

In 2019, the production and operation of the Group remained stable with a continuous growth in its operating results. Benefitted from the significant increase in profit from hydropower, continuously improving performance of the clean energy business at a fast pace and considerable results achieved in cost reduction and efficiency enhancement measures for coal-fired power, the profit attributable to owners of the Company amounted to RMB1,284,381,000, representing an increase of 16.94% as compared with the previous year. Excluding the one-off impairment and loss on disposal, the profit attributable to owners of the Company amounted to RMB1,942,430,000. Basic earnings per share was approximately RMB0.13. As at 31 December 2019, net assets per share (excluding non-controlling interests) was RMB3.09.

During the year under review, the development of the Group's principal businesses was as follows:

With a view to capitalizing on the opportunities arising from the national policy in relation to grid parity, the Group took the lead to promote and develop "grid parity" and "competitive-bidding" clean energy projects with economic benefits in response to the trend of subsidies reduction policy. In 2019, the Group successfully obtained the approval for the "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project", which is not only the single largest project among the first batch of photovoltaic grid parity demonstration projects in China, but also served as an outstanding exemplary project for the new policy with grid connection completed during the same year.

All of the four "Top Runner" photovoltaic power projects of Datong Phase II with an installed capacity of 100MW each in Shanxi Province, the PRC, which were acquired by the Group through a tendering process, have officially commenced commercial operation.

The Group also optimized its asset structure through acquisitions of quality clean energy projects and partial disposal of its equity interests in coal-fired power projects. In April 2019, Wu Ling Power, a subsidiary of the Group, completed the acquisitions of 55% equity interests in each of the three companies engaging in the business of photovoltaic power generation, namely Jiangling GCL, Xin'an GCL and Ruzhou GCL. During the same month, the Group disposed of part of its interests in two coal-fired power plants, namely Pingwei I and Pingwei II, to Huainan Mining, one of the main coal and fuel suppliers of the Group. The transaction would help deepen the co-development of coal and electricity businesses as well as establish a collaboration mechanism for sharing both benefits and risks between the parties, hence enhancing the risk resistance capability of our coal-fired power segment.

The Group also actively tapped into the integrated intelligent energy business by continuously exploring other industries related to hydrogen power, heat supply and energy services with a view to broadening its source of income. The hydrogen power cooperation plan of International Horticultural Exhibition 2019 and the hydrogen refueling station demonstration project in Yanqing District, Beijing have laid a solid foundation for the Group's development of hydrogen power.

Positive progress has been made in financial and treasury management of the Group. In 2019, the Group issued medium-term notes of RMB2 billion and super & short-term commercial paper ("SCP") of RMB500 million in the PRC. Certain subsidiaries also gradually replaced high-interest rate loans with banks, resulting in a decrease of 0.22 percentage point in overall financing costs as compared with the beginning of the year. Capitalizing on the downward adjustment of the value-added tax rate in April 2019, the Group arranged all its business units to enter into supplemental agreements with suppliers, thereby taking the opportunity to reduce the contract price and hence lower the cost directly.

The Group placed great emphasis on environmental protection and actively fulfilled its social responsibilities. In 2019, the Group pushed ahead with the inspection and management of ecological and environmental protection issues in an orderly manner while the technical upgrade for the environmental protection facilities in its coal-fired power plants was completed as planned. The Group has implemented various requirements of the safety management system to maintain its good standing of "zero accidents".

At the beginning of 2020, there was an outbreak of novel coronavirus epidemic in the PRC and various countries and regions around the world. Hubei Company and Dabieshan Power Plant, both being subsidiaries of the Group, are located in Hubei Province which is severely affected by the epidemic. Nevertheless, the Group made an all-out effort to protect the health of its staff, at the same time maintaining the stable operation of its power generation units to minimize the impacts of the epidemic by strictly implementing the prevention and control measures. In order to support the local government, all staff members of the Group have participated in the charitable fundraising activity and made donation to Macheng, Hubei Province where Dabieshan Power Plant is located, to fight against the epidemic together with the community.

Power Generation and Electricity Sold

The details of power generation and electricity sold of the Group are set out as follows:

	2019 ***MWh***	2018 *MWh*	Changes *%*
Total power generation	**87,134,871**	74,101,429	17.59
- Coal-fired power	**59,231,954**	53,941,613	9.81
- Hydropower	**21,177,302**	16,460,658	28.65
- Wind power	**3,371,192**	2,023,659	66.59
- Photovoltaic power	**3,354,423**	1,675,499	100.20
Total electricity sold	**83,558,993**	70,964,796	17.75
- Coal-fired power	**56,019,661**	51,112,016	9.60
- Hydropower	**20,946,792**	16,254,508	28.87
- Wind power	**3,289,280**	1,953,422	68.39
- Photovoltaic power	**3,303,260**	1,644,850	100.82

In 2019, the total electricity sold by the Group amounted to 83,558,993MWh, representing an increase of 17.75% as compared with the previous year. The changes in electricity sold by each power segment as compared with the previous year are as follows:

- coal-fired power – the electricity sold increased by 9.60% as a result of the commencement of commercial operation of two new large-scale coal-fired power generating units in Pu'an Power Plant and Shangqiu Power Plant during the year.

