華電國際電力股份有限公司

Huadian Power International Corporation Limited*

(A Sino-foreign investment joint stock company limited by shares incorporated in the People's Republic of China (the "PRC"))

(Stock Code: 1071)

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

The board of directors (the "**Board**") of Huadian Power International Corporation Limited* (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2009 prepared in accordance with International Financial Reporting Standards ("IFRSs").

FINANCIAL AND BUSINESS SUMMARY

- Power generation amounted to 107.47 million MWh, representing an increase of approximately 11.32% (or an increase of approximately 6.75% in accordance with domestic announcement scope) over 2008; the volume of power sold amounted to 99.95 million MWh, representing an increase of approximately 10.32% (or an increase of approximately 6.76% in the volume of power sold in accordance with domestic announcement scope) over 2008;

- Turnover amounted to approximately RMB36,450 million, representing an increase of approximately 21.51% over 2008;

- Profit attributable to equity shareholders of the Company amounted to approximately RMB1,157 million;

- Earnings per share was RMB0.19. The Board recommends payment of dividend of RMB0.035 per share for the financial year of 2009.

STATUTORY SURPLUS RESERVE

According to the Company's Articles of Association, the Company is required to transfer at least 10% (at the discretion of the Board) of its profit after tax, as determined under the PRC accounting rules and regulations, to a statutory surplus reserve until the surplus reserve balance reaches 50% of the registered capital. The transfer to the statutory surplus reserve must be made before the distribution of dividend to shareholders. The statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after the issue of new shares is not less than 25% of the registered capital. The Board resolved to transfer 10% of the annual profit after tax as determined under the PRC accounting rules and regulations, amounting to approximately RMB13,404,000 (2008: no profit was transferred to the statutory surplus reserve), to the statutory surplus reserve on 26 March 2010.

DIVIDENDS

Pursuant to a resolution passed at the Board meeting held on 26 March 2010, final dividend of RMB236,987,947 will be payable to shareholders for the financial year ended 31 December 2009 (on the basis of total share capital of 6,771,084,200 shares of the Company as at 31 December 2009), subject to the approval of the shareholders in the upcoming annual general meeting.

No interim dividend was distributed for the six months ended 30 June 2009 (2008: nil) during 2009.

THE GROUP'S EXISTING POWER GENERATION FACILITIES

The Group is one of the largest listed power-generating group companies in the PRC. As at the date of this announcement, the interested installed capacity of the Group amounted to 21,379.6 MW and the total installed capacity controlled by the Group amounted to 24,548.0 MW. Details of the Group's power generating facilities as at the date of this announcement are as follows:

Name of power plant/company	Installed capacity *(MW)* (As at the date hereof)	Equity interest held by the Company	Generating units	Notes
Zouxian Plant	2,540	100%	2 x 600MW + 4 x 335MW	
Shiliquan Plant	770	100%	1 x 330MW + 1 x 300MW + 1 x 140MW	
Laicheng Plant	1,200	100%	4 x 300MW	
Huadian Zouxian Power Generation Company Limited ("Zouxian Company")	2,000	69%	2 x 1,000MW	
Huadian Weifang Power Generation Company Limited ("Weifang Company")	2,000	45%	2 x 670MW + 2 x 330MW	
Huadian Qingdao Power Generation Company Limited ("Qingdao Company")	1,200	55%	4 x 300MW	
Huadian Zibo Thermal Power Generation Company Limited ("Zibo Company") *(Note 1)*	433	100%	2 x 145MW + 2 x 71.5MW	2 x 300MW heat-power co-generating units under construction
Huadian Zhangqiu Power Generation Company Limited ("Zhangqiu Company")	890	87.5%	2 x 300MW+ 2 x 145MW	

Huadian Tengzhou Xinyuan Power Company Limited ("Tengzhou Company") *(Note 2)*	930	93.257%	2 x 315MW+ 2 x 150MW	
Huadian Laizhou Wind Power Company Limited ("Laizhou Wind Power Company")	40.5	55%	27 x 1.5MW	
Huadian Ningxia Lingwu Power Generation Company Limited ("Lingwu Company")	1,200	65%	2 x 600MW	2 x 1,000MW generating units under construction
Ningxia Zhongning Power Generation Company Limited ("Zhongning Company")	660	50%	2 x 330MW	
Huadian Ningxia Ningdong Wind Power Company Limited ("Ningdong Wind Power Company") *(Note 1 and Note 3)*	90	100%	60 x 1.5MW	12MW wind power generating units under construction
Huadian Ningxia Ningdong Shangde Solar Power Company Limited ("Shangde Solar Company") *(Note 1 and Note 4)*	—	60%	—	10MW solar power generating units under construction
Sichuan Guang'an Power Generation Company Limited ("Guang'an Company")	2,400	80%	2 x 600MW + 4 x 300MW	
Sichuan Huadian Luding Hydropower Company Limited ("Luding Hydropower Company") *(Note 1)*	—	100%	—	4 x 230MW hydroelectric generating units under construction
Sichuan Huadian Zagunao Hydroelectric Development Company Limited ("Zagunao Hydroelectric Company") *(Note 3)*	423	49%	3 x 65MW+ 3 x 46MW + 3 x 30MW	168MW hydroelectric generating units under construction

Huadian Xinxiang Power Generation Company Limited ("Xinxiang Company")	1,320	90%	2 x 660MW	
Huadian Luohe Power Generation Company Limited ("Luohe Company") *(Note 3)*	300	75%	1 x 300MW	1 x 300MW heat-power co-generating unit under construction
Huadian Qudong Power Generation Company Limited ("Qudong Company") *(Note 1 and Note 4)*	—	90%	—	2 x 300MW heat-power co-generating units under construction
Anhui Huadian Suzhou Power Generation Company Limited ("Suzhou Company") *(Note 5)*	1,260	97%	2 x 630MW	
Anhui Huadian Wuhu Power Generation Company Limited ("Wuhu Company")	1,320	65%	2 x 660MW	
Anhui Chizhou Jiuhua Power Generation Company Limited ("Chizhou Company")	600	40%	2 x 300MW	
Huadian Suzhou Biomass Energy Power Company Limited ("Suzhou Biomass Energy Company")	25	78%	2 x 12.5MW	
Anhui Huadian Lu'an Power Generation Company Limited ("Lu'an Company") *(Note 1 and Note 4)*	—	95%	—	1 x 600MW generating unit under construction
Huadian Inner Mongolia Kailu Wind Power Company Limited ("Kailu Wind Power Company") *(Note 1, Note 2 and Note 3)*	99	100%	66 x 1.5MW	300MW wind power generating units under construction

