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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)

2020 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the **"Board"**) of Huadian Power International Corporation Limited* (the **"Company"**) hereby announces the summary of the unaudited interim consolidated financial results of the Company and its subsidiaries (the **"Group"**) for the six months ended 30 June 2020 (the **"Period"**) prepared in accordance with the International Accounting Standards 34 "Interim Financial Reporting".

FINANCIAL AND BUSINESS SUMMARIES

- Power generation amounted to approximately 92.98 million MWh, representing a decrease of approximately 8.66% over the corresponding period in 2019;
- Turnover amounted to approximately RMB40,943 million, representing a decrease of approximately 5.36% over the corresponding period in 2019;
- Profit for the Period attributable to equity holders of the Company amounted to approximately RMB2,411 million, representing an increase of approximately 47.23% over the corresponding period in 2019; and
- Basic earnings per share were approximately RMB0.200.

The Board of the Company hereby announces the unaudited operating results for the Period and the comparison between such results and the relevant operating results of the corresponding period in 2019. During the Period, the turnover of the Group amounted to approximately RMB40,943 million, representing a decrease of approximately 5.36% over the corresponding period in 2019; the profit for the Period attributable to equity holders of the Company amounted to approximately RMB2,411 million; the profit for the Period attributable to equity shareholders of the Company amounted to approximately RMB1,975 million; the basic earnings per share were approximately RMB0.200.

The Board of the Company did not recommend declaring any interim dividends for the Period.

The Group's interim financial statements for the Period are unaudited, but they have been reviewed by BDO Limited, 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. The unmodified review report addressed by the BDO Limited to the Board of the Company will be included in the interim report to be despatched to the Company's shareholders in due course. The audit committee of the Company (the "**Audit Committee**") has also reviewed the 2020 interim results and the relevant financial information of the Group.

MAJOR ASSETS

The Group is one of the largest comprehensive energy companies in the People's Republic of China ("**China**" or the "**PRC**"), primarily engaged in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects. The Group's power generating assets are located in 14 provinces, autonomous regions and municipalities across the PRC at the prime location, mainly in the electricity and heat load centres or regions with abundant coal resources. As at the date of this announcement, the Group had a total of 62 controlled power plants which have commenced operations involving a total of 56,953.3 MW controlled installed capacity, with a total of 43,235 MW attributable to coal-fired generating units, 6,878.1 MW attributable to gas-fired generating units and 6,840.2 MW attributable to renewable energy generating units such as hydropower, wind power and solar power generating units.

Details of the Group's major power generating assets which have commenced operations as at the date of this announcement are as follows:

(1) Details of controlled coal- and gas-fired generating units are as follows:

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
1	Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
2	Shiliquan Plant	2,120	100%	2 x 660 MW + 2 x 330 MW + 1 x 140 MW
3	Laicheng Plant	1,200	100%	4 x 300 MW
4	Shuozhou Thermal Power Branch Company	700	100%	2 x 350 MW
5	Fengjie Plant	1,200	100%	2 x 600 MW

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
6	Shenzhen Company	365	100%	1 x 120 MW + 2 x 82 MW + 1 x 81 MW
7	Huadian Zouxian Power Generation Company Limited (“ Zouxian Company ”)	2,000	69%	2 x 1,000 MW
8	Huadian Laizhou Power Generation Company Limited (“ Laizhou Company ”)	4,001.1	75%	4 x 1,000 MW + 1.1 MW
9	Huadian Weifang Power Generation Company Limited (“ Weifang Company ”)	2,002.4	45%	2 x 670 MW + 2 x 330 MW + 2.4 MW
10	Huadian Qingdao Power Generation Company Limited (“ Qingdao Company ”)	1,220	55%	1 x 320 MW + 3 x 300 MW
11	Huadian Zibo Thermal Power Company Limited (“ Zibo Company ”)	950	100%	2 x 330 MW + 2 x 145 MW
12	Huadian Zhangqiu Power Generation Company Limited (“ Zhangqiu Company ”)	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
13	Huadian Tengzhou Xinyuan Thermal Power Company Limited (“ Tengzhou Company ”)	930	93.26%	2 x 315 MW + 2 x 150 MW
14	Huadian Longkou Power Generation Company Limited (“ Longkou Company ”)	880	84.31%	4 x 220 MW
15	Huadian Ningxia Lingwu Power Generation Company Limited (“ Lingwu Company ”)	3,320	65%	2 x 1,060 MW + 2 x 600 MW

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
16	Sichuan Guang'an Power Generation Company Limited (" Guang'an Company ")	2,400	80%	2 x 600 MW + 4 x 300 MW
17	Huadian Xinxiang Power Generation Company Limited (" Xinxiang Company ")	1,320	90%	2 x 660 MW
18	Huadian Luohe Power Generation Company Limited (" Luohe Company ")	660	75%	2 x 330 MW
19	Huadian Qudong Power Generation Company Limited (" Qudong Company ")	660	90%	2 x 330 MW
20	Anhui Huadian Suzhou Power Generation Company Limited (" Suzhou Company ")	1,260	56.07%	2 x 630 MW
21	Anhui Huadian Wuhu Power Generation Company Limited (" Wuhu Company ")	2,320	65%	1 x 1,000 MW + 2 x 660 MW
22	Anhui Huadian Lu'an Power Generation Company Limited (" Lu'an Company ")	1,320	95%	2 x 660 MW
23	Hangzhou Huadian Banshan Power Generation Company Limited (" Hangzhou Banshan Company ")	2,415.7	64%	3 x 415 MW + 3 x 390 MW + 0.7 MW
24	Hangzhou Huadian Xiasha Thermal Power Company Limited (" Xiasha Company ")	246	56%	1 x 88 MW + 2 x 79 MW
25	Hangzhou Huadian Jiangdong Thermal Power Company Limited (" Jiangdong Company ")	960.5	70%	2 x 480.25 MW