- hydropower – an increase of 28.87% in electricity sold due to the abundant rainfall in the river basins where most of the Group's hydropower plants are located during the year, coupled with the positive impact of the full consolidation of hydropower generation from Guangxi Company.

- wind power and photovoltaic power – benefitted from the full consolidation of newly acquired project companies and the commencement of commercial operation of numerous new power generating units during the year, the electricity sales of wind power and photovoltaic power recorded significant year-on-year increases of 68.39% and 100.82%, respectively.

In 2019, the Group also achieved satisfactory performance in gaining incentive electricity from local governments. In recognition of the fulfilment of certain specific targets required by the government in respect of environmental protection, heat supply capacity and productivity of certain power generating units, the amount of various incentive electricity available for production accumulatively obtained by the Group increased during the year as compared with the previous year.

The details of electricity sales of the Group's main associates and joint venture are set out as follows:

	2019 ***MWh***	2018 *MWh*	Changes *%*
Total electricity sold	**17,451,985**	18,612,085	-6.23
Associates			
- Coal-fired power	**14,007,435**	15,230,041	-8.03
- Photovoltaic power	**103,129**	99,594	3.55
Joint Venture			
- Coal-fired power	**3,341,421**	3,282,450	1.80

Heat Sold

In order to strongly support the existing environmental policies promulgated by the PRC government, the Group has carried out in-depth exploration of the heat supply potentials in various regions, strengthened the development of heat user base and promoted the construction of centralized heating pipe networks in recent years, thereby achieving satisfactory results in terms of energy efficiency upgrade and development of heat supply market. In 2019, the total heat sold by the Group (including an associate and two joint ventures) was 20,683,649GJ, representing an increase of 2,203,309GJ or 11.92% as compared with the previous year.

Direct Power Supply

The Group has played an active role in the market-oriented reform of national power industry, analyzed the opportunities therein and participated in direct power supply transactions (including competitive bidding for on-grid electricity sales) with a view to securing market share. In 2019, a number of coal-fired power plants and clean energy power plants of the Group participated in direct power supply transactions, the electricity sold through direct power supply transactions amounted to 32,641,048MWh and 5,868,884MWh respectively, together accounting for approximately 46.09% of the Group's total electricity sold.

In 2019, for those coal-fired power and hydropower plants of the Group which participated in direct power supply transactions, their average post-tax tariffs were at a discount of approximately 7.87% and 4.66% respectively compared with the respective average post-tax on-grid tariffs approved by the PRC government (including ultra-low emission tariff). The direct power supply tariff discount for coal-fired power was slightly lower than that of 2018.

Average On-Grid Tariff

In 2019, the Group's average on-grid tariffs compared with the previous year were as follows:

- hydropower was RMB271.46/MWh, representing a decrease of RMB9.40/MWh. It was mainly attributable to the successive reductions of on-grid tariff of hydropower in Hunan Province on 1 September 2018 and 1 July 2019 promulgated by the Development and Reform Commission of Hunan Province, as well as the decrease in average tariff of direct power supply as compared with the previous year.

- wind power was RMB485.01/MWh, representing an increase of RMB21.46/MWh. Despite the consolidation of new wind power project companies and some newly operating wind power plants of the Group with relatively higher average on-grid tariffs during the year, the increase during the year was partially offset by the impact of discounting the subsidies for new energy to their present values.

- photovoltaic power was RMB628.25/MWh, representing a decrease of RMB49.73/MWh. It was mainly attributable to the similar impact of discounting the subsidies for new energy to their present values, and the reduction of the on-grid tariff of photovoltaic power projects which commenced operation after 31 May 2018 as promulgated by the National Development and Reform Commission (the "NDRC").

- coal-fired power was RMB328.57/MWh, representing an increase of RMB4.00/MWh. It was mainly attributable to the increase in average post-tax tariff of coal-fired power due to the downward adjustment of value-added tax rate, as well as the decrease in tariff discount of direct power supply as compared with the previous year.

Unit Fuel Cost

In 2019, the average unit fuel cost of the Group's coal-fired power business was RMB208.11/MWh, representing a decrease of 3.48% from that of RMB215.62/MWh of the previous year.

Coal Consumption

In 2019, the net coal consumption rate of the Group was 301.82g/kWh, representing a decrease of 0.59g/kWh as compared with the previous year. The existing coal-fired power generating units of the Group are mostly environmental friendly power generating units with large capacity and high parameter. These units have achieved substantial effect in energy saving and emission reduction with the net coal consumption rate maintained at a lower level.

Average Utilization Hours of Power Generating Units

In 2019, the changes in average utilization hours of power generating units of each of the Group's power segment were as follows:

- the average utilization hours of hydropower generating units was 3,882 hours, representing an increase of 734 hours as compared with the previous year, mainly attributable to the increase in power generation as a result of the increase in the amount of rainfall in the river basins where most of the Group's hydropower plants are located.

- the average utilization hours of wind power generating units was 2,058 hours, representing an increase of 91 hours as compared with the previous year, mainly attributable to the higher average utilization hours of the newly consolidated and newly operating generating units.