Huadian Kezuozhongqi Wind Power Company Limited ("Kezuozhongqi Wind Power Company") *(Note 1 and Note 4)*	—	100%	—	49.5MW wind power generating units under construction
Hangzhou Huadian Banshan Power Generation Company Limited ("Hangzhou Banshan Company")	1,435	64%	3 x 390MW + 1 x 135MW+ 1 x 130MW	
Hebei Huadian Shijiazhuang Thermal Power Company Limited ("Shijiazhuang Thermal Power Company") *(Note 1 and Note 3)*	1,100	82%	2 x 300MW +2 x 200MW + 4 x 25MW	2 x 300MW heat-power co-generating units under construction
Hebei Huadian Guyuan Wind Power Company Limited ("Guyuan Wind Power Company") *(Note 3 and Note 4)*	100.5	100%	67 x 1.5MW	
Hebei Huadian Kangbao Wind Power Company Limited ("Kangbao Wind Power Company") *(Note 1 and Note 4)*	—	100%	—	49.5MW wind power generating units under construction
Hebei Huadian Complex Pumping-storage Hydropower Power Company Limited ("Hebei Hydropower Company")	57	100%	1 x 16MW + 2 x 15MW+ 1 x 11MW	
Hebei Huarui Energy Group Corporation Limited ("Huarui Company") *(Note 6)*	1,866.7	100%	—	
Total controlled installed capacity *(Note 7)*	24,548.0			
Total interested installed capacity *(Note 8)*	21,379.6			

Note 1: The four 230MW hydroelectric generating units project of Luding Hydropower Company was approved by the National Development and Reform Commission (the "NDRC") on 3 March 2009; the two 300MW heat-power co-generating units project of Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("Luhua Company") which is 90% jointly owned by Shijiazhuang Thermal Power Company and Huarui Company was approved by the NDRC on 8 July 2009; the 600MW generating unit project of Lu'an Company was approved by the NDRC on 21 July 2009; the two 300MW heat-power co-generating units project of Qudong Company was approved by the NDRC on 3 September 2009; the two 300MW heat-power co-generating units project of Zibo Company was approved by the NDRC on 11 November 2009; the 49.5MW wind power generating units project of Kezuozhongqi Wind Power Company was approved by the Development and Reform Commission of Inner Mongolia Autonomous Region on 6 July 2009; the 49.5MW wind power generating units project of Kangbao Wind Power Company was approved by the Development and Reform Commission of Hebei Province on 30 September 2009; the 49.5MW wind power generating units project of Yihetala Project Phase II of Kailu Wind Power Company was approved by the Development and Reform Commission of Inner Mongolia Autonomous Region on 29 October 2009; the 12MW wind power generating units of Phase I and II Expansion Project of Ningdong Wind Power Company was approved by the Development and Reform Commission of Ningxia Hui Autonomous Region on 14 December 2009; the 10MW solar power generating units project of Shangde Solar Power Company was approved by the Development and Reform Commission of Ningxia Hui Autonomous Region on 24 June 2009.

Note 2: The Group's shareholding in Tengzhou Company increased from 89.255% to 93.257% on 1 January 2009, the Group's shareholding in Kailu Wind Power Company increased from 75% to 100% on 6 July 2009.

Note 3: The two 300MW heat-power co-generating units of Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("Yuhua Company") which is 60% owned by Shijiazhuang Thermal Power Company completed the 168-hour trial operation at full loaded capacity as required by the State on 23 January 2009 and 23 April 2009 respectively; the first 300MW heat-power co-generating unit of Luohe Company completed the 168-hour trial operation at full loaded capacity as required by the State on 23 December 2009; the 45MW wind power generating units of Ningdong Wind Power Company Phase II Project were all connected to the grid and commenced generation on 1 December 2009; the 100.5MW wind power generating units of Guyuan Wind Power Company were all connected to the grid and commenced generation on 31 December 2009; the 99 MW wind power generating units of Yihetala Project Phase I & II of Kailu Wind Power Company were connected to the grid and commenced power generation on 31 January 2010; and three 65MW hydroelectric generating units of Zagunao Hydroelectric Company completed the trial operation at full loaded capacity as required by the State on 17 March 2010.

Note 4: Guyuan Wind Power Company was incorporated on 19 June 2009, in which the Group holds 100% equity interests, and has been included into the Group's consolidated financial statements since its incorporation; Kezuozhongqi Wind Power Company was incorporated on 25 September 2009, in which the Group holds 100% equity interests, and has been included into the Group's consolidated financial statements since its incorporation; Qudong Company was incorporated on 3 November 2009, in which the Group holds 90% equity interests, and has been included into the Group's consolidated financial statements since its incorporation; Shangde Solar Company was incorporated on 30 December 2009, in which the Group holds 60% equity interests, and has been included into the Group's consolidated financial statements since its incorporation; Kangbao Wind Power Company was incorporated on 2 February 2010, in which the Group holds 100% equity interests, and has been included into the Group's consolidated financial statements since its incorporation; Lu'an Company was incorporated on 9 February 2010, in which the Group holds 95% equity interests, and has been included into the Group's consolidated financial statements since its incorporation.

Note 5: The Energy Bureau of Anhui Province approved the capacity expansion of two generating units of Suzhou Company to 630MW respectively on 16 December 2009.

Note 6: Huarui Company has been included into the Group's consolidated financial statements since 1 January 2009. As at the date of this announcement, the interested installed capacity of Huarui Company held by the Group amounted to 1,866.7MW.

Note 7: The controlled installed capacity of the Group refers to the total installed capacity of the Company, its subsidiaries, jointly controlled entity and associates of which the Company is the largest shareholder.

Note 8: The installed capacities of the Company and companies controlled or invested by the Company as at the date of this announcement, aggregated based on the respective percentage of equity interests held by the Company.

BUSINESS REVIEW

(1) Power Generation

Power generation of the Group during 2009 amounted to 107.47 million MWh, representing an increase of approximately 11.32% (or an increase of approximately 6.75% in accordance with domestic announcement scope) over 2008; the volume of power sold amounted to 99.95 million MWh, representing an increase of approximately 10.32% (or an increase of approximately 6.76% in accordance with domestic announcement scope) over 2008. The annual utilization hours of the coal-fired generating units were 4,954 hours, representing a decrease of approximately 72 hours from 2008. Coal consumption for power supply was 323.00g/KWh.

(2) Turnover

For the financial year ended 31 December 2009, turnover of the Group amounted to approximately RMB36,450 million, representing an increase of approximately 21.51% over 2008. Revenue generated from sale of electricity amounted to approximately RMB35,197 million, representing an increase of approximately 20.23% over 2008; the revenue generated from sale of heat amounted to approximately RMB1,252 million, representing an increase of approximately 73.42% over 2008.

(3) Profit

For the financial year ended 31 December 2009, the Group's profit attributable to equity shareholders of the Company amounted to approximately RMB1,157 million. Earnings per share was RMB0.19.