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
26	Huadian Zhejiang Longyou Thermal Power Company Limited (“ Longyou Company ”)	417	100%	2 x 127.6 MW + 1 x 130.3 MW + 1 x 19.5 MW + 12 MW
27	Hebei Huadian Shijiazhuang Thermal Power Company Limited (“ Shijiazhuang Thermal Power Company ”)	928.6	82%	1 x 453.6 MW + 2 x 200 MW + 3 x 25 MW
28	Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited (“ Yuhua Company ”)	600	100%	2 x 300 MW
29	Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited (“ Luhua Company ”)	660	90%	2 x 330 MW
30	Shijiazhuang Huadian Heat Corporation Limited (“ Shijiazhuang Heat Corporation ”)	4	100%	2 x 2 MW
31	Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) (“ Pingshi Power Company ”)	600	100%	2 x 300 MW
32	Guangdong Huadian Shaoguan Thermal Power Company Limited (“ Shaoguan Thermal Power Company ”)	700	100%	2 x 350 MW
33	Huadian Foshan Energy Company Limited (“ Foshan Energy Company ”)	165.5	100%	2 x 59 MW + 47.5 MW

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
34	Huadian Guangdong Shunde Energy Company Limited (“ Shunde Energy Company ”)	163.5	90%	2 x 59 MW + 45.5 MW
35	Tianjin Huadian Fuyuan Thermal Power Company Limited (“ Fuyuan Thermal Power Company ”)	400	63.14%	2 x 200 MW
36	Tianjin Huadian Nanjiang Thermal Power Company Limited (“ Nanjiang Thermal Power Company ”)	930	65%	2 x 315 MW + 1 x 300 MW
37	Huadian Hubei Power Generation Company Limited (“ Hubei Company ”) <i>(Note)</i>	6,944.4	82.56%	2 x 680 MW + 2 x 660 MW + 2 x 640 MW + 6 x 330 MW + 1 x 300 MW + 2 x 185 MW + 40 x 2 MW + 254.4 MW

Note: Details of the installed generating units of Hubei Company are as follows:

Power generation enterprise	Installed capacity (MW)	Shareholding percentage of Hubei Company	Generating units
Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Plant (“ Huangshi Thermal Power Plant ”)	330	100%	1 x 330 MW
Hubei Xisaishan Power Generation Company Limited (“ Xisaishan Company ”)	660	50%	2 x 330 MW
Hubei Huadian Xisaishan Power Generation Company Limited (“ Huadian Xisaishan Company ”)	1,360	50%	2 x 680 MW
Hubei Huadian Xiangyang Power Generation Company Limited (“ Xiangyang Company ”)	2,570	60.10%	2 x 640 MW + 3 x 330 MW + 1 x 300 MW

Power generation enterprise	Installed capacity (MW)	Shareholding percentage of Hubei Company	Generating units
Hubei Huadian Jiangling Power Generation Company Limited (“ Jiangling Company ”)	1,320	100%	2 x 660 MW
Hubei Huadian Wuchang Thermal Power Company Limited (“ Wuchang Thermal Power ”)	370	100%	2 x 185 MW
Hubei Huadian Wuxue New Energy Company Limited (“ Wuxue New Energy Company ”)	120	100%	40 x 2 MW + 40 MW
Hubei Huadian Zaoyang Photovoltaic Power Generation Company Limited (“ Zaoyang Photovoltaic Power Generation Company ”)	100	100%	100 MW
Hubei Huadian Suixian Yindian Photovoltaic Power Generation Company Limited (“ Suixian Photovoltaic Power Generation Company ”)	100	100%	100 MW
Huadian Hubei Power Generation Company Limited Huangshi Photovoltaic Power Generation Branch Company (“ Huangshi Photovoltaic Power Generation Company ”)	6.4	100%	6.4 MW
Huadian Hubei Power Generation Company Limited Wuhan Photovoltaic Power Generation Branch Company (“ Wuhan Photovoltaic Power Generation Company ”)	8	100%	8 MW

(2) Details of controlled renewable energy generating units are as follows:

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
1	Sichuan Huadian Luding Hydropower Company Limited (“ Luding Hydropower Company ”)	920	100%	4 x 230 MW
2	Sichuan Huadian Za-gunao Hydroelectric Development Company Limited (“ Za-gunao Hydroelectric Company ”)	591	64%	3 x 65 MW + 3 x 56 MW + 3 x 46 MW + 3 x 30 MW
3	Lixian Xinghe Power Company Limited (“ Lixian Company ”)	67	100%	3 x 11 MW + 4 x 8.5 MW
4	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited (“ Shuiluohe Company ”)	648	57%	3 x 70 MW + 3 x 62 MW + 3 x 46 MW + 3 x 38 MW
5	Hebei Huadian Complex Pumping-storage Hydropower Company Limited (“ Hebei Hydropower Company ”)	83.4	100%	1 x 16 MW + 2 x 15 MW + 1 x 11 MW + 2 x 3.2 MW + 20 MW
6	Inner Mongolia Huadian Mengdong Energy Company Limited (“ Mengdong Energy Company ”)	399	54.85%	262 x 1.5 MW + 2 x 3 MW
7	Huadian Kezuozhongqi Wind Power Company Limited (“ Kezuozhongqi Wind Power Company ”)	49.5	100%	33 x 1.5 MW
8	Huadian Power International Ningxia New Energy Power Company Limited (“ Ningxia New Energy Company ”)	1,481.5	63.92%	40 x 2.1 MW + 155 x 2 MW + 665 x 1.5 MW + 90 MW