- the average utilization hours of photovoltaic power stations was 1,383 hours, representing a decrease of 15 hours as compared with the previous year, mainly attributable to lighting conditions and the increase of photovoltaic power curtailment rate of power stations in certain districts.

- the average utilization hours of the coal-fired power generating units was 4,391 hours, representing a decrease of 194 hours as compared with the previous year, mainly attributable to the slowdown of growth rate of total national electricity consumption year-on-year and the relatively significant growth in the consumption of green energy, which squeezed the demand for coal-fired power.

OPERATING RESULTS OF 2019

In 2019, the net profit of the Group amounted to RMB2,201,150,000, representing an increase of RMB563,965,000 or 34.45% as compared with the previous year.

In 2019, the net profit and loss of each business segment and their respective ratio of contribution to the total net profit were as follows:

- net profit from hydropower was RMB699,707,000 (31.79%, 2018: 51.91%);

- net profit from wind power was RMB514,570,000 (23.38%, 2018: 13.17%);

- net profit from photovoltaic power was RMB617,314,000 (28.04%, 2018: 24.85%);

- net profit from coal-fired power was RMB553,620,000 (25.15%, 2018: 31.60%); and

- unallocated net loss was RMB184,061,000 (-8.36%, 2018: -21.53%).

As compared with 2018, the changes in net profit were mainly due to the following factors:

- Revenue from hydropower increased by RMB1,120,809,000 as a result of the significant increase in electricity sales of hydropower;

- Revenue from wind power and photovoltaic power increased by RMB1,649,930,000 in aggregate due to the commencement of commercial operation of various new power generating units and the full consolidation of newly acquired project companies;

- Revenue from coal-fired power increased by RMB1,816,922,000, which was attributable to the increase in electricity sales and the rise of the average on-grid tariff of coal-fired power as compared with the previous year;

- Fuel costs increased by RMB637,331,000 as a result of the increase in fuel consumption due to the growth in sales of coal-fired power;

- Depreciation of property, plant and equipment and right-of-use assets, staff cost and repair and maintenance expenses increased by RMB1,457,391,000 in aggregate as a result of business expansion, newly acquired project companies and addition of power generating units;

- Finance costs increased by RMB587,627,000 as a result of the increase in total debts level; and

- One-off impairment and loss on disposal of assets increased by RMB1,064,022,000.

Revenue

The revenue of the Group was derived from the sales of electricity to regional and provincial power grid companies and the provision of power generation while the Group recognized its revenue when its performance obligations have been satisfied. In 2019, the Group recorded a revenue of RMB27,763,287,000, representing an increase of 19.80% as compared with RMB23,175,626,000 of the previous year.

The significant increase in revenue was mainly attributable to the aggregate year-on-year increase of RMB2,937,731,000 in revenue from hydropower and coal-fired power as a result of the increases of 28.87% and 9.60% in their electricity sales, respectively. The revenue of wind power and photovoltaic power have also recorded increases due to the commencement of commercial operation of various new power generating units and the full consolidation of newly acquired project companies.

Segment Information

The reportable segments identified by the Group are now the “Coal-fired electricity”, “Hydropower electricity”, “Wind power electricity” and “Photovoltaic power electricity”.

Operating Costs

Operating costs of the Group mainly consist of fuel costs for coal-fired power generation, repair and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, consumables and other operating expenses.

In 2019, the operating costs of the Group amounted to RMB22,567,558,000, representing a rise of 16.20% as compared with RMB19,421,256,000 of the previous year. The increase in operating costs was mainly due to the rising fuel cost as a result of the increase in electricity sales of coal-fired power, and the increase in depreciation and staff costs resulting from the commencement of operation of numerous new power generating units and the consolidation of newly acquired project companies.

Operating Profit

In 2019, the Group's operating profit was RMB5,481,339,000, representing an increase of 24.17% as compared with RMB4,414,341,000 of the previous year. The increase in operating profit was mainly due to the profit contribution from the continuous expansion of the wind power and photovoltaic power business segments.

Finance Costs

In 2019, the finance costs of the Group amounted to RMB3,165,881,000, representing an increase of 22.79% as compared with RMB2,578,254,000 of the previous year. The increase in interest expense was mainly due to the rise of debts level.

Share of Results of Associates

In 2019, the share of results of associates was profits of RMB224,704,000, representing an increase of RMB110,243,000 or 96.31% as compared with RMB114,461,000 of the previous year. The increase in profits was mainly attributable to the steady growth in the heat sold of Changshu Power Plant (the principal associate of the Group engaging in coal-fired power generation and heat supply) over the previous year as well as the decrease in unit fuel cost during the year.

Share of Results of Joint Ventures

In 2019, the share of results of joint ventures was profits of RMB25,475,000, representing an increase in profits of RMB31,921,000 as compared with the share of losses of RMB6,446,000 of the previous year. The increase in profits was mainly due to the increase in net profit as a result of the reduced unit fuel cost of Xintang Power Plant (the principal joint venture of the Group engaging in coal-fired power generation and heat supply).

Income Tax Expense

In 2019, the income tax expense of the Group was RMB513,013,000, representing an increase of RMB80,250,000 as compared with RMB432,763,000 of the previous year.

Earnings per Share and Final Dividend

In 2019, the basic earnings per share for profit for the year attributable to owners of the Company was RMB0.13 (2018: RMB0.11).

