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)

2010 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of Huadian Power International Corporation Limited* (the "**Company**") hereby announces the summary of the unaudited consolidated financial results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2010 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The Group's interim financial report for the six months ended 30 June 2010 is unaudited, but it has been reviewed by KPMG, the auditor of the Company, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. KPMG's unmodified review report addressed to the Board is included in the interim report to be sent to the Company's shareholders. The Audit Committee of the Company has also reviewed the 2010 interim results and its relevant financial information of the Group.

FINANCIAL AND BUSINESS SUMMARIES

- Power generation amounted to approximately 62.52 million MWh, representing an increase of approximately 24.88% over the corresponding period in 2009;

- On-grid power sold amounted to approximately 58.21 million MWh, representing an increase of approximately 24.99% over the corresponding period in 2009;

- Turnover amounted to approximately RMB21,798 million, representing an increase of approximately 26.83% over the corresponding period in 2009;

- Profit after tax attributable to equity shareholders of the Company amounted to approximately RMB26 million; and

- Earnings per share was approximately RMB0.004.

The Board of the Company hereby announces the unaudited operating results for the six months ended 30 June 2010 and the comparison between such results and the relevant results of the corresponding period in 2009. For the six months ended 30 June 2010, turnover of the Group amounted to approximately RMB21,798 million, representing an increase of approximately 26.83% over the corresponding period in 2009; profit after tax attributable to equity shareholders of the Company amounted to approximately RMB26 million; earnings per share was approximately RMB0.004; net asset value per share (excluding non-controlling interests) amounted to approximately RMB2.34.

The Board decided not to declare any interim dividend for the six months ended 30 June 2010.

THE GROUP'S POWER GENERATING FACILITIES

The Group is one of the largest listed power-generating group companies in the PRC. As at the date of this announcement, details of the Group's power generation assets are set out as follows:

Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Combination of generating units	Notes
Zouxian Plant	2,540	100%	2×600MW + 4×335MW	
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")	433	100%	2 x 145MW + 2 x 71.5MW	2×300MW 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 Thermal Power Company Limited ("Tengzhou Company")	930	93.257%	2 x 315MW + 2 x 150MW	
Shandong Century Electric Power Development Co., Ltd. ("Century Power") *(Note 1)*	1,046	84.31%	4 x 220MW + 1 x 110MW + 2 x 28 MW	
Huadian Laizhou Wind Power Generation 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 2)*	102	100%	68 x 1.5MW	49.5MW wind power generating units under construction
Huadian Ningxia Ningdong Shangde Solar Power Company Limited ("Shangde Solar Company") *(Note 2)*	10	60%	10 x 1MW	
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")	—	100%	—	4×230MW hydropower generating units under construction

Sichuan Huadian Za-gunao Hydroelectric Development Company Limited ("Za-gunao Hydroelectric Company") *(Notes 2&3)*	423	64%	3 x 65MW + 3 x 46MW + 3 x 30MW	168MW hydropower 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 2)*	600	75%	2 x 300MW	
Huadian Qudong Power Generation Company Limited ("Qudong Company")	—	90%	—	2×300MW heat-power co-generating units under construction
Anhui Huadian Suzhou Power Generation Company Limited ("Suzhou Company")	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")	—	95%	—	1 x 600MW generating unit under construction
Huadian Inner Mongolia Kailu Wind Power Company Limited ("Kailu Wind Power Company") *(Note 2)*	300	100%	200 x 1.5MW	99MW wind power generating units under construction

Huadian Kezuozhongqi Wind Power Company Limited ("Kezuozhongqi Wind Power Company")	—	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")	1,100	82%	2 x 300MW + 2 x 200MW + 4 x 25MW	2×300MW heat-power co-generating units under construction
Hebei Huadian Guyuan Wind Power Company Limited ("Guyuan Wind Power Company")	100.5	100%	67 x 1.5MW	
Hebei Huadian Kangbao Wind Power Company Limited ("Kangbao Wind Power Company")	—	100%	—	49.5MW wind power generating units under construction
Hebei Huadian Complex Pumping-storage Hydropower 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 4)*	1,563.2	100%	—	
Shaoguan City Pingshi Electric Power Plant Company Limited (B plant) ("Pingshi Power Company") *(Note 1)*	725	100%	2 x 300MW + 1 x 125MW	
Total controlled installed capacity *(Note 5)*	26,812.0			
Total interested installed capacity *(Note 6)*	23,225.5			

Note 1: Century Power has been included into the Group's consolidated financial statements since 1 May 2010; the installed capacities of Century Power include 56MW capacity of Penglai East-sea Thermal Power Company Limited which is held as to 71% by Century Power. Pingshi Power Company has been included into the Group's consolidated financial statements since 21 May 2010 and the construction work of the second 300 MW generating unit of Pingshi Power Company is still in the process of close-out.

Note 2: The 12MW wind power generating units of Phases I & II Expansion Project of Ningdong Wind Power Company were connected to the grid and commenced power generation on 1 March 2010; the 10MW solar power generating units of Shangde Solar Company completed construction and commenced operation on 1 May 2010; three 65MW hydroelectric generating units of Za-gunao Hydroelectric Company completed the 72-hour trial operation at full loaded capacity as required by the State on 17 March 2010; the second 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 29 May 2010; the 99 MW wind power generating unit of Yihetala Project Phases I & II of Kailu Wind Power Company were connected to the grid and commenced power generation on 31 January 2010; the 201 MW wind power units out of the 300MW wind power unit of Beiqinghe Project of Kailu Wind Power Company in Tongliao were connected to the grid and commenced power generation as at 1 April 2010.

Note 3: The Group's equity interests in Za-gunao Hydroelectric Company increased from 49% to 64% on 12 May 2010.