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
9	Hebei Huadian Guyuan Wind Power Company Limited (“ Guyuan Wind Power Company ”)	290.5	61.87%	167 x 1.5 MW + 40 MW
10	Hebei Huadian Kangbao Wind Power Company Limited (“ Kangbao Wind Power Company ”)	379.5	100%	72 x 2 MW + 137 x 1.5 MW + 30 MW
11	Hebei Huarui Energy Group Corporation Limited (“ Huarui Company ”)	99	100%	48 x 2 MW + 2 x 1.5 MW
12	Huadian Laizhou Wind Power Company Limited (“ Laizhou Wind Power Company ”)	40.5	55%	27 x 1.5 MW
13	Huadian Laizhou Wind Power Generation Company Limited (“ Laizhou Wind Company ”)	48	55%	24 x 2 MW
14	Huadian Laizhou Wind Energy Power Company Limited (“ Laizhou Wind Energy Company ”)	149.4	55%	72 x 2 MW + 3 x 1.8 MW
15	Huadian Longkou Wind Power Company Limited (“ Longkou Wind Power Company ”)	99.3	65%	23 x 1.5 MW + 6 x 2.5 MW + 24 x 2 MW + 1 x 1.8 MW

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
16	Longkou Dongyi Wind Power Company Limited (“ Longkou Dongyi Wind Power Company ”)	80	55%	20 x 1.5 MW + 25 x 2 MW
17	Huadian Shandong New Energy Company Limited (“ Shandong New Energy Company ”)	613	100%	213 x 2 MW + 3 x 1.9 MW + 1 x 1.8 MW + 33 x 1.5 MW + 130 MW
18	Huadian Xuwen Wind Power Company Limited (“ Xuwen Wind Power Company ”)	99	100%	48 x 2 MW + 2 x 1.5 MW
19	Huadian Xiaxian Wind Power Company Limited (“ Xiaxian Wind Power Company ”)	100	100%	50 x 2 MW
20	Huadian Ningxia Ningdong Shangde Solar Power Company Limited (“ Shangde Solar Company ”)	10	60%	10 MW
21	Huadian Zhangjiakou Saibei New Energy Generation Company Limited (“ Zhangjiakou Saibei New Energy Company ”)	4	100%	4 MW
22	Huadian Ningbo New Energy Generation Company Limited (“ Ningbo New Energy Company ”)	10	100%	10 MW
23	Huadian Huzhou New Energy Power Generation Company Limited (“ Huzhou New Energy Company ”)	30	100%	30 MW

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
24	Huadian Taiqian Photovoltaic Power Generation Company Limited (“ Taiqian Photovoltaic Power Generation Company ”)	100	50%	100 MW
25	Zezhou County Huadian Wind Power Company Limited (“ Zezhou Wind Power Company ”)	98	100%	40 x 2.2 MW + 5 x 2 MW

NEWLY-ADDED INSTALLED CAPACITY

From 1 January 2020 up to the date of this announcement, the details of the Group’s newly-added generating units are as follows:

Projects	Category	Installed capacity (MW)
Shijiazhuang Heat Corporation	Gas-fired	4
Shuiluohe Company	Hydropower	124
Longkou Dongyi Wind Power Company	Wind power	50
Shandong New Energy Company	Wind power	40
Ningxia New Energy Company	Wind power	100
Ningxia New Energy Company	Photovoltaic power	70
Total		388

GENERATING UNITS UNDER CONSTRUCTION

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

Type of generating units	Planned installed capacity (MW)
Coal-fired generating units	510
Gas-fired generating units	1,629
Hydropower generating units	168
Wind power generating units	1,716.5
Photovoltaic power generating units	11.3
Total	4,034.8

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic conditions and electricity demand

According to the relevant information and statistics, in the first half of 2020, the gross domestic product of the PRC amounted to RMB45,661.4 billion, representing a decrease of 1.6% over the corresponding period in 2019 based on comparable prices. Power consumption of the entire society in the PRC totaled 3,354.7 million MWh, representing a decrease of 1.3% over the corresponding period in 2019. Specifically, consumption by the primary industry represented a year-on-year increase of 8.2%, consumption by the secondary industry represented a year-on-year decrease of 2.5% and consumption by the tertiary industry represented a year-on-year decrease of 4.0%, while the household consumption by urban and rural residents represented a year-on-year increase of 6.6%.

(2) Power generation

During the Period, the power generated by the Group amounted to approximately 92.98 million MWh, representing a decrease of approximately 8.66% over the corresponding period in 2019; the on-grid power sold amounted to approximately 87.06 million MWh, representing a decrease of approximately 8.53% over the corresponding period in 2019. Such decrease in the power generated and on-grid power sold was mainly attributable to COVID-19 and the increase in the amount of external power purchased by Shandong. The average utilisation hours of the generating units were 1,638 hours, among which the average utilisation hours of coal-fired generating units were 1,830 hours and the coal consumption for power supply was 288.52g/KWh that was remarkably lower than the national average.

(3) Turnover and profit

During the Period, the turnover of the Group amounted to approximately RMB40,943 million, representing a decrease of approximately 5.36% over the corresponding period in 2019, mainly due to the year-on-year decrease in the revenue of the Group generated from the sale of electricity. The revenue of the Group generated from the sale of electricity amounted to approximately RMB31,742 million, representing a decrease of approximately 7.76% over the corresponding period in 2019, mainly due to the decrease in the volume of on-grid power sold. The revenue generated from the sale of heat amounted to approximately RMB3,702 million, representing an increase of approximately 16.73% over the corresponding period in 2019, mainly due to the increase in the volume of heat sold. The revenue generated from the sale of coal amounted to approximately RMB5,499 million, representing a decrease of approximately 3.19% over the corresponding period in 2019, mainly due to the year-on-year decrease in coal price.