At the Board meeting held on 26 March 2020, the Board recommended the payment of a final dividend for the year ended 31 December 2019 of RMB0.13 (equivalent to HK$0.1426 at the exchange rate announced by the People’s Bank of China on 26 March 2020) per ordinary share (2018: RMB0.11 (equivalent to HK$0.1292) per ordinary share), totaling RMB1,274,895,000 (equivalent to HK$1,398,462,000) (2018: RMB1,078,757,000 (equivalent to HK$1,267,050,000)), which is based on 9,806,886,321 shares (2018: 9,806,886,321 shares) in issue on 26 March 2020 (2018: 21 March 2019).

ATTRIBUTABLE INSTALLED CAPACITY

As at 31 December 2019, the attributable installed capacity of the Group’s power plant reached 21,113.2MW, representing a year-on-year increase of 1,381.6MW. In particular, the attributable installed capacity of clean energy, including hydropower, wind power, photovoltaic power and natural gas power, was 7,510.1MW in total, accounting for approximately 35.57% of the total attributable installed capacity and representing an increase of 2.69 percentage points as compared with the previous year. The attributable installed capacity of the Group’s existing natural gas power was wholly held by Shanghai Power.

During the year under review, the Group’s attributable installed capacities from new wind power plants and photovoltaic power stations that commenced commercial operation were 251.9MW and 523.6MW respectively.

PROJECTS UNDER CONSTRUCTION

As at 31 December 2019, the attributable installed capacity of the projects under construction was 5,409.8MW, among which, the attributable installed capacity of coal-fired power and clean energy segments were 2,673.2MW and 2,736.6MW respectively. The clean energy segments accounted for 50.59% in aggregate. Wu Ling Power continued to make progress in the 500MW expansion project of Wu Qiang Xi Power Plant, which further reinforced the Group’s leading position in the hydropower industry in Hunan Province.

NEW DEVELOPMENT PROJECTS

In active response to the national supply-side reform in the power industry, the Group seized various development opportunities and stepped up its efforts in conducting research and development of clean energy projects, such as offshore wind power and photovoltaic power generation at parity rate, at the same time closely monitoring the development trend of natural gas power to identify and implement profitable projects steadily. It also made appropriate adjustments to the development and construction of coal-fired power projects and controlled the relevant capital expenditure. For coal-fired power projects under construction, the Group has obtained approval from the local governments in the PRC, progressed according to the government’s stipulated construction schedule, and matched with the planning of electricity demand in places where the end-users are located.

In May 2019, the Group obtained the official approval from the NDRC and the National Energy Administration, and its "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project" was enlisted as one of the first batch of national photovoltaic grid parity trial projects. Despite the lack of government subsidies, the project has received land lease incentives, and hence the operating costs are expected to be reduced significantly. Besides, pursuant to the "Notice on Active Promotion of the Work on Grid Parity of Wind Power and Photovoltaic Power without Subsidies (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》)", the power grid companies will prioritize the power generation, ensure protective buyouts of all the power generated, and guarantee a fixed tariff for the project for at least 20 years. It is expected that the project will bring stable income and sound economic benefits and play an exemplary and leading role in the market.

Currently, the total installed capacity of new projects of the Group at a preliminary development stage (including projects with applications submitted to the PRC government for approval) is approximately 2,300MW, which are mainly clean energy projects (including natural gas power projects) primarily located in areas with development potentials, including Hubei, Hunan, Ningxia and Jiangsu.

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 December 2019, the carrying amount of equity instruments at fair value through other comprehensive income was RMB3,362,808,000, accounting for 2.40% of total assets, including listed equity securities of RMB2,924,502,000 and unlisted equity investments of RMB438,306,000.

Listed equity securities represented the equity interests in Shanghai Power held by the Group. As at 31 December 2019, the Group held 13.88% of the issued share capital of Shanghai Power, the A shares of which are listed on the Shanghai Stock Exchange. Fair value of such equity interests decreased by 0.62% as compared with RMB2,942,667,000 as at 31 December 2018.

Unlisted equity investments represented the Group's investment in equity of some unlisted companies principally engaged in financial services, coal production, water supply and electricity trading services respectively. As at 31 December 2019, the aggregate fair value of unlisted equity investments owned by the Group was RMB455,785,000 (including an unlisted equity investment in the PRC as part of a disposal group classified as held for sale), representing an increase of 185.39% from RMB159,706,000 as at 31 December 2018. The increase was mainly due to capital injection into Huainan Mining by a subsidiary of the Company.

MATERIAL ACQUISITIONS AND DISPOSALS

In March 2019, Wu Ling Power entered into three share transfer agreements with two independent third party companies respectively to acquire 55% of the equity interests in each of the three clean energy project companies. For details, please refer to the announcement of the Company dated 28 March 2019.

In April 2019, the Company disposed of part of its interests in two coal-fired power subsidiaries held by the Company, i.e. 40% equity interests in Pingwei I and 15% equity interests in Pingwei II, through the Shanghai United Assets and Equity Exchange, pursuant to which the Company has agreed to sell and Huainan Mining has agreed to purchase the above equity interests. For details, please refer to the announcement of the Company dated 11 April 2019.