Note 4: As at the date of this announcement, the interested capacity of Huarui Company held by the Group amounted to 1,563.2 MW.

Note 5: 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 6: This is the installed capacities of the Company and companies controlled or invested by the Company as at the date of this announcement, which were aggregated based on the respective percentage of equity interests held by the Company.

BUSINESS REVIEW

(1) Power generation

For the six months ended 30 June 2010, the power generation of the Group amounted to approximately 62.52 million MWh, representing an increase of approximately 24.88% over the corresponding period in 2009; on-grid power sold amounted to approximately 58.21 million MWh, representing an increase of approximately 24.99% over the corresponding period in 2009; the average utilization hours of coal-fired generating units of the Group were 2,760 hours, coal consumption for power supply was approximately 321.89 g/KWh and the unit fuel cost for power generation was approximately RMB257.52/MWh.

(2) Turnover and profit

For the six months ended 30 June 2010, turnover of the Group amounted to approximately RMB21,798 million, representing an increase of approximately 26.83% over the corresponding period in 2009. Revenue generated from sale of electricity amounted to approximately RMB20,884 million, representing an increase of approximately 26.08% over the corresponding period in 2009. Revenue generated from sale of heat amounted to approximately RMB914 million, representing an increase of approximately 46.75% over the corresponding period in 2009.

For the six months ended 30 June 2010, the Group's operating profit amounted to approximately RMB1,248 million, representing a decrease of approximately 43.29% from the corresponding period in 2009. Profit attributable to equity shareholders of the Company amounted to approximately RMB26 million while earnings per share was approximately RMB0.004.

(3) Newly installed capacity

From 1 January 2010 to the date of this announcement, 817MW coal-fired, hydropower, wind power and solar power generating units of the Group commenced operation:

Project Name	Capacity *(MW)*	Date of completion of trial operation at full loaded capacity as required by the State/ commencing power generation for the grid
Yihetala Project of Kailu Wind Power Company	99	31 January 2010
Phase I&II Expansion Project of Ningdong Wind Power Company	12	1 March 2010
Shiziping Project of Za-gunao Hydroelectric Company	195	17 March 2010
Beiqinghe Project of Kailu Wind Power Company	201	1 April 2010
Shangde Solar Company Project	10	1 May 2010
The second unit of Luohe Company	300	29 May 2010
Total	817	

(4) Preliminary projects

As at the date of this announcement, the Group's preliminary projects progressed smoothly. The two 1,000MW generating units of Shandong Laizhou Project were approved by the National Development and Reform Commission of the PRC (the "**NDRC**") on 19 January 2010. The 49.5MW wind power generating units of Yueliangshan Project in Xiji County, Ningxia and the 49.5MW wind power generating units of Phase III of Ningdong Wind Power Company were approved by the Development and Reform Commission of Ningxia Hui Autonomous Region on 1 March 2010 and 2 April 2010 respectively.

The following projects of the Group have obtained the "road slip" (means preliminarily approval by the NDRC or its local counterparts), and are subject to the official approval by State or local authorities: one 600MW generating unit of Expansion Project of Shiliquan Plant, two 300MW heat-power co-generating units of Tianjin Nanjiang Project, one 300MW generating unit of Phase III Project of Qingdao Company, 100MW wind power generating units of Phase II Project of Guyuan Wind Power Company, 100MW wind power generating units of Zhangjiakou Saibei Phase I Project, 49.5MW wind power generating units of Wengniuteqi Phase I Project and 49.5MW wind power generating units of Phase I of Caofeidian Offshore Project.

(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	**Planned 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
Luhua Company Project	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
Za-gunao Hydroelectric Company	168MW hydroelectric generating units
Kailu Wind Power Company	99MW wind power generating units
Kezuozhongqi Wind Power Company	49.5MW wind power generating units
Kangbao Wind Power Company	49.5MW wind power generating units
Yueliangshan Project in Xiji County, Ningxia	49.5MW wind power generating units
Ningdong Wind Power Company Phase III Project	49.5MW wind power generating units
Total	7,785MW

(6) Energy saving and environmental protection

In 2010, the Group continued to strengthen its efforts on environmental protection and proactively built itself as a resource-conservation and environmental friendly enterprise. As at the date hereof, a total of 22,943MW generating units controlled by the Group were equipped with desulphurisation facilities. In addition, there was one project under desulphurisation technological renovation, which is expected to be put into operation in December 2010. By then, 99.5% of the coal-fired generating units of the Group will be equipped with desulphurisation facilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macro economy and demand for electricity

According to the statistics of the National Bureau of Statistics of China, in the first half of 2010, the gross domestic product ("**GDP**") of the PRC amounted to approximately RMB17,284 billion, representing an increase of 11.1% over the corresponding period in 2009 based on comparable prices. Power consumption of the whole society totalled 2,009.4 million MWh, representing an increase of approximately 21.57% over the corresponding period in 2009, of which the consumption by the primary, secondary and tertiary industries and by urban and rural residents represented an increase of approximately 5.61%, 24.24%, 16.19% and 13.93% over the corresponding period in 2009 respectively.

(2) Turnover and profit

In the first half of 2010, turnover of the Group amounted to approximately RMB21,798 million, representing an increase of approximately 26.83% over the corresponding period in 2009. This was mainly due to the increase in the volume of electricity sold. The Group's operating profit amounted to approximately RMB1,248 million, representing a decrease of approximately 43.29% from the corresponding period in 2009.

(3) Operating expenses

In the first half of 2010, the operating expenses of the Group amounted to approximately RMB20,550 million, representing an increase of approximately 37.13% over the corresponding period in 2009. This was mainly attributable to growth in power generation and considerable hike in coal price, which led to higher fuel costs of the Group.