(4) Newly installed capacity

From 1 January 2009 to the date of this announcement, 1,339.5MW coal-fired generating units, wind power generating units and hydropower generating units of the Group which commenced operation:

Project name	**Installed Capacity** *(MW)*	**Date of completion of trial operation at full loaded capacity as required by the State/commencing power generation for the grid**
The first unit of Yuhua Company	300	23 January 2009
The second unit of Yuhua Company	300	23 April 2009
The first unit of Luohe Company	300	23 December 2009
Phase II of Ningdong Wind Power Company	45	1 December 2009
Guyuan Wind Power Company	100.5	31 December 2009
Yihetala project Phase I & II of Kailu Wind Power Company	99	31 January 2010
Zagunao Hydroelectric Company	195	17 March 2010
Total	1,339.5	

(5) Construction in progress

As at the date of this announcement, the Group's major projects under construction are as follows:

Name of project under construction	Installed capacity
Lingwu Company Phase II Project	2 x 1,000MW generating units
Shandong Laizhou Project	2 x 1,000MW generating units
Lu'an Company	1 x 600MW generating unit
Luohe Company	1 x 300MW heat-power co-generating unit
Luhua Company	2 x 300MW heat-power co-generating units
Qudong Company	2 x 300MW heat-power co-generating units
Zibo Company	2 x 300MW heat-power co-generating units
Luding Hydropower Company	4 x 230MW hydroelectric generating units
Zagunao Hydroelectric Company	168MW hydroelectric generating units
Kailu Wind Power Company	300MW wind power generating units
Kezuozhongqi Wind Power Company	49.5MW wind power generating units
Kangbao Wind Power Company	49.5MW wind power generating units
Expansion Project of Ningdong Wind Power Company	12MW wind power generating units
Yueliangshan Project in Xiji County, Ningxia	49.5MW wind power generating units
Shangde Solar Company	10MW solar power generating units
Total	8,258.5MW

(6) Preliminary projects

As at the date of this announcement, the Group's major preliminary projects are as follows:

Project name	Planned installed capacity
Expansion Project of Shiliquan Plant	1 x 600MW generating unit
Tianjin Nanjiang Project	2 x 300MW heat-power co-generating units
Phase III Project of Qingdao Company	1 x 300MW heat-power co-generating unit
Phase II Project of Guyuan Wind Power Company	100MW wind power generating units
Saibei Phase I Project	100MW wind power generating units
Wengniuteqi Phase I Project	49.5MW wind power generating units
Phase I of Caofeidian Offshore Project	49.5MW wind power generating units
Total	1,799MW

The above preliminary projects have obtained "slip road" (means preliminarily approval by NDRC or its local counterparts), and are subject to the official approval by relevant State or local authorities.

BUSINESS OUTLOOK

(1) Macro-economy and market environment faced by the Group

Year 2010 is expected to witness a more favourable economic environment as compared with 2009. World economy is projected to turn into positive growth while China's overall economy is on the track of recovery. With consistent and stable macro-economic policies, China's national economy will continue to maintain steady and rapid growth. However, global economic recovery will be a slow and tortuous process while China's recovery is not bolstered by very strong fundamentals. As external demand struggles to recover, internal dynamism remains weak, overcapacity hangs over certain industries and inflation pressure increases, we are facing tremendous difficulties and imbalance. Multiple uncertainties still dwell in the complicated economic environment. Under such macro-economic situations, the Group is faced with rare opportunities as well as austere challenges.

In respect of industry policy: The State Council of the PRC decided to reduce the intensity of carbon dioxide emissions per unit of GDP in 2020 by 40 to 45 percent compared with the level of 2005. Non-fossil energy will take up around 15% of all non-renewable energy consumption. Based on such goal, China is stepping up in building industry systems featuring low carbon discharge, developing low carbon economy, especially focusing on strategic and emerging industry featuring new energy. Such initiatives have brought huge development potentials for new energy and clean energy. Meanwhile, as China slashes pollutant discharge during coal-fired generation, enhances environment supervision and law enforcement, controls coal-fired generation scale and construction pace, "build large, curb small" became the main route of development for coal-fired generation. Further, the tightening approvals also set higher standard for the development of coal-fired power projects, energy saving and emission reduction. In addition, as low carbon economy progresses, planning in advance is needed for carbon trading and application of low carbon technology.

In respect of power generation market: As China expands domestic demands and accelerates urbanization, the recovering domestic economy is to drive power consumption. The steady increase in power consumption creates favourable condition for power generation growth. However, as coal shortage and extreme weather occurs from time to time, uncertainty still exists for power supply and demand. Marketing environment is complicated by increasing inter-regional power exchange and intensifying market competition.

In respect of the coal market: Since the second half of 2009, under compound influences of market, climate and transportation, coal shortage and power production interruption have experienced in certain regions. After coal ordering conference was cancelled, power generator and coal miners freely transact in respect of coal supply. Judging from the present contracts, coal price has been significantly raised. Pressure from coal market is expected to remain considerable in the short term. In the long run, as coal mines under resources integration resume production in Shanxi and other major coal mining regions, coal output is expected to see a major increase, and transportation bottleneck is to be alleviated gradually. Save for tight supply in certain regions, coal demand and supply will be largely balanced.

(2) Development strategy, opportunities and challenges in the future

Development strategy: The Group will build up an optimized assets structure of "one principal business with diversification", namely, taking large-scale coal-fired thermal power as the principal business, complemented with hydropower, wind power and other renewable energy sources and guaranteed by coal resources. The Group aims to enhance asset profitability comprehensively to achieve improvement in both scale and efficiency and further improve its overall competitiveness. Our vision in respect of the long term development of the Company is to form a diversified power generation structure with thermal power as its principal business and new energies such as wind power and hydropower as complements; with the proportion of hydropower to increase noticeably and wind power to take on a sizable scale; and with controllable coal supply sufficient to satisfy the development of power generation; and strive to build the Company into a first-class power generation enterprise in the world.

Opportunities: China's national economy has bottomed out and recovered gradually. The continuous growth in social power consumption and expected slight increase in utilization hours will create favourable conditions for the Group to increase power generation in 2010. Some coal mines controlled or invested by the Group will commence production in 2010. The increasing production capacities of such coal mines will play a positive role for the Group to improve its coal supply structure, stabilise coal price. China has put significant efforts in the development of green economy and recyclable economy, and will initiate low carbon pilot projects, which provide opportunity for the Group's restructuring and shift of growth mode.

Challenges: Firstly, coal price has increased significantly for the key coal contracts signed in 2010 while there exist uncertainties in policy regarding price linkage between coal and electricity, and higher price for railway cargo transportation in China has raised coal transportation cost, which will have certain influence on the operating results and performance of the Group. Secondly, as China pushes ahead the reform of environment protection charges and tighter supervision on environment protection facilities, relevant cost will be further increased. Thirdly, with China uplifting the approval threshold for coal-fired power projects, "build large, curb small" policy is to be strictly enforced, and the development of conventional coal-fired power projects are under restrain.

Major objectives of the Group in 2010:

With careful analysis of the current situation, we aim at quality and speedy development. The Group has set the following overall guidance for 2010: to put more efforts in practice and study of scientific development perspective and firmly establish the value conception; to focus on enhancement of the Group's comparative competitiveness; to attach more importance to profitability, restructuring, management innovation and human resources; to further strengthen safe production and capital operation; to tackle difficulties and forge ahead; to secure the achievement of various targets and tasks of the Group for the year; to create new grounds for the Group's scientific development; and to build the Company into an excellent modern listed power generation enterprise in China at rapid pace. Assuming there is no significant change in external environment, the Group is expected to achieve power generation of approximately 114.5 million MWh with an average of around 5,035 utilization hours for coal-fired units in 2010. Coal price will rise to some extent in 2010 as compared with 2009. The details are as follows:

1. To step up market exploration and increase profitability by all means. In particular, the Group will enhance the synergy of marketing network to expand regional market share, strengthen fuel management to promote fuel allocation in different regions, and upgrade fund and budget management to reduce financial costs.