Save as disclosed above, the Group did not have any other material acquisition or disposal during the year under review.

LIQUIDITY, CASH FLOWS AND FINANCIAL RESOURCES

As at 31 December 2019, cash and cash equivalents of the Group were RMB1,238,290,000 (31 December 2018: RMB1,853,044,000). Current assets amounted to RMB8,352,076,000 (31 December 2018: RMB8,793,641,000), current liabilities amounted to RMB32,436,962,000 (31 December 2018: RMB26,012,138,000) and current ratio was 0.26 (31 December 2018: 0.34).

In April 2019, the Company renewed the Financial Services Framework Agreement with SPIC Financial for a term of three years, pursuant to which SPIC Financial has agreed to continue to provide the Group with deposit services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis upon expiry of the Previous Framework Agreement. The Annual Cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial shall not exceed RMB4.2 billion during the term of this Framework Agreement. For details, please refer to the announcement of the Company dated 30 April 2019. This Framework Agreement has officially come into effect on 7 June 2019. For the year ended 31 December 2019, the maximum amount of daily deposit (including accrued interests) placed by the Group with SPIC Financial was approximately RMB2.91 billion.

During the year under review, the Group recorded a net decrease in cash and cash equivalents (including cash and cash equivalents of the disposal group classified as held for sale) of RMB610,933,000 (2018: RMB2,723,522,000). For the year ended 31 December 2019:

- net cash generated from operating activities amounted to RMB5,158,172,000 (2018: RMB2,784,456,000).

- net cash used in investing activities amounted to RMB15,816,887,000 (2018: RMB12,184,593,000), which mainly represented the cash outflow of capital expenditure on the Group's payments for property, plant and equipment and prepayments for construction of power plants. The significant increase in cash outflow, as compared with the previous year, was mainly attributable to the increase in the Group's payments for property, plant and equipment and prepayments for construction of power plants.

- net cash generated from financing activities amounted to RMB10,047,782,000 (2018: RMB6,676,615,000). The significant increase in net cash inflow, as compared with the previous year, was mainly attributable to the significant increase in cash inflow from drawdown of borrowings from related parties.

The financial resources of the Group were mainly derived from cash inflow generated from operating activities, borrowings from banks and related parties and project financing.

The net proceeds from the rights issue in 2017 in the amount of RMB3,734,047,000 was used in settling the consideration for the acquisition of Guangxi Company of RMB3,594,652,000 in 2018. The remaining proceeds from the rights issue of approximately RMB139 million were also utilized for settling the consideration payables for the designated acquisitions in 2019. For the relevant details of the designated acquisitions, please refer to the announcements of the Company dated 9 October 2017 and 2 September 2019.

DEBTS

As at 31 December 2019, total debts of the Group amounted to RMB78,568,268,000 (31 December 2018: RMB64,917,976,000). All debts of the Group are denominated in RMB, Japanese Yen ("JPY") or United States Dollars ("USD").

As at 31 December 2019, the Group's gearing ratio, calculated as net debt (being total debts less cash and cash equivalents) divided by total capital (being total equity plus net debt), was approximately 63% (31 December 2018: approximately 60%). The Group's gearing ratio remained stable.

As at 31 December 2019, the amount of borrowings granted by SPIC Financial was approximately RMB3.88 billion (31 December 2018: approximately RMB2.15 billion).

The details of the Group's debt as at 31 December 2019 and 2018 are set out as follows:

	2019	2018
	RMB'000	*RMB'000*
Bank borrowings, secured	**10,777,320**	11,093,776
Bank borrowings, unsecured	**23,103,193**	20,014,944
Borrowings from related parties	**35,737,469**	25,592,295
Medium-term notes and super short-term commercial paper issued by the Company	**4,500,000**	2,000,000
Corporate bonds issued by Wu Ling Power	**-**	999,959
Lease liabilities/obligations under finance leases	**4,422,286**	5,192,002
Other borrowings	**28,000**	25,000
	78,568,268	64,917,976

The above debts were repayable as follows:

	2019	2018
	RMB'000	*RMB'000*
Within one year	**21,835,349**	15,335,483
Between one and two years	**14,606,141**	7,861,437
Between two and five years	**19,713,065**	22,270,880
Over five years	**22,413,713**	19,450,176
	78,568,268	64,917,976

Among the above debts, approximately RMB29,325,084,000 (31 December 2018: approximately RMB24,297,951,000) are subject to fixed interest rates, and the remaining debts denominated in RMB are subject to adjustment based on the relevant rules of the People's Bank of China and bearing interest rates ranged from 3.92% to 5.23% (2018: ranged from 4.17% to 5.23%) per annum.

ASSETS IMPAIRMENTS AND DISPOSALS

When there is any indication of impairment, the Group will conduct an impairment test on assets such as property, plant and equipment and right-of-use assets to assess whether an impairment has been incurred.