In the first half of 2010, the fuel costs of the Group were approximately RMB15,616 million, which accounted for approximately 75.99% of the Group's operating expenses, representing an increase of approximately 49.90% over the corresponding period in 2009. This was mainly due to the increase in power generation and the rise in coal prices.

In the first half of 2010, depreciation and amortization expenses of the Group amounted to approximately RMB2,269 million, representing an increase of approximately 11.30% over the corresponding period in 2009. This was mainly due to the commencement of operation of new generating units and the increase in depreciation cost of the newly acquired power enterprises.

In the first half of 2010, major overhaul expenses of the Group amounted to approximately RMB189 million, representing a decrease of approximately 28.72% from the corresponding period in 2009. This was mainly attributable to fewer units under overhaul as compared with corresponding period last year.

In the first half of 2010, repair and maintenance expenses of the Group amounted to approximately RMB249 million, representing an increase of approximately 3.31% over the corresponding period in 2009.

In the first half of 2010, administrative expenses of the Group amounted to approximately RMB532 million, representing a decrease of approximately 0.15% from the corresponding period in 2009.

In the first half of 2010, other operating expenses of the Group amounted to approximately RMB796 million, representing an increase of approximately 41.49% over the corresponding period in 2009. This was mainly attributable to higher cost in sale of electricity rights as a result of price hike of coal.

(4) Finance costs

For the six months ended 30 June 2010, finance costs of the Group amounted to approximately RMB1,541 million, representing an increase of approximately 1.41% as compared with the corresponding period in 2009. This was mainly attributable to the capacity expansion of the Group leading to the increase in loans.

(5) Pledge and mortgage of assets

As at 30 June 2010, the Company's subsidiaries, including Guang'an Company, Qingdao Company, Lingwu Company, Wuhu Company, Za-gunao Hydroelectric Company, Xinxiang Company, Suzhou Company and Pingshi Power 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 RMB13,338 million. In addition, the 75% equity interest held by the Company in Pingshi Power Company was pledged as security for repayment of the long term payables guaranteed by the Company.

On 30 June 2010, the generating units and relevant equipments of Pingshi Power Company were mortgaged to secure its loans amounting to RMB2,067 million.

(6) Indebtedness

As at 30 June 2010, total borrowings of the Group amounted to approximately RMB73,750 million, of which loans denominated in US dollar and Euro dollar amounted to approximately US$175 million and EUR16 million, respectively. The debt/assets ratio was approximately 81.68%. In addition, the balance of short-term debenture payables of the Group amounted to approximately RMB3,053 million and the medium-term notes payables amounted to approximately RMB2,975 million.

(7) Contingent liabilities

As at 30 June 2010, Guang'an Company, a subsidiary of the Company, provided guarantees to banks for loans amounting to 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 30 June 2010, the Group had cash and cash equivalents of approximately RMB1,779 million.

(9) Safe operation

The Group's units had been operating safely for the first half of 2010, thus maintaining its operational safety at a decent level. As at 30 June 2010, Tengzhou Company had achieved over 4,600 consecutive days of accident-free production; Qingdao Company and Zibo Company had achieved over 4,300 consecutive days of accident-free production; Weifang Company and Laicheng Plant had achieved over 3,800 consecutive days of accident-free production; Zouxian Plant had achieved over 3,500 consecutive days of accident-free production; Shiliquan Plant, Shijiazhuang Thermal Power Company and Hebei Hydropower Company had achieved over 2,200 consecutive days of accident-free production.

BUSINESS OUTLOOK

To maintain stable and fast economic growth as well as to make structural adjustment are the major focus of China's economic development, both at present and in the near future. Meanwhile, China will actively promote development of low carbon economy, further intensify energy saving and emission reduction, proactively develop the renewable energy sources, and accelerate restructuring and integration of energy enterprises, which will provide vast space for the Group to speed up adjustment of its power source structure, regional structure and industrial structure.

The Group will further expand investment in wind power and coal sectors, and explore development opportunities for power generation business in the economically-developed coastal areas. Through the aforesaid adjustment of structure in three major fields, the Group will endeavour to maximize its profitability.

A tapering trend is expected for the growth of the country's power generation in the second half of the year. Power generation industry may still be afflicted by tight supply of coal while the movement of coal price remains uncertain. As for thermal power business, the Group will put more efforts in lowering unit fuel cost and enhancing marketing strategy. On the other hand, the Group will accelerate the investment and production in the non-thermal power industry, thus fostering new profit driver for the Group.

DIVIDEND

The Board decided not to declare any interim dividend for the six months ended 30 June 2010.

SIGNIFICANT EVENTS

(1) Change of employee representative supervisor

Ms. Zheng Feixue, an employee representative supervisor of the fifth Supervisory Committee of the Company, has tendered her resignation as an employee representative supervisor due to work re-allocation. In accordance with laws, regulations and the Articles of Association, the employees of the Company democratically elected Mr. Chen Bin on 28 April 2010 to replace Ms. Zheng as an employee representative supervisor of the fifth Supervisory Committee of the Company for a term up to the expiry of the fifth Supervisory Committee.

For details, please refer to the announcement of the Company dated 28 April 2010.

(2) Acquisition of 84.31% equity interest in Century Power

On 28 April 2010, the Company entered into the Century Power Equity Transfer Agreement with Zhengda Energy Development (China) Company Limited* ("**Zhengda Energy**"), pursuant to which Zhengda Energy sold, and the Company purchased, 84.31% equity interests in Century Power on the terms and subject to the conditions of the Century Power Equity Transfer Agreement. Because any change of net assets during the period from appraisal basic date to transfer date shall be taken by former shareholders, which led to the corresponding change in actual consideration, the adjusted consideration of the transaction was RMB 2,124 million.

For details, please refer to the announcement of the Company dated 28 April 2010.