2. To speed up the adjustment and optimization of structure and proactively promote scientific development. The Group will accelerate adjustment and optimization of industrial structure, power source structure and regional structure, make efforts in power source reserve projects, enhance technical restructuring and upgrading as well as strengthen management of projects under construction.

3. To further carry out management innovation and fully upgrade management. The Group will improve its management and control system, promote operation management evaluation, make innovation in construction management system and expand application of information system.

4. To reinforce safe production management so as to ensure a safe, steady and economical operation of generating units.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic Conditions and Electricity Demand

According to the relevant information and statistics, the gross domestic product ("GDP") of the PRC in 2009 amounted to RMB33,535.3 billion, representing a year-on-year increase of 8.7% over 2008. Power consumption of the whole society totalled 36,430 million MWh, representing an increase of 5.96% over 2008, of which the consumption of the primary, secondary and tertiary industries accounted for 947 million MWh, 26,993 million MWh and 3,921 million MWh, respectively, representing a year-on-year increase of 7.86%, 4.15% and 12.11%, respectively.

Currently, the Company's power generating units in operation or under construction are located in Shandong, Sichuan, Ningxia, Anhui, Henan, Hebei, Zhejiang and Inner Mongolia Provinces/Autonomous Regions, which are regions with fast-growing economy and considerable GDP growth in recent years. Based on comparable prices, the GDP growth rates of Shandong, Sichuan, Ningxia, Anhui, Henan, Hebei, Zhejiang and Inner Mongolia Provinces/Autonomous Regions in 2009 reached 11.9%, 14.5%, 11.6%, 12.9%, 10.7%, 10.0%, 8.9% and 16.9%, respectively. Their GDP growth rates outperformed the national average by 3.2, 5.8, 2.9, 4.2, 2.0, 1.3, 0.2 and 8.2 percentage points, respectively. Among which Shandong Province has recorded double-digit economic growth for a few consecutive years.

(2) Turnover and Profit

In 2009, the Group strengthened the management, strove for planned output, optimized dispatch and achieved a considerable increase in the volume of power generation. The total volume of electricity sold by the Group for the year was 99.95 million MWh, representing an increase of approximately 10.32% (or an increase of approximately 6.76% in accordance with domestic announcement scope) over 2008. Turnover for the year amounted to RMB36,450 million, representing an increase of approximately 21.51% over 2008. Profit attributable to equity shareholders of the Company amounted to RMB1,157 million. Earnings per share was RMB0.19. The increase in turnover was mainly due to the effect of the growth in volume of electricity sold and the two upward adjustments to on-grid tariff in 2008.

(3) Operating Expenses

In 2009, the operating expenses of the Group amounted to RMB32,178 million, representing an increase of approximately 5.13% over 2008. This was mainly attributable to the effect of the newly acquired power enterprises and the commencement of operation of new generating units.

The principal contribution to the operating expenses of the Group was fuel costs, which amounted to RMB22,621 million in 2009, accounting for approximately 70.30% of the Group's operating expenses and representing a decrease of approximately 0.17% from 2008. This was mainly due to the combined effects of the decrease in coal prices and the increase in power generation.

Depreciation and amortisation expenses of the Group amounted to RMB4,120 million in 2009, representing an increase of approximately 12.30% over 2008. This was mainly due to the effect of the increase in newly acquired power enterprises and the commencement of operation of new generating units.

The major overhaul and repair and maintenance expenses of the Group increased to RMB1,085 million in 2009, representing an increase of approximately 27.26% over 2008. This was mainly due to the effect of the increase in newly acquired power enterprises and the commencement of operation of new generating units.

Personnel costs of the Group amounted to RMB1,765 million in 2009, representing an increase of approximately 16.84% over 2008, mainly due to the increase in staff arising from the newly acquired power enterprises and the commencement of operation of new generating units.

Administrative expenses amounted to RMB1,117 million in 2009, representing an increase of approximately 14.86% over 2008. This was mainly due to the newly acquired power enterprises, commencement of operation of new generating units and the increase in the charge rate on pollutant emission.

Sales related taxes amounted to RMB242 million in 2009, representing an increase of approximately 17.73% over 2008, mainly due to the increase in turnover.

Other operating costs amounted to RMB1,228 million, representing an increase of approximately 66.51% over 2008. This was mainly attributable to the newly acquired power enterprises.

(4) Finance Costs

Net finance costs of the Group in 2009 amounted to RMB2,948 million, representing an increase of approximately 4.92% over 2008. This was mainly attributable to the effect of the newly acquired power enterprises and the finance costs of new generating units being charged in income statement since the commencement of operation.

(5) Pledge of Assets

As at 31 December 2009, the Company's subsidiaries, including Guang'an Company, Lingwu Company, Wuhu Company, Zagunao Hydroelectric Company, Xinxiang Company, Suzhou Company and Qingdao Company, have altogether pledged their income stream in respect of the sale of electricity or trade receivables for sale of electricity as security for loans amounting to approximately RMB13,666 million.

(6) Indebtedness

As at 31 December 2009, the loans of the Group amounted to RMB63,797 million, of which loans denominated in US dollars amounted to US$177 million and loans denominated in EUR amounted to EUR16 million. The liabilities to assets ratio was 78.96%, 2.38 percentage points lower than that in 2008. This was mainly attributable to the non-public issuance of A shares and the profit recorded by the Group in 2009. Loans of the Group were mainly floating rate loans. Short-term borrowings and long-term borrowings due within one year amounted to approximately RMB21,357 million, and long-term borrowings due after one year amounted to approximately RMB42,439 million. In addition, the closing balance of short-term debenture payables of the Group amounted to approximately RMB3,003 million and the medium-term notes payables amounted to approximately RMB2,971 million.

(7) Contingent Liabilities

As at 31 December 2009, Guang'an Company, a subsidiary of the Company, provided guarantees to banks for loans amounting to approximately RMB189 million to Sichuan Huayingshan Longtan Coal Power Company Limited, an associate of Guang'an Company. Save as disclosed above, the Group had no other material contingent liabilities.

(8) Cash and Cash Equivalents

As at 31 December 2009, the Group had cash and cash equivalents of approximately RMB1,242 million.

(9) Cash Flow Analysis

In 2009, the net decrease in consolidated cash and cash equivalents of the Group amounted to approximately RMB627 million. Of which, the net cash inflow from operating activities amounted to approximately RMB3,094 million (2008: RMB233 million), mainly due to the operating profit recorded by the Group in 2009; the net cash outflow used in investing activities amounted to approximately RMB17,292 million (2008: RMB11,392 million), mainly due to the increase in projects under construction and external investment of the Group in 2009 as compared to 2008; the net cash inflow generated from financing activities amounted to approximately RMB13,571 million (2008: RMB12,121 million), mainly due to the non-public issuance of A shares and the increased debt financing of the Group in 2009.

(10) Production, Operation and Safety

In 2009, the equivalent availability factor of the generating units of the Group was approximately 92.76%; the equivalent forced suspension rate was approximately 0.56%.