In 2019, the Group incurred a total loss from one-off impairment and disposal of RMB1,064,022,000. In particular, due to the policy restrictions and the lagging construction of grid outbound transmission lines in regions where certain of the Group's small hydropower plants were located, the electricity consumption capacity was limited and the operating performance was lower-than-expected, as such, the Group made provisions for impairment of the relevant property, plant and equipment of RMB426,399,000. Owing to the significant unfavorable changes in the operating environment of the heat supply project of a joint venture during the year under review, the Group made provisions for impairment of the relevant loans of RMB261,300,000. Through the impairment test on the assets held for sale, the Group made provisions for impairment of RMB166,441,000. In addition, according to requirements of the relevant national policy, a loss on disposal of RMB209,882,000 was recorded due to the separation and transfer of the Group's "Water/Power/Gas Supply and Property Management (三供一業)".

SIGNIFICANT FINANCING ACTIVITIES

In August 2019, the Company received confirmation in relation to the acceptance of its application for the issuance of SCP in the PRC in the aggregate principal amount of RMB1 billion, with an effective registration period of two years and to be issued in tranches within the effective registration period. On 3 September 2019, the Company completed the issuance of the 2019-first-tranche of SCP in a principal amount of RMB500 million, at the interest rate of 2.80% per annum and with a maturity period of 270 days. The proceeds were fully used for repayment of existing borrowings.

In August 2019, the Company received confirmation in relation to the acceptance of its application for the issuance of medium-term notes in the PRC in the aggregate principal amount of RMB4 billion, with an effective registration period of two years and to be issued in tranches within the effective registration period. On 5 September 2019, the Company completed the issuance of the 2019-first-tranche of the medium-term notes in a principal amount of RMB2 billion, at the interest rate of 3.55% per annum and with a term of three years. The proceeds were fully used for repayment of existing borrowings and bank loans.

CAPITAL EXPENDITURE

In 2019, the capital expenditure of the Group was RMB15,873,323,000 (2018: RMB11,563,878,000). In particular, the capital expenditure for clean energy segments (hydropower, wind power and photovoltaic power) was RMB11,936,314,000 (2018: RMB7,672,993,000), which was mainly applied for the construction of new power plants and power stations; whereas the capital expenditure for coal-fired power segment was RMB3,791,184,000 (2018: RMB3,730,637,000), which was mainly applied for the construction of new coal-fired power generating units and technical upgrade for the existing power generating units. These expenditures were mainly funded by project financing, funds generated from business operations and borrowings from related parties.

PLEDGE OF ASSETS

As at 31 December 2019, the Group pledged certain property, plant and equipment (31 December 2018: property, plant and equipment and prepaid lease payments) with a net book value of RMB392,981,000 (31 December 2018: RMB533,096,000) to certain related parties to secure borrowings from related parties in the amount of RMB196,820,000 (31 December 2018: RMB227,820,000). In addition, certain bank borrowings, borrowings from related parties and lease liabilities (31 December 2018: bank borrowings, borrowings from related parties and obligations under finance leases) totaling RMB20,134,405,000 (including bank borrowings as part of a disposal group classified as held for sale) (31 December 2018: RMB20,301,015,000) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings amounted to RMB3,760,170,000 (including accounts receivable as part of a disposal group classified as held for sale) (31 December 2018: RMB1,580,203,000).

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no material contingent liabilities.

RISK MANAGEMENT

The Group has implemented all-rounded risk management and has established a systematic and comprehensive risk management mechanism and internal control system. The Group also has a Risk Management Committee which is accountable to the Board and assists the Board in providing leadership, direction and oversight with regard to the overall risk appetite and tolerance and risk management framework of the Group, including risk policies, process and controls. The Group also has an internal audit department in place for execution and implementation of risk management measures.

FOREIGN EXCHANGE RATE RISKS

The Group principally operates its businesses in Mainland China with most of its transactions settled in RMB. Apart from certain bank borrowings as well as cash and cash equivalents, the Group's assets and liabilities are mainly denominated in RMB. The Group held borrowings denominated in JPY and USD during the year. Higher volatility of RMB exchange rate against USD and JPY has increased the foreign exchange risks of the Group, thus affecting its financial position and operating results.

As at 31 December 2019, the Group's borrowings denominated in foreign currencies amounted to RMB3,371,773,000 (31 December 2018: RMB3,322,940,000). The Group will continue to keep track on the movement of exchange rates and, if necessary, take responsive measures to avoid excessive foreign exchange rate risks.

FUNDING RISKS

With the Group's efforts to strengthen its development of all kinds of new power projects, funding adequacy will have an increasing impact on the Group's operations and development. The financing market is affected by a number of factors such as the liquidity of the lending market and the economic environment, which in turn may also affect the effectiveness and costs of the Group's borrowing.

As at 31 December 2019, the Group had sufficient available unutilized financing facilities amounting to RMB35,138,302,000.

ENERGY SAVING AND EMISSION REDUCTION

The Group has always been placing a great emphasis on environmental protection from the perspective of sustainable corporate development, vigorously promoting energy saving and emission reduction, conscientiously fulfilling its social responsibilities and actively responding to global climate change.

In active response to the policy of "Action Plan of the Upgrade and Renovation of Energy Saving and Emission Reduction of Coal-fired Units (2014 – 2020) (《煤電節能減排升級與改造行動計劃 (2014 – 2020年) 》)" promulgated by the PRC government, the Group has strengthened the environmental control and rectification measures for its coal-fired power generating units. More than 90% of the operating coal-fired power generating units have met the standards of ultra-low-emission.