(3) Acquisition of 100% equity interest in Pingshi Power Company

On 20 May 2010, the Company entered into the Pingshi Power Equity Transfer Agreement with Haiyue Power Investment Company Limited* ("**Haiyue Power**") and Lechang City Jinda Power Company Limited* ("**Jinda Power**"), pursuant to which Haiyue Power and Jinda Power sold, and the Company purchased, 100% equity interest in Pingshi Power Company, as to 75% equity interest from Haiyue Power and 25% equity interest from Jinda Power, on the terms and subject to the conditions of the Pingshi Power Equity Transfer Agreement. In accordance with agreement, the adjusted consideration of the transaction was RMB 656 million.

For details, please refer to the announcement of the Company dated 20 May 2010.

(4) Acquisition of equity interest in coal mine

Since 2010, the Group continued to intensify its investment in the coal industry, and acquired a 20% equity interest in Inner Mongolia Otog Front Banner Zhengtai Trading Company Limited* (Manghatu Coal Mine) held by Huashi Xiangtai Company at a consideration of RMB267.97 million and a 35% equity interest in Inner Mongolia Otog Front Banner Baihui Trading Company* (Heiliang Coal Mine) held by Ningxia Kuntai Mining Development Company Limited* at a consideration of RMB569.7237 million. The two acquisitions represented another strategic move of the Company to enter the Shanghaimiao mining area through acquisition of coal mine assets, having previously acquired a 35% equity interest in Inner Mongolia Fucheng Mining Company Limited* and a 25% equity interest in Inner Mongolia Ertuokeqianqi Changcheng Mine Company Limited* in 2009, both of which are located in the Shanghaimiao mining area in Ordos, Inner Mongolia. The two acquisitions are of positive effect on the Company since they will enhance the Company's strategic cooperation with Xinwen Mining Group Company Limited* in the Shanghaimiao mining area, extend the Group's upstream industry chain and ensure the coal supply to the Company's power plants.

For details, please refer to the announcements of the Company dated 10 August 2010 and 19 August 2010 respectively.

CONNECTED TRANSACTIONS

Connected transactions, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), entered into by the Company for the six months ended 30 June 2010 are as follows:

(1) Purchase of equipment from Guodian Nanjing Automation Co., Ltd. ("SAC")

On 3 March 2010, the Company entered into the Equipment Purchase Agreement with SAC, pursuant to which the Company will purchase and SAC will sell transducers, which are used in the 69 high voltage auxiliary machines of the 10 power generation enterprises wholly-owned or controlled by the Company. SAC was chosen as the supplier for the relevant equipment under the Equipment Purchase Agreement through tender process which was conducted in compliance with the relevant laws in the PRC and the management rules of the Company. The aggregated consideration under the Equipment Purchase Agreement, determined by arms length negotiations, was RMB76,790,000.

For details, please refer to the announcement of the Company dated 3 March 2010.

(2) Project Contract entered into between Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("Luhua Company") and Huadian Engineering

On 3 March 2010, Luhua Company engaged Huadian Engineering (a non-wholly owned subsidiary of the Company) to provide certain services and perform certain works in respect of the construction of the Desulphurization System and the Pre-desalting Disposal System on the terms set out in the project contracts. The consideration under each project contract was agreed between the parties through a tender process which was conducted in compliance with the relevant laws in the PRC and the management rules of the Company. The total consideration under the project contracts was RMB41,400,000, which shall be funded by internal resources of Luhua Company.

For details, please refer to the announcement of the Company dated 3 March 2010.

(3) Continuing connected transactions with Huadian Coal Industry Group Company Limited ("Huadian Coal")

On 27 April 2010, the Company and Huadian Coal entered into the Agreement, pursuant to which the Company engaged Huadian Coal to provide management and co-ordination services in relation to coal procurement in the PRC for a total service fee not exceeding RMB63 million for year 2010. The Company had entered into a similar coal procurement service agreement with Huadian Coal for year 2009.

For details, please refer to the announcement of the Company dated 27 April 2010.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the six months ended 30 June 2010, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued securities ("securities" having the meaning as ascribed thereto under paragraph 1 of Appendix 16 to the Listing Rules).

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 30 June 2010, 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.

MATERIAL LITIGATION

For the six months ended 30 June 2010, the Group was not involved in any material litigation or arbitration.

AUDIT COMMITTEE

The unaudited financial statements for the six months ended 30 June 2010 prepared under International Accounting Standard 34 "Interim Financial Reporting" have been reviewed by the Company's Audit Committee.

CORPORATE GOVERNANCE PRACTICES

The Company has attached great importance on corporate governance and management innovation. In strict compliance with the Company Law of PRC, the Securities Law of PRC, the Rules Governing the Listing of Securities on Shanghai Stock Exchange, the Listing Rules and relevant provisions promulgated by domestic and overseas securities regulatory institutions, the Company has improved the structure of corporate governance, enhanced the level of the Company's governance and endeavoured to realize a harmonious development between the Company's growth and the interest of its shareholders.

The codes on corporate governance practices adopted by the Company include, but not limited to, its Articles of Association, Code on Shareholders' Meetings, Code on Board Practices, Code on Supervisory Committee and Rules of Procedures of Audit Committee, etc.

The Company has established and improved the standardized operating systems of the general meetings, boards of directors, supervisory committees of the Company and its subsidiaries. Independent directors, the Audit Committee and the supervisory committee have actively supervised the preparation of regular reports whereas non-executive directors and supervisors have performed their duties by carrying out annual review and the supervisory committee has advanced its supervisory duties. The Company has upheld transparency and compliance in standard information disclosures. In addition, trainings regarding corporate governance and standard operation were provided to the directors, supervisors and secretaries to the board of subsidiaries of the Company. In view of relevant requirements of internal control, regular assessments on internal control of the Company were made accordingly.