In 2009, the Group maintained its operational safety at a decent level. For the year ended 31 December 2009, all power plants of the Group had achieved operational safety throughout the year. In particular, Tengzhou Company had achieved over 4,400 consecutive days of accident-free production; Qingdao Company and Zibo Company had achieved over 4,100 consecutive days of accident-free production; Weifang Company and Laicheng Plant had achieved over 3,600 consecutive days of accident-free production; Zouxian Plant had achieved over 3,300 consecutive days of accident-free production; Shiliquan Plant, Shijiazhuang Thermal Power Company and Hebei Hydropower Company had achieved over 2,000 consecutive days of accident-free production.

In 2009, a total of 22 major overhauls and 61 minor overhauls were undertaken in respect of the generating units of the Group and the planned suspension rate was approximately 6.89%.

(11) Energy Saving and Environmental Protection

In 2009, the Group continued to strengthen its effort on environmental protection and proactively built itself as a resource-conservation and environmental friendly enterprise. According to the emission reduction data approved by the Ministry of Environmental Protection of the PRC, the Group's average emission of sulphur dioxide achieved a year-on-year decrease of 1.25 g/KWh. As at the end of 2009, a total of 20,815MW generating units controlled by the Group were equipped with desulphurisation facilities. As at the date hereof, there were 3 projects under desulphurisation technological renovation, which are expected to put into operation in May 2010 and December 2010 respectively. By then, all coal-fired generating units of the Group will be equipped with desulphurisation facilities, achieving a 100% rate of desulphurisation facility installation.

(12) Issue of 2009 First and Second Tranche of Medium-term Notes

The Company issued the "2009 First Tranche of Medium-term Notes of Huadian Power International Corporation Limited*" on 17 March 2009. The medium-term notes were issued with issuance size of RMB1.5 billion, par value of RMB100 each, annual interest rate of 3.38% and a term of 3 years. The medium-term notes were publicly issued in the PRC inter-bank debenture market by way of book building and centralised placing. Please refer to the announcement of the Company dated 19 March 2009 for details.

The Company issued the "2009 Second Tranche of Medium-term Notes of Huadian Power International Corporation Limited*" on 25 March 2009. The medium-term notes were issued with issuance size of RMB1.5 billion, par value of RMB100 each, annual interest rate of 3.96% and a term of 5 years. The medium-term notes were publicly issued in the PRC inter-bank debenture market by way of book building and centralised placing. Please refer to announcement of the Company dated 27 March 2009 for details.

(13) Issue of 2009 First and Second Tranche of Short-term Debentures

The Company completed issue of the first and second tranche of short-term debentures for 2009 on 13 November 2009. The first tranche of short-term debentures were issued with issuance size of RMB1.5 billion, a maturity period of 365 days, par value of RMB100 each and a coupon rate of 2.98%. The second tranche of short-term debentures were issued with issuance size of RMB1.5 billion, a maturity period of 270 days, par value of RMB100 each and a coupon rate of 2.80%. As for details, please refer to the announcement of the Company dated 13 November 2009.

(14) Investments in Coal Mines

As at the date hereof, the Company acquired 70% equity interest in Shanxi Shuozhou Wantongyuan Erpu Coal Company Limited at a consideration of RMB398 million and 70% equity interest in Shanxi Dongyi Zhonghou Coal Company Limited at a consideration of RMB363 million through Shanxi Maohua Energy Investment Company Limited, a wholly-owned subsidiary of the Company. In addition, the Group will actively increase investment in coal industry in Shanxi province and vigorously participate in the coal resources consolidation in Shanxi to secure additional coal resources. Furthermore, the Group invested RMB600 million in Ningxia Yinxing Coal Company Limited and acquired 45% equity interest in Ningxia Yinxing Coal Company Limited. The Group acquired 35% equity interest in Inner Mongolia Fucheng Mining Co., Ltd. at a consideration of RMB498 million and 25% equity interest in Inner Mongolia Ertuokeqianqi Changcheng Mine Co., Ltd., at a consideration of RMB180 million. The aforesaid investments played a positive role in the Company's expansion into the upstream industry and securing coal supply of the Company's power plants. For details, please refer to announcements of the Company dated 6 July 2009, 21 September 2009 and 3 November 2009.

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

As of 31 December 2009, shareholdings of the Company's substantial shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")) holding 10% or more of any class of the share capital of the Company are as follows:

			As at 31 December 2009		
Name of shareholder	Class of share	Number of shares held	Percentage of the total number of shares of the Company in issue	Percentage of the total number of A shares of the Company in issue	Percentage of the total number of H shares of the Company in issue
China Huadian Corporation ("China Huadian")	A Shares	3,111,061,853	45.95%	58.26%	—
	H Shares	85,862,000	1.27%	—	6.00%
Shandong International Trust Corporation	A Shares	800,766,729	11.83%	15.00%	—
HKSCC Nominees Limited	H Shares	1,423,490,900	21.02%	—	99.47%

Details relating to interests, as at 31 December 2009, of the Company's directors, supervisors, chief executives, members of senior management and other shareholders of the Company having interests or short positions which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited pursuant to the relevant requirements under the Securities and Futures Ordinance (and as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance) will be set out in the Company's 2009 Annual Report in accordance with the relevant disclosure requirements under the Hong Kong Listing Rules.

The codes on corporate governance practices adopted by the Company include, but not limited to, the following documents:

1. Articles of Association;

2. Code on Shareholders' Meetings, Code on Board Practices and Code on Supervisory Committee (as parts of the current Articles of Association of the Company);

3. Working procedures for Audit Committee, Remuneration and Appraisal Committee and Strategic Committee of the Board of the Company;

4. Working Requirements for Independent Directors;

5. Working Requirements for Secretary to the Board;

6. Working Rules for General Manager;

7. Code on the Company's Investment Projects;

8. Management Methods on Raised Proceeds;

9. Management Methods on External Guarantees;

10. Management Rules on Information Disclosure;

11. Management Rules on Investor Relations and Implementation Procedures;

12. Code on Trading in Securities of the Company by Directors (Supervisors) of the Company;

13. Code on Trading in Securities of the Company by Employees of the Company;

14. Management Methods for Affairs of the Board of Directors;

15. Working Rules on Annual Report for the Audit Committee of the Board; and

16. Working Rules on Annual Report for Independent Directors.

The Board is committed to principles of corporate governance consistent with prudent management and with the aim to enhance shareholders' value. These principles enshrine transparency, accountability and independence.

Upon review of the relevant documents about corporate governance, the Board is of the view that the corporate governance practices adopted by the Company are in compliance with the requirements under the principles, code provisions and most of the recommended best practice as set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 to the Hong Kong Listing Rules. In certain aspects, the corporate governance practices adopted by the Company are more stringent than the code provisions set out in the Code.

The followings describe the major aspects and practices which are more stringent than the code provisions set out in the Code:

— The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited* by Directors (Supervisors) and the Code on Trading in Securities of Huadian Power International Corporation Limited* by Employees, which are on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Companies, as set out in Appendix 10 to the Hong Kong Listing Rules.

— In addition to the Audit Committee and the Remuneration and Appraisal Committee, the Company has established the Strategic Committee to stipulate the Working Procedures for the Strategic Committee.