During the Period, the Group's operating profit amounted to approximately RMB5,182 million, representing an increase of approximately 20.59% over the corresponding period in 2019, mainly due to the decrease in coal price; the profit for the Period attributable to equity holders of the Company amounted to approximately RMB2,411 million, the profit for the Period attributable to equity shareholders of the Company amounted to approximately RMB1,975 million, and the basic earnings per share were approximately RMB0.200.

(4) Major operating expenses

Fuel costs are the major operating expense of the Group. During the Period, the fuel costs of the Group amounted to approximately RMB18,502 million, representing a decrease of approximately 14.96% over the corresponding period in 2019. This was mainly due to the year-on-year decrease in the volume of power generation and coal price.

During the Period, the cost of sales of the Group for coal amounted to approximately RMB4,962 million, representing a decrease of approximately 6.60% over the corresponding period in 2019. This was mainly due to the year-on-year decrease in coal price.

During the Period, the depreciation and amortization expenses of the Group amounted to approximately RMB5,832 million, representing an increase of approximately 5.03% over the corresponding period in 2019. This was mainly due to the commencement of operation of new generating units.

During the Period, the repairs, maintenance and inspection expenses of the Group amounted to approximately RMB1,872 million, representing an increase of approximately 0.82% over the corresponding period in 2019. This was mainly due to the commencement of operation of new generating units.

During the Period, the personnel costs of the Group amounted to approximately RMB2,852 million, representing a decrease of approximately 0.06% over the corresponding period in 2019. This was mainly due to the timing difference for inclusion in the cost.

During the Period, the administration expenses of the Group amounted to approximately RMB666 million, representing an increase of approximately 12.51% over the corresponding period in 2019. This was mainly due to the commencement of operation of new generating units.

During the Period, the tax and surcharges of the Group amounted to approximately RMB538 million, representing an increase of approximately 7.49% over the corresponding period in 2019. This was mainly due to the decrease in deducted input tax and increase in value added tax payables resulted by the decrease in coal price.

During the Period, the other operating expenses of the Group amounted to approximately RMB536 million, representing a decrease of approximately 1.09% over the corresponding period in 2019. This was mainly due to the year-on-year decrease in heat purchase charges and water charges.

(5) Other revenue and net income

During the Period, the other revenue and net income of the Group amounted to approximately RMB892 million, representing an increase of approximately 50.75% over the corresponding period in 2019. This was mainly due to the year-on-year increase in revenue from sales of by-products of power generation such as coal ash and gypsum.

(6) Finance costs

During the Period, the finance costs of the Group amounted to approximately RMB2,428 million, representing a decrease of approximately 8.39% over the corresponding period in 2019. This was mainly due to the year-on-year decrease in equity instruments issued, interest-bearing debt and the capital cost rate.

(7) Share of results of associates and joint ventures

During the Period, the share of results of associates and joint ventures of the Group amounted to approximately RMB250 million, representing a decrease of approximately 22.24% over the corresponding period in 2019. This was mainly due to the year-on-year decrease in income of coal mining enterprises invested by the Group.

(8) Income tax

During the Period, the income tax of the Group amounted to approximately RMB806 million, representing an increase of approximately 57.49% over the corresponding period in 2019. This was mainly due to the increase in the Group's profit.

(9) Pledge and mortgage of assets

As at 30 June 2020, the Company and its subsidiaries have pledged their income stream in respect of the sale of electricity and heat to secure loans amounting to approximately RMB17,589 million.

As at 30 June 2020, some subsidiaries of the Company have mortgaged their generating units and relevant equipment, land use rights and mining rights to secure loans amounting to approximately RMB4,162 million.

(10) Indebtedness

As at 30 June 2020, the total borrowings of the Group amounted to approximately RMB93,114 million, of which borrowings denominated in Euro amounted to approximately EUR9 million. The liabilities to assets ratio was approximately 61.14%, representing a decrease of 4 percentage points compared to that at the end of 2019. Borrowings of the Group were mainly at floating rates. In addition, the closing balance of super short-term debentures, medium-term notes payable (including the portion due within one year) and lease liabilities of the Group amounted to approximately RMB300 million, RMB12,489 million and RMB2,230 million, respectively.

(11) Contingent liabilities

As at 30 June 2020, Guang'an Company, a subsidiary of the Company, has provided guarantees to banks for loans amounting to RMB43.58 million which were granted to Sichuan Huayingshan Longtan Coal Company Limited, an associate of Guang'an Company.

(12) Cash and cash equivalents

As at 30 June 2020, the Group had cash and cash equivalents of approximately RMB6,044 million.

(13) Exchange rate fluctuation risk and related hedging

The Group mainly engages in business and obtains income in China, and has a relatively small amount of foreign currency borrowings. Therefore, the exchange rate fluctuation risk is relatively low. Based on the above consideration, the Group did not adopt relevant hedging measures.

Save as disclosed herein, information with respect to the Group's other matters as set out in paragraph 32 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") (The Stock Exchange of Hong Kong Limited is referred to as the "**Hong Kong Stock Exchange**") has not changed materially from that included in the Company's 2019 annual report.

BUSINESS OUTLOOK

In the second half of the year, the Group will be confronted with a business environment where both opportunities and challenges co-exist. The periodical success in prevention and control of the COVID-19 epidemic in China and the quick restoration of the economic and social order have gradually stimulated the increase in electricity consumption, and the development trend of long-term economic upturn in China remains unchanged. Chinese government has strengthened the policies and measures for “six stabilizations” and “six guarantees”, reinforced the counter-cyclical regulation on macro-policies, and continuously intensified tax cut and fee reduction, which have provided favorable conditions for the Group to improve quality and efficiency.

Meanwhile, the Group remains facing risks arising from the power market, coal market and environmental protection.