The Board has reviewed the relevant requirements prescribed under the codes on corporate governance practices adopted by the Company and its actual operations, and has taken the view that the corporate governance practices adopted by the Company during the first half of 2010 have met the requirements under the code provisions in the Code on Corporate Governance Practices as contained in Appendix 14 to the Listing Rules and there was no deviation from such provisions.

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

Beijing, the PRC
26 August 2010

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).

* *For identification purposes only*

I. SUMMARY OF FINANCIAL INFORMATION IN UNAUDITED INTERIM FINANCIAL REPORT PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The consolidated financial information set out below is extracted from the unaudited interim financial report prepared under IFRSs of the Group as set out in its 2010 interim report

Consolidated statement of comprehensive income
for the six months ended 30 June 2010 (unaudited)
(Expressed in Renminbi)

		Six months ended 30 June	
		2010	2009
	Note	***RMB'000***	*RMB'000*
Turnover	4	**21,798,417**	17,186,920
Operating expenses			
Fuel costs		**(15,615,698)**	(10,417,195)
Depreciation and amortisation		**(2,269,263)**	(2,038,811)
Major overhaul expenses		**(188,997)**	(265,132)
Repairs and maintenance		**(248,744)**	(240,768)
Personnel costs		**(807,691)**	(779,335)
Administrative expenses		**(531,526)**	(532,331)
Sales related taxes		**(91,949)**	(149,146)
Other operating expenses		**(796,061)**	(562,610)
		(20,549,929)	(14,985,328)

Consolidated statement of comprehensive income
for the six months ended 30 June 2010 (unaudited) (continued)
(Expressed in Renminbi)

		Six months ended 30 June	
		2010	2009
	Note	***RMB'000***	*RMB'000*
Operating profit		**1,248,488**	2,201,592
Investment (loss)/income		**(5,283)**	12,259
Other net income		**129,185**	69,517
Finance income		**10,150**	11,043
Finance cost	5	**(1,541,324)**	(1,519,892)
Share of profits of associates		**181,161**	113,241
Share of profit of a jointly controlled entity		**22,575**	1,927
Profit before taxation	6	**44,952**	889,687
Income tax	7	**(11,159)**	(174,658)
Profit for the period		**33,793**	715,029
Other comprehensive income for the period (after tax and reclassification adjustments):			
Available-for-sale securities: net movement in fair value reserve	8	**(22,160)**	34,386
Total comprehensive income for the period		**11,633**	749,415

Consolidated statement of comprehensive income

for the six months ended 30 June 2010 (unaudited) (continued)

(Expressed in Renminbi)

		Six months ended 30 June	
		2010	2009
	Note	***RMB'000***	*RMB'000*
Profit attributable to:			
Equity shareholders of the Company		**25,813**	544,825
Non-controlling interests		**7,980**	170,204
Profit for the period		**33,793**	715,029
Total comprehensive income attributable to:			
Equity shareholders of the Company		**4,169**	578,233
Non-controlling interests		**7,464**	171,182
Total comprehensive income for the period		**11,633**	749,415
Basic and diluted earnings per share	9	**RMB 0.004**	RMB 0.090

Consolidated balance sheet
as at 30 June 2010 (unaudited)
(Expressed in Renminbi)

	Note	**At 30 June 2010** *RMB'000*	At 31 December 2009 *RMB'000*
Non-current assets			
Property, plant and equipment		**75,011,378**	65,502,601
Construction in progress		**19,230,468**	19,315,995
Lease prepayments		**1,462,686**	918,590
Intangible assets		**1,825,944**	1,126,784
Interest in associates		**6,233,566**	3,969,310
Interest in a jointly controlled entity		**244,374**	221,799
Other investments		**310,709**	636,830
Other non-current assets		**2,177,006**	1,722,896
Deferred tax assets		**310,008**	267,001
		106,806,139	93,681,806
Current assets			
Inventories		**1,864,197**	1,346,169
Trade debtors and bills receivable	10	**3,566,840**	3,583,226
Deposits, other receivables and prepayments		**2,607,991**	1,323,369
Tax recoverable		**62,456**	61,522
Restricted deposits		**40,295**	1,906
Cash and cash equivalents		**1,779,295**	1,241,900
		9,921,074	7,558,092

Consolidated balance sheet

as at 30 June 2010 (unaudited) (continued)

(Expressed in Renminbi)

	Note	At 30 June 2010 RMB'000	At 31 December 2009 RMB'000
Current liabilities			
Bank loans		**18,595,314**	16,458,921
Loans from shareholders		**1,810,603**	1,704,913
State loans		**13,255**	12,893
Other loans		**5,122,388**	3,180,549
Short-term debenture payables		**3,052,506**	3,002,923
Amount due to the holding company		**70,290**	75,190
Trade creditors and bills payable	11	**7,942,484**	5,078,569
Other payables		**3,509,708**	2,677,464
Tax payable		**38,473**	24,217
		40,155,021	32,215,639
Net current liabilities		**(30,233,947)**	(24,657,547)
Total assets less current liabilities carried forward		**76,572,192**	69,024,259

Consolidated balance sheet

as at 30 June 2010 (unaudited) (continued)

(Expressed in Renminbi)

	Note	At 30 June 2010 *RMB'000*	At 31 December 2009 *RMB'000*
Total assets less current liabilities brought forward		**76,572,192**	69,024,259
Non-current liabilities			
Bank loans		**41,053,174**	36,561,599
Loans from shareholders		**2,101,499**	2,018,958
State loans		**31,335**	37,215
Other loans		**5,022,656**	3,821,577
Medium-term notes		**2,975,482**	2,971,022
Long-term payables		**1,307,187**	426,626
Deferred government grants		**513,481**	438,982
Deferred income		**168,910**	160,819
Deferred tax liabilities		**2,008,506**	1,282,303
		55,182,230	47,719,101
Net assets		**21,389,962**	21,305,158
Capital and reserves			
Share capital		**6,771,084**	6,771,084
Reserves		**9,094,306**	9,315,098
Total equity attributable to equity shareholders of the Company		**15,865,390**	16,086,182
Non-controlling interests		**5,524,572**	5,218,976
Total equity		**21,389,962**	21,305,158

Notes to the unaudited interim financial report

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, "*Interim financial reporting*", issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 26 August 2010.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2009 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") promulgated by the IASB. IFRSs include all applicable IFRSs, IASs and related interpretations.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *"Review of interim financial information performed by the independent auditor of the entity"*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included in the interim report to be sent to shareholders.