— In the financial year of 2009, a total of 8 Board meetings were held by the Company.

— The Audit Committee comprises five members, including two non-executive Directors and three independent non-executive Directors.

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 31 December 2009, none of the Group's deposits placed with financial institutions or other parties did not include any designated or trust deposits, or any material time deposits which could not be collected by the Group upon maturity.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year of 2009, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued listed securities ("securities" having the meaning as ascribed thereto under paragraph 1 of Appendix 16 to the Hong Kong Listing Rules).

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the annual results of the Company for 2009 and the financial statements prepared under IFRSs for the year ended 31 December 2009.

MATERIAL LITIGATION

During the financial year of 2009, the Group was not involved in any material litigation or arbitration.

By order of the Board
Huadian Power International Corporation Limited*
Yun Gongmin
Chairman

As at the date of this announcement, the Board comprises:

Yun Gongmin (Chairman, Non-executive Director), Chen Feihu (Vice Chairman, Non-executive Director), Chen Dianlu (Vice Chairman, Non-executive Director), Chen Jianhua (Executive Director), Wang Yingli (Non-executive Director), Chen Bin (Non-executive Director), Zhong Tonglin (Executive Director), Chu Yu (Non-executive Director), Wang Yuesheng (Independent Non-executive Director), Hao Shuchen (Independent Non-executive Director), Ning Jiming (Independent Non-executive Director) and Yang Jinguan (Independent Non-executive Director).

Beijing, PRC
26 March 2010

* *For identification purposes only*

I. SUMMARY OF FINANCIAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRSs

The consolidated financial information set out below is extracted from the audited consolidated financial statements prepared under IFRSs of the Group as set out in its 2009 annual report.

Consolidated statement of comprehensive income

For the year ended 31 December 2009

(Expressed in Renminbi)

	Note	**2009**	2008
		RMB'000	*RMB'000*
Turnover	4	**36,449,643**	29,997,264
Operating expenses			
Fuel costs		**(22,620,743)**	(22,659,671)
Depreciation and amortisation		**(4,120,228)**	(3,669,103)
Major overhaul expenses		**(521,092)**	(405,373)
Repairs and maintenance		**(564,300)**	(447,508)
Personnel costs	5	**(1,765,499)**	(1,511,040)
Administration expenses		**(1,116,618)**	(972,143)
Sales related taxes	6	**(241,875)**	(205,444)
Other operating expenses		**(1,227,945)**	(737,465)
		(32,178,300)	(30,607,747)

Operating profit/(loss)		**4,271,343**	(610,483)
Investment income		**24,988**	31,004
Other net income		**118,560**	312,528
Finance income		**22,961**	32,149
Finance costs	7	**(2,971,424)**	(2,842,420)
Share of profits/(losses) of associates		**212,399**	(139,788)
Share of profit of a jointly controlled entity		**4,445**	27,209
Profit/(loss) before taxation	8	**1,683,272**	(3,189,801)
Income tax	9	**(101,273)**	130,679
Profit/(loss) for the year		**1,581,999**	(3,059,122)
Other comprehensive income for the year (after tax and reclassification adjustments)	10		
Available-for-sale securities: net movement in fair value reserve		**40,351**	(17,828)
Total comprehensive income for the year		**1,622,350**	(3,076,950)

Profit/(loss) attributable to:			
Equity shareholders of the Company		**1,157,173**	(2,560,103)
Minority interests		**424,826**	(499,019)
Profit/(loss) for the year		**1,581,999**	(3,059,122)
Total comprehensive income attributable to:			
Equity shareholders of the Company		**1,196,249**	(2,577,172)
Minority interests		**426,101**	(499,778)
Total comprehensive income for the year		**1,622,350**	(3,076,950)
Basic and diluted earnings/(losses) per share	12	**RMB 0.190**	RMB (0.425)

Consolidated balance sheet as at 31 December 2009

(Expressed in Renminbi)

	Note	**2009**	2008
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**65,502,601**	60,876,273
Construction in progress		**19,315,995**	13,099,105
Lease prepayments		**918,590**	896,460
Intangible assets		**1,126,784**	1,060,906
Interests in associates		**3,969,310**	1,969,653
Interest in a jointly controlled entity		**221,799**	221,817
Other investments		**636,830**	501,253
Other non-current assets		**1,722,896**	—
Deferred tax assets		**267,001**	235,843
		93,681,806	78,861,310
Current assets			
Inventories		**1,346,169**	1,782,160
Trade debtors and bills receivable	13	**3,583,226**	1,969,298
Deposits, other receivables and prepayments		**1,323,369**	880,840
Tax recoverable		**61,522**	49,723
Restricted deposits		**1,906**	4,791
Cash and cash equivalents		**1,241,900**	1,869,305
		7,558,092	6,556,117

Current liabilities			
Bank loans		**16,458,921**	14,249,721
Loans from shareholders		**1,704,913**	660,000
State loans		**12,893**	10,192
Other loans		**3,180,549**	1,763,662
Short-term debenture payables		**3,002,923**	2,605,798
Amount due to holding company		**75,190**	964,096
Trade creditors and bills payable	14	**5,078,569**	5,118,511
Other payables		**2,677,464**	2,369,629
Tax payable		**24,217**	10,216
		32,215,639	27,751,825
Net current liabilities		**(24,657,547)**	(21,195,708)
Total assets less current liabilities		**69,024,259**	57,665,602

Non-current liabilities		
Bank loans	**36,561,599**	36,061,811
Loans from shareholders	**2,018,958**	1,951,528
State loans	**37,215**	50,135
Other loans	**3,821,577**	2,306,569
Medium-term notes	**2,971,022**	—
Long-term payables	**426,626**	—
Deferred government grants	**438,982**	284,951
Deferred income	**160,819**	136,034
Deferred tax liabilities	**1,282,303**	937,794
	47,719,101	41,728,822
NET ASSETS	**21,305,158**	15,936,780
CAPITAL AND RESERVES		
Share capital	**6,771,084**	6,021,084
Reserves	**9,315,098**	5,405,231
Total equity attributable to equity shareholders of the Company	**16,086,182**	11,426,315
Minority interests	**5,218,976**	4,510,465
TOTAL EQUITY	**21,305,158**	15,936,780

Notes:

1. Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2009 comprise the Group and its interest in associates and a jointly controlled entity.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments classified as available-for-sale are stated at their fair value.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

2 Changes in accounting policies

The IASB has issued one new IFRSs, a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- IFRS 8, *Operating segments*
- IAS 1 (revised 2007), *Presentation of financial statements*
- Amendments to IFRS 7, *Financial instruments: Disclosure - improving disclosures about financial instruments*
- Improvements to IFRSs (2008)
- Amendments to IAS 27, *Consolidated and separate financial statements - cost of an investment in a subsidiary, jointly controlled entity or associate*
- IAS 23 (revised 2007), *Borrowing costs*

The amendments to IAS 23 have had no material impact on the Group's financial statements as the amendments were consistent with policy already adopted by the Group. The impact of the remainder of these developments is as follows:

- IFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas.

- As a result of the adoption of IAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expenses or net assets for any period presented.