In terms of the power market, the export-driven growth slows down due to the spread of international COVID-19 epidemic and the rise of trade protectionism. In the second half of the year, the electricity power demand will be subject to uncertainty, and the Group will face great downward pressure on power generation. The external electricity purchased by Shandong, Hebei and Henan has occupied the power generation space by coal-fired generating units in these provinces, with serious conflicts caused, and the number of utilization hours of coal-fired generating units is also declining, which will exert certain impact on the Group. As the reform further deepens, the power generation and utilization plan will be fully liberalized, and the medium & long term market and the spot market will be expanded and popularized, thereby leading to fiercer competition at the power market, increasing proportion of traded electricity, and lower overall electricity price level. The Group will strengthen marketing and further enhance the ability to increase income. The Group will make analysis, research and judgment on the power market situation, grasp the opportunity in accelerating recovery of electricity demand, formulate competitive strategies for differentiated markets, and make every effort to improve the power utilization efficiency per KWh.

In terms of the coal market, China has continuously strengthened macro-control of the coal industry, increased the reduction of production capacity in major coal mines, and accelerated the concentration of resources in Shanxi, Inner Mongolia and Shaanxi and in leading enterprises by virtue of industry merger and restructuring and replacement of production capacity. The increasing proportion of long-distance electricity-coal transportation between regions, and the vulnerability of coal transportation to extreme weather and geological disasters along the railway lines have caused corresponding greater impacts on the coal market. As affected by the rebound of coal demand during the summer peak period and the limited supplement of the imported coal market, the electricity-coal market will show a tense situation during the summer peak period, which will somewhat restrict the Group from further improving its benefits. The Group will further enhance the analysis, research and judgment on the coal market situation, improve the market adaptability, scientifically formulate the procurement strategies, expand the procurement channels, optimize the coal intake structure, reasonably control the inventory, and make multiple measures to curb the rebound of coal price.

In terms of environmental protection, the newly revised Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes will come into effect from September 2020, pursuant to which waste solids will be managed more rigidly and vigorously. Enterprises will take more responsibilities and face stricter regulatory control, and may pay more expenses for environmental protection. The Group will resolutely carry out the deployment requirements of the national pollution prevention and control campaign, carefully implement the environmental protection policies, strengthen the operation of environmental protection facilities and the supervision of environmental protection indexes, strictly control the up-to-standard discharge of pollutants, follow up and supervise the rectification and reform of environmental protection issues in subsidiaries, and attach great importance to the control over eco-environmental protection.

SIGNIFICANT EVENTS

Resignation of the Director and Supervisor

On 25 March 2020, due to age, Mr. Tian Hongbao tendered his resignation as the vice chairman, an executive director and a member of the Nomination Committee of the eighth session of the Board of the Company and the general manager of the Company with effect from the same date. On 8 May 2020, due to work arrangement, Mr. Peng Xingyu tendered his resignation as a supervisor of the eighth session of the supervisory committee of the Company with effect from the same date.

For details, please refer to the announcements of the Company dated 25 March 2020 and 8 May 2020.

Change of the Board and Supervisory Committee and Appointment of the General Manager

At the 2019 annual general meeting of the Company (the “AGM”) held on 30 June 2020, Mr. Wang Xuxiang, Mr. Luo Xiaoqian and Mr. Feng Rong were re-elected or elected as the executive directors of the ninth session of the Board of the Company; Mr. Ni Shoumin, Mr. Peng Xingyu, Mr. Gou Wei, Mr. Hao Bin and Mr. Wang Xiaobo were re-elected or elected as the non-executive directors of the ninth session of the Board of the Company; Mr. Wang Dashu, Mr. Zong Wenlong, Mr. Feng Zhenping and Mr. Li Xingchun were re-elected or elected as the independent non-executive directors of the ninth session of the Board of the Company; Ms. Chen Wei and Mr. Ma Jing'an were re-elected or elected as the supervisors of the ninth session of the supervisory committee of the Company. On 30 June 2020, according to the laws and regulations of the PRC and the Articles of Association, the employees of the Company democratically elected Mr. Zhang Peng as the employee representative supervisor of the ninth session of the supervisory committee of the Company.

On 30 June 2020, due to the expiry of their terms of office, Mr. Chen Cunlai ceased to serve as the executive director of the Company; Mr. Chen Haibin and Mr. Tao Yunpeng ceased to serve as the non-executive directors of the Company; Mr. Ding Huiping and Mr. Wang Chuanshun ceased to serve as the independent non-executive directors of the Company; Mr. Zha Jianqiu ceased to serve as the independent supervisor of the Company; and Ms. Yuan Yanan and Mr. Ma Jing'an ceased to serve as the employee representative supervisors of the Company.

At the first meeting of the ninth session of the Board of the Company held on 30 June 2020, Mr. Wang Xuxiang and Mr. Ni Shoumin were respectively re-elected as the chairman and vice chairman of the Company, and Mr. Luo Xiaoqian was appointed as the general manager of the Company. At the first meeting of the ninth session of the supervisory committee of the Company held on 30 June 2020, Ms. Chen Wei was re-elected as the chairman of the supervisory committee of the Company.

For details, please refer to the announcements of the Company dated 8 June 2020 and 30 June 2020 and the circular of the Company dated 15 May 2020.

Amendments to the Articles of Association and Its Appendices

In order to further improve corporate governance and strengthen regulated operations of the listed company, the Company has, upon approval at the 27th meeting of the eighth session of the Board and the AGM of the Company, amended the Articles of Association and its appendices, including the Rules of Procedures for General Meetings, the Rules of Procedures for the Board and the Rules of Procedures for the Supervisory Committee, in accordance with the Company Law of the People's Republic of China (2018 Revision), the Guidelines on Articles of Associations of Listed Companies (2019 Revision), the Code of Corporate Governance for Listed Companies (2018 Revision) and other relevant laws and regulations. Such amendments involved provisions in relation to stock repurchase, election of the Board members, constitution of the supervisory committee, serving concurrent positions by senior management, etc.