The financial information relating to the financial year ended 31 December 2009 that is included in the interim financial report as being previously reported information does not constitute the Company's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2009 are available from the Company's legal office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2010.

2 Changes in accounting policies

The IASB has issued two revised IFRSs, a number of amendments to IFRSs and one new Interpretation 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 3 (revised 2008), *Business combinations*

- Amendments to IAS 27, *Consolidated and separate financial statements*

- Improvements to IFRSs (2009)

These developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to IFRS 3 and IAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a disposal of a subsidiary) and these is no requirement to restate the amounts recorded in respect of previous such transactions.

- The impact of the amendments to IFRS 3 (in respect of recognition of acquiree's deferred tax assets) and IAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.

- The *"Improvements to IFRSs (2009)"* omnibus standard introduce a number of amendments to a range of IFRSs, which are either consistent with polices already adopted by the Group, or have had no material impact on the Group's financial statements.

Further details of these changes in accounting policies are as follows:

- As a result of the adoption of IFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in IFRS 3 (revised 2008). These include the following changes in accounting policies:

  — Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.

  — If the group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

  — Contingent consideration will be measured at fair value at the acquisition date. Any subsequent changes in the measurement of that contingent consideration will be recognised in profit or loss, unless they arise from obtaining additional information about facts and circumstances that existed at the acquisition date within 12 months from the date of acquisition (in which case they will be recognised as an adjustment to the cost of the business combination). Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably. All subsequent changes in the measurement of contingent consideration and from its settlement were previously recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.

— If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

— In addition to the Group's existing policy of measuring the non-controlling interests (previously known as the "minority interests") in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

In accordance with the transitional provisions in IFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

- As a result of the amendments to IAS 27, if the group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the group being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposals.

  In accordance with the transitional provisions in IAS 27, this new accounting policy will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

- In order to be consistent with the above amendments to IFRS 3 and IAS 27, and as a result of amendments to IAS 28, *Investments in associates*, and IAS 31, *Interests in joint ventures*, the following policies will be applied as from 1 January 2010:

  — If the group holds interests in the acquiree immediately prior to obtaining significant influence or joint control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining significant influence or joint control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

  — If the group loses significant influence or joint control, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposals.

  Consistent with the transitional provisions in IFRS 3 and IAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

Other changes in accounting policies which are relevant to the group's financial statements are as follows:

- As a result of the amendments to IAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in IAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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 information about geographical areas has been disclosed.

4 Turnover

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

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Sale of electricity	**20,883,986**	16,563,803
Sale of heat	**914,431**	623,117
	21,798,417	17,186,920

5 Finance costs

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Interest on loans and other financial liabilities	**1,889,966**	1,809,797
Less: Interest capitalised	**(320,425)**	(298,555)
	1,569,541	1,511,242
Net foreign exchange gain	**(31,364)**	(681)
Other finance costs	**3,147**	9,331
	1,541,324	1,519,892

The interest costs have been capitalised at an average rate of 5.02% per annum (six months ended 30 June 2009: 5.40%) for construction in progress.

6 Profit before taxation

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

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Cost of inventories	**16,106,146**	11,387,019
Amortisation		
— lease prepayments	**22,604**	20,298
— intangible assets	**3,422**	638
Depreciation	**2,243,237**	2,017,875
Reversal of impairment loss on trade and other receivables	**(6,362)**	—
Operating lease charges in respect of land and buildings	**48,698**	23,589
Dividend income	**(624)**	(12,259)
Government grants included in other net income	**(82,704)**	(20,800)
Gain on disposal of property, plant and equipment	**(799)**	(464)
Research and development costs	**100**	1,475

7 Income tax

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Current tax		
Charge for the PRC enterprise income tax for the period	**68,170**	36,993
Under-provision in respect of previous years	**932**	2,546
	69,102	39,539
Deferred taxation		
Origination and reversal of temporary differences	**(57,943)**	135,119
	(57,943)	135,119
	11,159	174,658

The charge for PRC enterprise income tax is calculated at the statutory rate of 25% (six months ended 30 June 2009: 25%) on the estimated assessable profits of the Group for the six months ended 30 June 2010 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 preferential rates of 12.5% or 15%.

8 Other comprehensive income

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Available-for-sale securities		
Changes in fair value recognised during the period	**(27,014)**	40,441
Reclassification adjustments for amounts transferred to profit or loss:		
— losses on disposal	**—**	600
Net deferred tax credit/(debited) to other comprehensive income	**4,854**	(6,655)
Net movement in the fair value reserve during the period recognised in other comprehensive income	**(22,160)**	34,386

9 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2010 of RMB25,813,000 (six months ended 30 June 2009: RMB544,825,000) and the number of shares in issue during the six months ended 30 June 2010 of 6,771,084,200 (six months ended 30 June 2009: 6,021,084,200).

(b) Diluted earnings per share

There were no dilutive potential ordinary shares in existence during the six months ended 30 June 2010 and 2009.