In 2019, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2018: 100%), and the efficiency ratio of desulphurization was 99.30% (2018: 99.20%); the operational ratio of denitration facilities reached 100% (2018: 100%) and the efficiency ratio of denitration reached 89.85% (2018: 91.02%).

During the year under review, the environmental protection indicators for coal-fired power generating units were as follows:

- the emission rate of sulphur dioxide (SO_2) at 0.076g/kWh, representing an increase of 0.020g/kWh as compared with the previous year;
- the emission rate of nitrogen oxide (NO_x) at 0.133g/kWh, representing an increase of 0.036g/kWh as compared with the previous year; and
- the emission rate of flue gas and dusts at 0.007g/kWh, representing a decrease of 0.001g/kWh as compared with the previous year.

OPERATIONAL SAFETY

In 2019, no material accident in the aspects of employees, facilities and environmental protection occurred in the Group.

EMPLOYEES

As at 31 December 2019, the Group had a total of 10,444 (31 December 2018: 10,269) full-time employees.

EVENT AFTER THE REPORTING PERIOD

The outbreak of novel coronavirus epidemic since early 2020 has brought impact on the global economy. Although the Chinese government has implemented a number of preventive and monitoring measures throughout the country and has achieved effective prevention and control results, the epidemic has evolved into worldwide pandemic and the situation is still unpredictable. The uncertainties in the future operating environment of the Group may affect the business conditions and performance of the Group. The Group has and will continue to closely monitor the impact of developments on the Group's business and take appropriate countermeasures as necessary.

OUTLOOK FOR 2020

The year 2020 marks the conclusion of the Chinese government's "13th Five-Year" plan, which is also the start of the "14th Five-Year" plan. Adhering to the relevant policies and deployments of the Chinese government, critical achievements have been made in the major areas and key segments of the supply-side structural reform, the system reform of the electricity industry and the reform of State-owned capital and State-owned enterprises. The fundamentals for steady growth and making positive progress of the Chinese economy will remain unchanged. On the other hand, although the Phase One Trade Deal has been signed between the United States and China, certain disputes still linger and the landscape of international trade is undergoing various adjustments. Coupled with the current outbreak of novel coronavirus epidemic, despite the effect of the epidemic on the macro-economy is estimated to be interim and temporary, the global economy will still be facing increased downward pressure. The electricity industry is facing both opportunities and challenges as a whole.

In terms of electricity supply and demand, adhering to the general operating principle of pursuing steady growth and against the backdrop of the State's macro-policy of counter-cyclical adjustments, the China Electricity Council predicted that the national total electricity consumption would sustain its steady growth in 2020 with an estimated annual growth of 4% to 5%. The national electricity supply and demand remained generally in balance. Meanwhile, the government will deepen the supply-side structural reform of the electricity industry and it is expected that the benefits of the reform will emerge gradually.

In terms of policy reform, the NDRC issued the "Guiding Opinion on the Deepening Reform of the On-grid Tariff-setting Mechanism for Coal-fired Power (《關於深化燃煤發電上網電價形成機制改革的指導意見》)" in October 2019, which changed the current benchmark on-grid tariff mechanism of coal-fired power to the market-oriented price mechanism of "benchmark price + upward/downward fluctuation". In January 2020, the Ministry of Finance of the PRC, the NDRC and the National Energy Administration issued the "Several Opinions on Promoting the Healthy Development of Power Generation by Non-hydro Renewable Energy (《關於促進非水可再生能源發電健康發展的若干意見》)", which pointed out that the power generation of non-hydro renewable energy has currently entered into the crucial stage of industrial transformation and upgrade and technological advancement. Renewable energy, such as wind power and photovoltaic power, has basically met the conditions for enjoying parity rate as the traditional energy, such as coal-fired power. As such, the State will further improve the existing subsidy approach and resources allocation mechanism in the market. It is expected that the market-oriented reform of the power industry will advance at a faster pace. With the deepening of the reform of State-owned capital and State-owned enterprises, the government will focus on enhancing the allocation efficiency of State-owned capital, while the State-owned enterprises will continue to improve their corporate governance and optimize their incentive systems. The central government indicated that the "Three-year Action Plan for Reform of State-owned Enterprises" will soon be promulgated and implemented, pursuant to which the restructuring and integration will be expedited with an aim to solving the problem of homogeneous competition. Regional integration of coal and electricity resources will also be one of the major missions.

The Group will persist to continue transformational development, strive to enhance its operating results, and accelerate the development towards becoming the world's leading clean energy enterprise. The major coming tasks and approaches will be as follows:

Enhancing the level of asset operation – The Group will make prior arrangement to actively adapt to the new energy policies and familiarize itself with the new market rules with a view to enhancing its marketing capability in the electricity market under the new environment. It will seek to explore potential, enhance quality and increase efficiency, at the same time controlling and reducing the fuel costs by means of, among others, adjusting the procurement structure and increasing the use of coal blending and mixed burning. The Group will also increase the efficiency of capital operation, seize favorable market opportunities to reduce capital costs, enhance economic efficiency and reliability of the power generating units on a continuous basis and fully exert the advantage of cascade adjusting watershed management of hydropower. Furthermore, the Group will optimize its capital allocation, selectively pursue investment projects and dispose of inefficient and non-performing assets, and to maintain control over capital expenditure appropriately.