For details, please refer to the announcements of the Company dated 25 March 2020 and 30 June 2020 and the circular of the Company dated 15 May 2020.

Renewal of Finance Lease Framework Agreement with Huadian Financial Leasing Company Limited (“Huadian Financial Leasing”)

On 8 May 2020, the Company entered into the Finance Lease Framework Agreement with Huadian Financial Leasing for a term of three years from 1 July 2020 to 30 June 2023, pursuant to which, Huadian Financial Leasing agreed to provide finance lease services including direct lease services and sale and leaseback services to the Group. For the three years ending 30 June 2023, the cap of the maximum financing balance obtained by the Group from Huadian Financial Leasing is RMB6 billion, and the annual cap for each of the direct lease services and sale and leaseback services is RMB1.5 billion and RMB0.5 billion, respectively.

Huadian Financial Leasing is a subsidiary of the Company's controlling shareholder, i.e. China Huadian Corporation Limited (“**China Huadian**”), and thus a connected person of the Company under the Hong Kong Listing Rules. The connected transactions contemplated under the Finance Lease Framework Agreement will be carried out on a continuing or recurring basis in the ordinary and usual course of the business of the Group and accordingly constitute continuing connected transactions of the Company under the Hong Kong Listing Rules. As one or more of the percentage ratios in respect of the transactions under the Finance Lease Framework Agreement is more than 0.1% but less than 5%, the transactions are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules. However, such transactions are subject to the approval by the independent shareholders of the Company at the general meeting in accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. Such transactions and the caps thereof have been approved by the independent shareholders of the Company at the AGM.

The finance leases under the Finance Lease Framework Agreement are expected to reduce the Company's finance costs, improve its capital utilization rate and thereby promote its business development. In particular, the finance leases can provide stable, reliable and low-cost financial support for the Group's clean energy power generation projects and lay a solid foundation for the Group's future daily operations.

For details, please refer to the announcements of the Company dated 8 May 2020 and 30 June 2020 and the circular of the Company dated 15 May 2020.

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, each of the following persons, not being a director, supervisor, chief executive or members of the senior management of the Company, had an interest or short position as at 30 June 2020 in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or was otherwise interested in 5% or more of any class of issued share capital of the Company as at 30 June 2020, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company as at 30 June 2020:

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue	Capacity
China Huadian	A shares	4,534,199,224(L)	45.97%	55.66%	–	Beneficial owner
	H shares	85,862,000(L) ^(Note 1)	0.87%	–	5.00%	Interest of controlled corporation
Shandong Development Investment Holding Group Co., Ltd.	A shares	800,766,729(L)	8.12%	9.83%	–	Beneficial owner
Pzena Investment Management, LLC	H shares	157,116,672(L)	1.59%	–	9.15%	Investment manager
Pandanus Partners L.P.	H shares	86,160,000(L) ^(Note 2)	0.87%	–	5.02%	Interest of controlled corporation
Pandanus Associates Inc.	H shares	86,160,000(L) ^(Note 2)	0.87%	–	5.02%	Interest of controlled corporation
FIL Limited	H shares	86,160,000(L) ^(Note 2)	0.87%	–	5.02%	Interest of controlled corporation

(L) = Long position

Note 1: So far as the directors of the Company are aware or are given to understand, these 85,862,000 H shares were held directly by a wholly-owned subsidiary of China Huadian, namely, China Huadian Hong Kong Company Limited, through CCASS in the name of HKSCC Nominees Limited.

Note 2: So far as the directors of the Company are aware or are given to understand, these 86,160,000 H shares were held in the name of HKSCC Nominees Limited. These 86,160,000 H shares were held by FIL Limited through its wholly-owned subsidiaries (namely FIL Asia Holdings Pte Limited, FIL Investment Management (Hong Kong) Limited, FIL Fund Management Limited, FIL Holdings (UK) Limited, FIL Investment Advisors (UK) Limited, FIL Investment Services (UK) Limited, FIL Investments International, FIL PENSIONS MANAGEMENT, FIL Life Insurance Limited and FIL Fund Management (Ireland) Limited). Pandanus Associates Inc. and Pandanus Partners L.P. were deemed to be interested in the same tranche of H shares through their direct or indirect control over FIL Limited.

Save as disclosed above and so far as the directors of the Company are aware, as at 30 June 2020, no other person (other than the directors, supervisors, chief executive or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

INTERESTS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE OR MEMBERS OF SENIOR MANAGEMENT IN THE SECURITIES

As at 30 June 2020, the interests or short positions of the directors, supervisors, chief executive or members of senior management of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Name	Position in the Company	Number of A shares of the Company held as personal interest	Capacity in A shares
Gou Wei	Non-executive director	10,000 ^(Note)	Beneficial owner

Note: Accounted for approximately 0.0001% of the total issued A shares of the Company on 30 June 2020.

Save as disclosed above, as at 30 June 2020, none of the directors, supervisors, chief executive or members of the senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (as defined in Part XV of the SFO) which was (i) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such director, supervisor, chief executive or member of senior management of the Company was taken or deemed to have under such provisions of the SFO) or was (ii) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or which was otherwise (iii) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (which for this purpose shall be deemed to apply to the supervisors of the Company to the same extent as it applies to the directors of the Company).

During the Period, the Company has adopted a code of conduct regarding transactions of the directors of the Company in the Company's securities on terms identical to those of the Model Code. Having made specific enquiries of all directors and supervisors of the Company, the Company understands that all of the directors and supervisors have complied with the required standards set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, 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 Hong Kong Listing Rules).