10 Trade debtors and bills receivable

	At 30 June 2010 *RMB'000*	At 31 December 2009 *RMB'000*
Trade debtors and bills receivable for sale of electricity	**3,220,909**	3,360,934
Trade debtors and bills receivable for sale of heat	**371,518**	252,961
Trade debtors and bills receivable for other operations	**684**	1,964
	3,593,111	3,615,859
Less: allowance for doubtful debts	**(26,271)**	(32,633)
	3,566,840	3,583,226

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.

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

	At 30 June 2010 *RMB'000*	At 31 December 2009 *RMB'000*
Current	**3,331,738**	3,558,083
Less than 1 year past due	**230,529**	20,570
More than 3 years past due	**4,573**	4,573
Amount past due	**235,102**	25,143
	3,566,840	3,583,226

11 Trade creditors and bills payable

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

12 Dividends

(a) Dividends payable to equity shareholders attributable to the interim period:

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: RMB Nil).

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

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year ended 31 December 2009, approved during the following interim period, of RMB0.035 per share (year ended 31 December 2008: RMB Nil per share)	**236,988**	—

No dividend was paid during the six months period ended 30 June 2010 (six months ended 30 June 2009: RMB Nil).

13 Contingent liabilities

At 30 June 2010, the Company provided guarantees to banks for loans granted to certain subsidiaries amounting to RMB924,000,000 (31 December 2009: RMB1,007,200,000). Sichuan Guang'an Power Generation Company Limited, a subsidiary of the Group, provided guarantees to banks for loans granted to Longtan Coal Company amounting to RMB189,407,000 (31 December 2009: RMB189,407,000).

14 Comparative figures

Certain comparative figures have been adjusted to conform to current period's presentation.

15 Acquisition of subsidiaries

(a) Acquisition of Shandong Century Electric Power Development Corporation Limited ("Century Power")

On 1 May 2010, the Company acquired 84.31% equity interest of Century Power for a total consideration of RMB2,123,700,000.

The acquisition had the following effect on the Group's assets and liabilities:

	Pre-acquisition carrying amounts *RMB'000*	**Fair value adjustments** *RMB'000*	**Recognised values on acquisitions** *RMB'000*
Trade debtors and other receivables	397,938	—	397,938
Inventories	89,941	—	89,941
Other investments	3,792	—	3,792
Investments in subsidiaries and Interests in associates	102,908	177,961	280,869
Property, plant and equipment and construction in progress	1,138,775	1,196,858	2,335,633
Lease prepayments	103,061	249,272	352,333
Intangible assets	797	817	1,614
Deferred tax assets	19,366	—	19,366
Cash and cash equivalents	128,692	—	128,692
Bank loans	(765,600)	—	(765,600)
Trade creditors and other payables	(292,492)	—	(292,492)
Deferred tax liabilities	(2,831)	(406,227)	(409,058)
Deferred government grants	(24,237)	—	(24,237)
Net identifiable assets and liabilities	900,110	1,218,681	2,118,791

Less: Non-controlling interests	(337,581)
Add: Goodwill	342,490
Consideration	2,123,700

The Group incurred acquisition-related costs of RMB1,450,000 relating to external legal fees and other professional and consulting fees, which have been included in administrative expenses.

The acquisition contributed turnover amounting to RMB332,260,000 and profit after tax amounting to RMB6,627,000 for the period ended 30 June 2010.

Goodwill has arisen from the acquisition of Century Power as the management expects synergy can be achieved through the acquisition.

(b) Acquisition of Shaoguan Pingshi Power Plant Company Limited (B Plant) ("Pingshi Power")

On 21 May 2010, the Company acquired 100% equity interest of Pingshi Power for a total consideration of RMB655,599,000.

The acquisition had the following effect on the Group's assets and liabilities:

	Pre-acquisition carrying amounts *RMB'000*	**Fair value adjustments** *RMB'000*	**Recognised values on acquisitions** *RMB'000*
Trade debtors and other receivables	188,107	—	188,107
Inventories	37,823	—	37,823
Other investments	2,921	—	2,921
Property, plant and equipment and construction in progress	2,556,353	1,371,898	3,928,251
Lease prepayments	125,464	53,306	178,770
Cash and cash equivalents	34,446	—	34,446
Bank loans	(2,466,000)	—	(2,466,000)
Trade creditors and other payables	(324,817)	—	(324,817)
Long-term payables	(923,902)	—	(923,902)
Deferred tax liabilities	—	(356,301)	(356,301)
Net identifiable assets and liabilities	(769,605)	1,068,903	299,298
Add: Goodwill			356,301
Consideration			655,599

The Group incurred acquisition-related costs of RMB900,000 relating to external legal fees and other professional and consulting fees, which have been included in administrative expenses.

The acquisition contributed turnover amounting to RMB126,576,000 and loss amounting to RMB5,778,000 for the period ended 30 June 2010.

Goodwill has arisen from the acquisition of Pingshi Power as the management expects synergy can be achieved through the acquisition.

16 Accounting judgements and estimates

The Group believes that the critical accounting judgements and estimates on impairment for non-current assets, depreciation, impairment for bad and doubtful debts, deferred tax assets and useful life of land use rights as disclosed in the 2009 annual financial statements are material to an understanding of the current interim period.

II. SUMMARY OF FINANCIAL INFORMATION IN UNAUDITED INTERIM FINANCIAL REPORT PREPARED UNDER THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS")

The consolidated financial information set out below is extracted from the unaudited consolidated financial statement prepared under CAS of the Group as set out in its 2010 interim report.