- As a result of the adoption of the amendments to IFRS 7, the annual report include expanded disclosures about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group did not have financial instruments carried at fair value as at 31 December 2008, accordingly, no comparative information for the newly disclosures about the fair value measurements of financial instruments has been presented.

- The “Improvements to IFRSs (2008)” comprise a number of minor and non-urgent amendments to a range of IFRSs which the IASB has issued as an omnibus batch of amendments. Of these, the following amendment has resulted in changes to the Group’s accounting policies:

  As a result of amendments to IAS 28, *Investments in associates*, impairment losses recognised in respect of the associates and jointly controlled entities carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group would allocate impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the loss to be reversible. As the Group did not recognise any impairment losses in respect of the associates and jointly controlled entities carried under the equity method in prior years, no comparative and opening figures have been restated.

- The amendments to IAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the Company’s profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividends. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

3 Segment reporting

The Group principally has one reportable segment, which is the generation and sale of electricity and heat in the PRC. Therefore no additional reportable segment has been presented and no additional informations about geographical areas has been disclosed.

4 Turnover

Turnover represents the sale of electricity and heat, net of value added tax ("VAT"). Major components of the Group's turnover are as follows:

	2009	2008
	RMB'000	*RMB'000*
Sale of electricity	**35,197,156**	29,275,040
Sale of heat	**1,252,487**	722,224
	36,449,643	29,997,264

5 Personnel costs

	2009	2008
	RMB'000	*RMB'000*
Wages, welfare and other benefits	**1,112,502**	991,462
Retirement costs	**282,117**	198,979
Other staff costs	**370,880**	320,599
	1,765,499	1,511,040

6 Sales related taxes

Sales related taxes represent city maintenance and construction tax and education surcharge, which are calculated at 1-7% and 3-5% (2008: 1-7% and 3-5%), respectively, of net VAT payable.

7 Finance costs

	2009	2008
	RMB'000	*RMB'000*
Interest on loans and other financial liabilities wholly repayable within five years	**2,307,125**	2,580,233
Interest on loans and other financial liabilities repayable after five years	**1,293,966**	943,734
Less: Interest capitalised	**(644,781)**	(575,750)
	2,956,310	2,948,217
Net foreign exchange loss/(gain)	**1,435**	(119,990)
Other finance costs	**13,679**	14,193
	2,971,424	2,842,420

The interest costs have been capitalised at an average rate of 5.10% per annum (2008: 6.26%) for construction in progress.

8 Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2009	2008
	RMB'000	*RMB'000*
Amortisation		
— lease prepayments	**40,690**	43,165
— intangible assets	**4,132**	—
Auditors' remuneration	**9,900**	9,000
Cost of inventories	**23,760,024**	23,642,969
Depreciation	**4,075,406**	3,625,938
Government grants included in other net income	**(62,143)**	(216,227)
Loss/(gain) on disposal of property, plant and equipment	**2,973**	(58,044)
Impairment losses on trade and other receivables	**1,905**	9,279
(Reversal of)/provision for stock obsolescence	**(283)**	1,771
Operating lease charges in respect of land and buildings	**84,211**	44,272
Research and development costs	**9,160**	8,743

9 Income tax

	2009	2008
	RMB'000	*RMB'000*
Current tax		
Charge for PRC enterprise income tax for the year	**113,847**	12,021
Under/(over)-provision in respect of previous years	**2,969**	(25,558)
	116,816	(13,537)
Deferred tax		
Origination and reversal of temporary differences	**(15,543)**	(136,919)
Under-provision in respect of previous year	**—**	19,777
	(15,543)	(117,142)
	101,273	(130,679)

The charge for PRC enterprise income tax is calculated at the statutory rate of 25% (2008: 25%) on the estimated assessable profits or losses of the year determined in accordance with relevant enterprise income tax rules and regulations, except for certain subsidiaries of the Company, which are tax exempted or taxed at a preferential rate of 15%.

10 Other comprehensive income

	2009	2008
	RMB'000	*RMB'000*
Available-for-sale securities		
Changes in fair value recognised during the period	**46,515**	(20,561)
Reclassification adjustments for amounts transferred to profit or loss:		
— losses on disposal	**1,021**	2,733
Net deferred tax debited to other comprehensive income	**(7,185)**	—
Net movement in the fair value reserve during the period recognised in other comprehensive income	**40,351**	(17,828)

11 Dividends

(a) *Dividends payable to equity shareholders of the Company attributable to the year:*

	2009	2008
	RMB'000	*RMB'000*
Final dividend proposed after balance sheet date of RMB0.035 per share (2008: RMB nil per share)	**236,988**	—

Pursuant to a resolution passed at the Directors' meeting held on 26 March 2010, final dividend of RMB0.035 per share will be payable to shareholders for 2009, subject to the approval of the shareholders at the coming Annual General Meeting.

The final dividend proposed after the balance sheet date for 2009 was not recognized as a liability at the balance sheet date.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2009	2008
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year approved and paid during the year, of RMB nil per share (2008: RMB0.062 per share)	**—**	373,307

12 Earnings/(losses) per share

(a) Basic earnings/(losses) per share

The calculation of basic earnings/(losses) per share is based on the profit attributable to ordinary equity shareholders of the Company for the year ended 31 December 2009 of RMB1,157,173,000 (2008: loss attributable to ordinary equity shareholders of the Company of RMB2,560,103,000) and the weighted average of 6,083,584,200 (2008: 6,021,084,200) ordinary shares in issue during the year ended 31 December 2009, calculated as follows:

Weighted average number of ordinary shares

	2009	2008
	'000	*'000*
Issued ordinary shares at 1 January	**6,021,084**	6,021,084
Effect of shares issued	**62,500**	—
Weighted average number of ordinary shares at 31 December	**6,083,584**	6,021,084

(b) Diluted earnings/(losses) per share

There were no dilutive potential ordinary shares in existence during the years ended 31 December 2009 and 2008.

13 Trade debtors and bills receivable

	2009	*2008*
	RMB'000	*RMB'000*
Trade debtors and bills receivable for the sale of electricity	**3,360,934**	1,868,395
Trade debtors and bills receivable for the sale of heat	**252,961**	128,404
Trade debtors and bills receivable for other operations	**1,964**	5,132
	3,615,859	2,001,931
Less: allowance for doubtful debts	**(32,633)**	(32,633)
	3,583,226	1,969,298

As at 31 December 2009, the Group's commercial acceptance bills totalling of RMB280,000,000 (2008: RMB Nil) have been discounted, all of which are due before June 2010.

The ageing analysis of trade debtors and bills receivable (net of allowance for doubtful debts) is as follows:

	2009	*2008*
	RMB'000	*RMB'000*
Current	**3,558,083**	1,957,103
Less than 1 year past due	**20,570**	3,679
1 to 2 years past due	**—**	383
2 to 3 years past due	**—**	—
More than 3 years past due	**4,573**	8,133
Amount past due	**25,143**	12,195
	3,583,226	1,969,298

Receivables from sale of electricity are due within 30 days from the date of billing. Receivables from sale of heat are due within 90 days from the date of billing.