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 30 June 2020, 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

As of 30 June 2020, certain members of the Group were parties to certain litigations arising from the ordinary course of business or acquisition of assets. However, the management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid litigations will not have any material adverse effect on the financial position and operating results of the Group.

AUDIT COMMITTEE

The unaudited condensed consolidated financial statements for the Period prepared under the International Accounting Standard 34 "Interim Financial Reporting" have been reviewed by the Audit Committee.

EMPLOYEE REMUNERATION POLICY FOR THE GROUP

As at 30 June 2020, the total number of employees of the Group was 26,922. The Group has always complied with the relevant requirements of the PRC, and determined the salary levels of employees according to its economic benefits. It has established an objective, impartial, scientific and effective remuneration distribution mechanism and staff performance appraisal mechanism, according to the talent concept of "identifying talents through performance, selecting talents through competition and awarding talents through remuneration".

CORPORATE GOVERNANCE

The Company has always attached great importance to corporate governance and has continuously implemented management innovation. In strict compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Hong Kong 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 endeavored to achieve the harmonious development between the growth of the Company and the interest of its shareholders.

The codes on corporate governance of the Company include, but not limited to, its Articles of Association, Rules of Procedures for General Meetings, Rules of Procedures for the Board, Rules of Procedures for the Supervisory Committee, the Terms of Reference for the Audit Committee under the Board, the Terms of Reference for the Remuneration and Appraisal Committee under the Board, and the Terms of Reference for the Nomination Committee under the Board, etc.

The Company has established and improved the standardised operating systems of the general meetings, meetings of the Board and supervisory committee of the Company and its subsidiaries. The 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 reviews and the supervisory committee has further improved its supervisory duties. The Company has upheld transparency and compliance with information disclosures. Trainings regarding corporate governance and regulatory operations were provided to the directors, supervisors and secretaries to the Board of the Company and its subsidiaries. In accordance with the relevant requirements of the risk management and internal control, regular assessments were made on the risk management and internal control of the Company.

In the first half of the year, the Group complied with the environmental, social and governance requirements under the Hong Kong Listing Rules, and continuously tracked the performance indicators of the Group in terms of environmental protection, social responsibility and corporate governance. In accordance with the relevant revisions made to inside information in the Securities Law of the People's Republic of China and the Guidelines of Shanghai Stock Exchange on Insiders Reporting by Listed Companies, the Company has made corresponding revisions to the Registration and Management System for the Insiders with Inside Information.

The Board adheres to the principles of corporate governance in order to achieve prudent management and enhance value for shareholders. Transparency, accountability and independence are enshrined under these principles. The Board has reviewed the relevant requirements prescribed under the codes on corporate governance adopted by the Company and its actual operations, and has taken the view that the corporate governance practices of the Company during the Period have met the requirements under the code provisions in the Corporate Governance Code ("**Corporate Governance Code**") as contained in Appendix 14 to the Hong Kong Listing Rules. The Company has also adopted the board member diversity policy. In certain aspects, the corporate governance codes adopted by the Company are more stringent than the code provisions set out in the Corporate Governance Code, the major particulars of which are as follows:

- The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited for Directors and Supervisors and the Code on Trading in Securities of Huadian Power International Corporation Limited for Employees, which are on terms no less lenient than those set out in the Model Code.
- In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and has stipulated the Terms of Reference for the Strategic Committee.
- The Audit Committee comprises five members, including two non-executive directors and three independent non-executive directors.

By order of the Board
Huadian Power International Corporation Limited*
Wang Xuxiang
Chairman

Beijing, the PRC
20 August 2020

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

Wang Xuxiang (Chairman, Executive Director), Ni Shoumin (Vice Chairman, Non-executive Director), Luo Xiaoqian (Executive Director), Peng Xingyu (Non-executive Director), Gou Wei (Non-executive Director), Hao Bin (Non-executive Director), Wang Xiaobo (Non-executive Director), Feng Rong (Executive Director), Wang Dashu (Independent Non-executive Director), Zong Wenlong (Independent Non-executive Director), Feng Zhenping (Independent Non-executive Director) and Li Xingchun (Independent Non-executive Director).

* For identification purposes only

I. SUMMARY OF FINANCIAL INFORMATION IN CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The financial information set out below is extracted from the unaudited condensed consolidated financial statements prepared under IFRSs of the Group as set out in its 2020 interim report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

(Expressed in Renminbi)

		Six months ended 30 June	
		2020	2019
	<i>Notes</i>	<i>RMB’000</i>	<i>RMB’000</i>
		(Unaudited)	(Unaudited)
Turnover	3	40,942,846	43,263,433
Operating expenses			
Fuel costs		(18,501,595)	(21,755,169)
Cost of coal sold		(4,962,286)	(5,312,664)
Depreciation and amortisation		(5,831,713)	(5,552,552)
Repairs, maintenance and inspection		(1,871,703)	(1,856,429)
Personnel costs		(2,852,466)	(2,854,177)
Administration expenses		(666,386)	(592,267)
Taxes and surcharges		(538,282)	(500,789)
Other operating expenses	<i>6(b)</i>	(536,102)	(542,011)
		(35,760,533)	(38,966,058)
Operating profit		5,182,313	4,297,375
Investment income	<i>4</i>	23,174	7,971
Other revenue and net income		892,239	591,860
Interest income from bank deposits		48,552	43,814
Fair value gain on financial liabilities at fair value through profit or loss		–	201
Finance costs	<i>5</i>	(2,427,861)	(2,650,166)
Share of results of associates and joint ventures		249,790	321,242

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2020

(Expressed in Renminbi)