Consolidated balance sheet (unaudited)
30 June 2010
(Expressed in Renminbi'000)

Item	**30 June 2010**	31 December 2009
Current assets		
Cash at bank and on hand	**1,819,590**	1,243,806
Bills receivable	**105,164**	324,616
Trade receivables	**3,461,676**	3,258,610
Prepayments	**1,034,957**	482,153
Other receivables	**585,584**	241,991
Inventories	**1,864,197**	1,346,169
Other current assets	**1,049,906**	660,747
Total current assets	**9,921,074**	7,558,092

Consolidated balance sheet (unaudited) (continued)

30 June 2010

(Expressed in Renminbi'000)

Item	30 June 2010	31 December 2009
Non-current assets		
Available-for-sale financial assets	**49,799**	58,288
Long-term equity investments	**6,721,866**	4,739,637
Fixed assets	**73,283,028**	63,763,462
Construction in progress	**11,850,154**	12,570,492
Construction materials	**172,083**	22,000
Construction and construction material prepayments	**7,208,231**	6,723,503
Intangible assets	**3,474,925**	2,926,488
Goodwill	**806,477**	107,686
Deferred tax assets	**344,632**	285,257
Other non-current assets	**2,177,006**	1,722,896
Total non-current assets	**106,088,201**	92,919,709
Total assets	**116,009,275**	100,477,801
Current liabilities		
Short-term loans	**20,472,018**	16,793,380
Bills payable	**2,024,672**	1,357,201
Trade payables	**5,917,812**	3,721,368
Advances from customers	**25,738**	82,077
Wages payable	**162,995**	219,284
Taxes payable	**242,937**	266,928
Interests payable	**174,709**	225,166
Dividends payable	**295,846**	-
Other payables	**2,716,246**	1,983,416
Short-term debenture payables	**3,052,506**	3,002,923
Long-term loans due within one year	**5,069,542**	4,563,896
Total current liabilities	**40,155,021**	32,215,639

Consolidated balance sheet (unaudited) (continued)

30 June 2010

(Expressed in Renminbi'000)

Item	30 June 2010	31 December 2009
Non-current liabilities		
Long-term loans	**48,208,664**	42,439,349
Debentures payable	**2,975,482**	2,971,022
Long-term payables	**1,307,187**	426,626
Special payables	**29,220**	29,220
Deferred tax liabilities	**1,895,039**	1,145,797
Other non-current liabilities	**489,732**	405,048
Total non-current liabilities	**54,905,324**	47,417,062
Total liabilities	**95,060,345**	79,632,701
Shareholders' equity		
Share capital	**6,771,084**	6,771,084
Capital reserve	**4,251,064**	4,258,129
Surplus reserve	**1,486,013**	1,486,013
Retained profits	**2,984,851**	3,186,480
Total equity attributable to equity shareholders of the Company	**15,493,012**	15,701,706
Minority interests	**5,455,918**	5,143,394
Total shareholders' equity	**20,948,930**	20,845,100
Total liabilities and shareholders' equity	**116,009,275**	100,477,801

Consolidated income statement (unaudited)
for the six months ended 30 June 2010
(Expressed in Renminbi'000)

		Six months ended 30 June	
Item		**2010**	2009
I.	Operating income	**21,868,629**	17,288,305
II.	Operating costs	**(19,919,365)**	(14,328,992)
	Sales taxes and surcharges	**(93,628)**	(151,283)
	Administrative expenses	**(566,142)**	(550,270)
	Finance expenses	**(1,531,174)**	(1,508,849)
	Impairment losses	**6,362**	—
	Add: Investment income	**211,483**	127,427
	Including: income from associates and jointly controlled entity	**203,736**	115,168
III.	Operating (loss)/profit	**(23,835)**	876,338
	Add: Non-operating income	**92,240**	26,112
	Less: Non-operating expenses	**(1,452)**	(3,871)
IV.	Total profit	**66,953**	898,579
	Less: Income tax	**(17,830)**	(178,025)
V.	Net profit	**49,123**	720,554
	Attributable to:		
	Equity shareholders of the Company	**35,359**	545,586
	Minority interests	**13,764**	174,968

Consolidated income statement (unaudited) (continued)

for the six months ended 30 June 2010

(Expressed in Renminbi'000)

Item	Six months ended 30 June 2010	2009
VI. Earnings per share *(RMB)*:		
Basic earnings per share	**0.005**	0.091
Diluted earnings per share	**0.005**	0.091
VII. Other comprehensive income	**(22,160)**	34,386
VIII. Total comprehensive income	**26,963**	754,940
Attributable to:		
Equity shareholders of the Company	**13,715**	578,994
Minority interests	**13,248**	175,946

III. RECONCILIATION OF THE FINANCIAL STATEMENTS PREPARED UNDER CAS AND IFRSs

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

	Note	**30 June 2010** *RMB'000*	30 June 2009 *RMB'000*
Amount under CAS		**49,123**	720,554
Adjustments:			
Business combination involving entities under common control	(a)	**(27,786)**	(14,556)
Government grants	(b)	**5,780**	5,664
Taxation impact of the adjustments		**6,676**	3,367
Amount under IFRSs		**33,793**	715,029

(2) Effects of major differences between the CAS and IFRSs on shareholders' equity are analysed as follows:

	Note	**30 June 2010** *RMB'000*	31 December 2010 *RMB'000*
Amount under CAS		**20,948,930**	20,845,100
Adjustments:			
Business combination involving entities under common control	(a)	**752,567**	780,353
Government grants	(b)	**(163,443)**	(165,533)
Taxation impact of the adjustments		**(148,092)**	(154,762)
Amount under IFRSs		**21,389,962**	21,305,158

Notes:

(a) 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 identifiable assets and liabilities of the acquiree 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 at 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 profits.

In addition, according to CAS, in preparing consolidated financial statements, the opening balances as well as the comparative figures 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.

(b) 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.

According to CAS, government grants related to assets (required to be recorded in capital reserve pursuant to the relevant government notice) are not recognised as deferred income.