14 Trade creditors and bills payable

All of the trade creditors and bills payable are payable and expected to be settled within one year.

15 Non-adjusting post balance sheet events

After the balance sheet date, the directors proposed a final dividend, Further details have been disclosed in note 11.

2. SUMMARY OF FINANCIAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS")

The consolidated financial information set out below is extracted from the audited consolidated financial statements prepared under CAS of the Group as set out in its 2009 annual report.

Consolidated balance sheet as at 31 December 2009
(Expressed in Renminbi)

ITEM	2009	2008
	RMB'000	*RMB'000*
Current assets:		
Cash at bank and on hand	**1,243,806**	1,874,096
Bills receivable	**324,616**	19,106
Trade receivables	**3,258,610**	1,950,192
Prepayments	**482,153**	169,985
Other receivables	**241,991**	209,920
Inventories	**1,346,169**	1,782,160
Other current assets	**660,747**	550,658
Total current assets	**7,558,092**	6,556,117

Non-current assets:		
Available-for-sale financial assets	**58,288**	—
Long-term equity investments	**4,739,637**	2,662,709
Fixed assets	**63,763,462**	60,814,906
Construction in progress	**12,570,492**	8,203,492
Construction materials	**22,000**	6,882
Construction and construction material prepayments	**6,723,503**	4,880,180
Intangible assets	**2,926,488**	1,194,301
Goodwill	**107,686**	53,522
Deferred tax assets	**285,257**	269,418
Other non-current assets	**1,722,896**	—
Total non-current assets	**92,919,709**	78,085,410
Total assets	**100,477,801**	84,641,527
Current liabilities:		
Short-term loans	**16,793,380**	12,006,134
Bills payable	**1,357,201**	1,654,763
Trade payables	**3,721,368**	3,463,748
Advances from customers	**82,077**	52,934
Employee benefits payable	**219,284**	209,807
Taxes payable	**266,928**	166,786
Interest payable	**225,166**	140,600
Dividends payable	**—**	47,257
Other payables	**1,983,416**	2,726,557
Short-term debenture payables	**3,002,923**	2,605,798
Long-term loans due within one year	**4,563,896**	4,677,441
Total current liabilities	**32,215,639**	27,751,825

Non-current liabilities:		
Long-term loans	**42,439,349**	40,370,043
Debentures payable	**2,971,022**	—
Long-term payables	**426,626**	—
Special payables	**29,220**	28,590
Deferred tax liabilities	**1,145,797**	809,884
Other non-current liabilities	**405,048**	218,292
Total non-current liabilities	**47,417,062**	41,426,809
Total liabilities	**79,632,701**	69,178,634
Shareholders' equity:		
Share capital	**6,771,084**	6,021,084
Capital reserve	**4,258,129**	1,503,793
Surplus reserve	**1,486,013**	1,472,609
Retained earnings	**3,169,574**	2,020,550
Total equity attributable to shareholders of the Company	**15,684,800**	11,018,036
Minority interests	**5,160,300**	4,444,857
Total equity	**20,845,100**	15,462,893
Total liabilities and shareholders' equity	**100,477,801**	84,641,527

Consolidated income statement

For the year ended 31 December 2009

(Expressed in Renminbi)

Item	**2009** *RMB'000*	2008 *RMB'000*
Turnover	**36,661,820**	31,960,778
Cost of sales	**(30,895,331)**	(30,993,916)
Sales taxes and surcharges	**(247,718)**	(227,940)
Administration expenses	**(1,167,866)**	(1,099,129)
Finance expenses	**(2,948,463)**	(2,965,129)
Impairment loss	**(1,622)**	(11,050)
Add: Investment income/(loss)	**241,832**	(77,613)
Including: investment income/(loss) from associates and a jointly controlled entity	**216,844**	(108,617)
Operating profit/(loss)	**1,642,652**	(3,413,999)
Add: Non-operating income	**76,607**	275,549
Less: Non-operating expenses	**(18,350)**	(24,063)
Including: losses from disposals of non-current assets	**(7,437)**	(10,832)
Profit/(loss) before income tax	**1,700,909**	(3,162,513)
Less: Income tax	**(107,996)**	118,351
Profit/(loss) for the year	**1,592,913**	(3,044,162)
Attributable to:		
Equity shareholders of the Company	**1,162,428**	(2,558,096)
Minority interests	**430,485**	(486,066)
(1) Basis earnings per share	**0.191**	(0.425)
(2) Diluted earnings per share	**0.191**	(0.425)

3. RECONCILIATION OF THE GROUP'S FINANCIAL STATEMENTS PREPARED UNDER CAS AND IFRSs

(a) Effects of major differences between the CAS and IFRSs on net profit are analysed as follows:

	Note	**2009** *RMB'000*	2008 *RMB'000*
Amount under CAS		**1,592,913**	(3,044,162)
Adjustments:			
Business combination involving entities under common control	(i)	**(29,122)**	(39,508)
Government grants	(ii)	**11,485**	12,220
Taxation impact of the adjustments		**6,723**	12,328
Amount under IFRSs		**1,581,999**	(3,059,122)

(b) Effects of major differences between CAS and IFRSs on net assets are analysed as follows:

	Note	**2009** *RMB'000*	2008 *RMB'000*
Amount under CAS		**20,845,100**	15,462,893
Adjustments:			
Business combination involving entities under common control	(i)	**780,353**	809,475
Government grants	(ii)	**(165,533)**	(174,103)
Taxation impact of the adjustments		**(154,762)**	(161,485)
Amount under IFRSs		**21,305,158**	15,936,780

Notes:

(i) According to the accounting policies adopted in the Group's financial statements prepared under IFRSs, assets and liabilities acquired by the Group during business combination, irrespective of whether such business combination is involving entities under common control or not, are measured at the fair value of identified assets and liabilities of the acquire at the date of acquisition. In preparing the consolidated financial statements, the respective financial statements of subsidiaries are adjusted based on the fair value of individual identifiable assets and liabilities of the date of acquisition. The excess of purchase consideration paid by the Company over its share of fair value of identifiable net assets of the acquired was recognised as goodwill.

In accordance with CAS, assets and liabilities acquired by the Group in business combination involving entities under common control are measured at their carrying value at the date of combination. Consolidated financial statements are prepared based on the financial statements of the Company and subsidiaries. The excess of carrying value of purchase consideration paid by the Company over its share of carrying value of identifiable net assets of the acquiree for business combination involving entities under common control reduces the share premium of capital reserve or retained earnings. There are differences for business combination involving entities under common control under CAS and IFRSs.

In addition, according to CAS, in preparing consolidated financial statements, the opening balances as well as the comparative items of the financial statements should be adjusted as if the current structure and operations resulting from the acquisitions had been in existence since prior periods in respect of business combination involving entities under common control. Accordingly, the capital reserve was adjusted for its increase in net assets due to business combination.

(ii) According to IFRSs, conditional government grants should be first recorded in long-term liabilities and amortised to profit or loss using the straight line method over the useful lives of the relevant assets after fulfilling the requirements from the government in respect of the construction projects.

Since 1 January 2007, according to CAS, government grants related to assets (required to be recorded in capital reserve pursuant to the relevant government documents) are not recognised as deferred income.