Promoting the high-quality transformation of the Company – The Group will continue to exploit quality grid-parity and competitive-bidding clean energy projects in an effort to build up highly-efficient clean energy bases. Moreover, the Group will steadily push forward the new business models for energy services with a view to transforming the same into new momentum for development. It will further optimize the development, construction and operation management system of integrated intelligent energy projects so as to constantly enhance its competitiveness, at the same time exploring opportunities for the development of overseas projects to steadily expand its international footprint.

Deepening the reform of systems and mechanisms – The Group will continue to promote the reform of State-owned capital and State-owned enterprises by optimizing the relevant systems and mechanisms. Leveraging the advantage of the management and control system of "Plan-Budget-Assessment-Incentives", the Group will place a strong emphasis on value creation and adopt "profit attributable to owners of the Company" and "free cash flow" as its core assessment indicators to boost corporate vitality. Greater efforts will be made in team building with an aim to establish a first-class human resources management and control system.

Placing great emphasis on the fulfillment of social responsibilities – The Group will make consistent efforts to ensure safe production with the goal of "Zero death, Zero accident". It will further enhance its management regarding the protection of ecological environment in a bid to achieve low-carbon development. Meanwhile, it will actively launch work in relation to the prevention and control of epidemic to foster a healthy working environment for its staff. It commits to undertake the responsibility of giving back to the society actively.

REVIEW OF FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee"), which comprises three independent non-executive Directors, has discussed and reviewed with the management and the auditor of the Company, Messrs. Deloitte Touche Tohmatsu, the annual results and the consolidated financial statements for the year ended 31 December 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2019.

CORPORATE GOVERNANCE

The Company always strives to raise the standard of its corporate governance and regards corporate governance as part of value creation. This reflects the commitment of the Board and management on abiding by the standards of corporate governance, as well as our willingness to maintain transparency and accountability to maximize the value of our shareholders as a whole.

The Company has strictly complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2019, save for the CG Code provisions of A.2.1 and E.1.2.

Under the CG Code provision A.2.1, the roles of both the chairman and chief executive should be separated and should not be performed by the same individual. Mr. TIAN Jun serves as the Chairman of the Board and the President of the Company during the year under review since his appointment as the Chairman of the Board on 19 November 2019. Taking into consideration that Mr. TIAN possessing the expertise and extensive experience in the electric power industry is conducive to the Company's development, and he has been responsible for the overall corporate strategy, planning and business development of the Group since the former Chairman of the Board left the Company in July 2018. The Board believes that vesting the roles of both chairman and chief executive (being the President of the Company) in the same individual can provide the Group with strong and consistent leadership and allow for effective development of long-term business strategies and efficient execution of business decisions and plans.

The Board believes that the balance of authority is adequately ensured by the current composition of the Board which comprises high-calibre individuals, with whom two being non-executive Directors and three being independent non-executive Directors. Also, the Executive Committee under the Board consists of all the vice presidents of the Company who possess rich knowledge and experience in different professional fields to assist the President of the Company in making decisions about the daily business management and operations of the Group. The Board believes appropriate power checks and balances have been put in place to safeguard the interests of the Group and the Company's shareholders as a whole.

Under the CG Code provision E.1.2, the chairman of the board should attend the annual general meeting. In view of the fact that the office of the chairman of the Board is still vacant on the date of the Company's annual general meeting (i.e. 6 June 2019), the Board had arranged Mr. TIAN Jun, the executive Director and President of the Company, who is very familiar with the Group's business and operations, to attend and chair the meeting. Other Directors, including three independent non-executive Directors, being the chairman/members of Audit Committee, Risk Management Committee and Remuneration and Nomination Committee together with the external independent auditor attended the annual general meeting and answered questions from the attending shareholders and investors. All resolutions proposed were duly passed by shareholders' voting at the meeting. During the period since the resignation of the former Chairman of the Board in July 2018 and the appointment of Mr. TIAN as the new chairman of the Board in November 2019, Mr. TIAN had been taking up the role of acting chairman for all meetings of the Board and the Company's annual general meeting. The Board would consider the CG Code provision E.1.2 was not applicable to the Company at that time and should not be regarded as any deviation from the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors ("Code of Conduct"), the terms of which are no less than the requirement of Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific inquiries to all Directors, they confirmed that they have fully complied with the Code of Conduct throughout the entire year of 2019.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the Company's websites at www.chinapower.hk and www.irasia.com/listco/hk/chinapower/index.htm respectively.

The 2019 annual report will be sent to those shareholders of the Company who have selected to receive the printed version of corporate communication only, and the soft copy of the annual report will also be made available for review on the above websites in due course.

* *English or Chinese translation, as the case may be, is for identification only*

By Order of the Board
China Power International Development Limited
Tian Jun
Chairman

Hong Kong, 26 March 2020

As at the date of this announcement, the directors of the Company are: executive director Tian Jun, non-executive directors Guan Qihong and Wang Xianchun, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Yau Ka Chi.