		Six months ended 30 June	
		2020	2019
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit before taxation	<i>6(a)</i>	3,968,207	2,612,297
Income tax	<i>7</i>	(805,969)	(511,744)
Profit for the period		<u>3,162,238</u>	<u>2,100,553</u>
Other comprehensive income for the period (net of tax):			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Share of other comprehensive income of investees accounted for under the equity method	<i>8</i>	<u>2,595</u>	22,187
Total comprehensive income for the period		<u>3,164,833</u>	<u>2,122,740</u>
Profit for the period attributable to:			
Equity holders of the Company		2,411,435	1,637,885
Non-controlling interests		<u>750,803</u>	<u>462,668</u>
		<u>3,162,238</u>	<u>2,100,553</u>
Total comprehensive income for the period attributable to:			
Equity holders of the Company		2,414,030	1,659,329
Non-controlling interests		<u>750,803</u>	<u>463,411</u>
		<u>3,164,833</u>	<u>2,122,740</u>
Basic earnings per share	<i>9</i>	<u>RMB0.200</u>	<u>RMB0.144</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

(Expressed in Renminbi)

		At 30 June 2020 <i>RMB'000</i> (Unaudited)	At 31 December 2019 <i>RMB'000</i> (Audited)
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		158,134,297	159,729,585
Right-of-use assets		7,977,192	8,252,067
Construction in progress		17,584,015	16,657,612
Investment properties		32,518	32,752
Intangible assets		4,127,970	4,232,732
Goodwill		1,327,522	1,327,522
Interests in associates and joint ventures		11,847,980	11,776,604
Financial assets at fair value through profit or loss		292,170	279,439
Other non-current assets		2,715,530	2,661,438
Deferred tax assets		554,631	614,436
		<u>204,593,825</u>	<u>205,564,187</u>
Current assets			
Inventories		3,101,479	3,222,936
Trade debtors and bills receivable	10	11,788,076	12,261,884
Deposits, other receivables and prepayments		4,293,246	4,475,544
Tax recoverable		73,325	52,011
Restricted deposits		107,192	122,233
Cash and cash equivalents		6,044,048	6,465,560
		<u>25,407,366</u>	<u>26,600,168</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

As at 30 June 2020

(Expressed in Renminbi)

		At 30 June 2020 <i>RMB'000</i> (Unaudited)	At 31 December 2019 <i>RMB'000</i> (Audited)
	<i>Note</i>		
Current liabilities			
Bank loans		26,518,643	29,454,795
Loans from shareholders		200,000	400,000
State loans		4,499	4,466
Other loans		3,719,747	4,701,694
Short-term debentures payable		300,283	3,541,337
Long-term debentures payable-current portion		–	1,998,796
Amount due to the parent company		72,554	72,785
Lease liabilities		847,709	738,666
Trade creditors and bills payable	11	16,154,246	17,636,233
Other payables		8,751,753	8,184,037
Tax payable		580,391	596,975
		<u>57,149,825</u>	<u>67,329,784</u>
Net current liabilities		<u>(31,742,459)</u>	<u>(40,729,616)</u>
Total assets less current liabilities		<u><u>172,851,366</u></u>	<u><u>164,834,571</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2020

(Expressed in Renminbi)

		At 30 June 2020 <i>RMB'000</i> (Unaudited)	At 31 December 2019 <i>RMB'000</i> (Audited)
	<i>Note</i>		
Non-current liabilities			
Bank loans		50,446,635	57,124,722
Loans from shareholders		6,223,729	2,193,730
State loans		52,838	52,881
Other loans		5,947,808	5,252,197
Long-term debentures payable		12,488,615	10,485,671
Lease liabilities		1,381,822	2,060,661
Long-term payables		256,523	313,791
Provisions		170,821	127,532
Deferred government grants		1,571,326	1,617,262
Deferred income	12	2,828,140	2,777,731
Deferred tax liabilities		2,093,726	2,203,843
Retirement benefit obligations		18,087	16,907
		<u>83,480,070</u>	<u>84,226,928</u>
Net assets		<u><u>89,371,296</u></u>	<u><u>80,607,643</u></u>
Capital and reserves			
Share capital		9,862,977	9,862,977
Perpetual capital securities		20,945,954	16,129,055
Reserves		<u>37,360,534</u>	<u>36,609,706</u>
Equity attributable to equity holders of the Company		<u>68,169,465</u>	<u>62,601,738</u>
Non-controlling interests		<u>21,201,831</u>	<u>18,005,905</u>
Total equity		<u><u>89,371,296</u></u>	<u><u>80,607,643</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation of the Condensed Consolidated Financial Statements

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

2. Application of New and Revised IFRSs

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the 2019 annual financial statement of the Group, except for the adoption of the following revised standards, which are effective as of 1 January 2020. The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective for the current accounting period.

Adoption of revised standards and interpretations effective on 1 January 2020:

Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 7, IFRS 9 and IAS 39	Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8	Definition of Material
Revised Conceptual Framework for Financial Reporting	

The new or amended IFRSs that are effective from 1 January 2020 did not have any significant impact on the Group's accounting policies.

Amendments to IFRS 3: Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a "substantive process".

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of "outputs" and a "business" to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”.

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

Revised Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the International Accounting Standards Board in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

3. Turnover

Turnover represents the sale of electricity, heat and coal. Major components of the Group’s turnover are as follows:

	Six months ended 30 June	
	2020 RMB’000	2019 RMB’000
Sale of electricity	31,741,657	34,411,588
Sale of heat	3,702,048	3,171,501
Sale of coal	5,499,141	5,680,344
	<u>40,942,846</u>	<u>43,263,433</u>

The chief operating decision makers review the Group’s revenue and profit as a whole, which are determined in accordance with the Group’s accounting policies, for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented in the condensed consolidated financial statements. The Group’s major customers are the power grid operators in relation to the sale of electricity. The revenue from sale of electricity, heat and coal is recognised at point in time. The Group’s assets are mainly located in the PRC.

4. Investment income

	Six months ended 30 June	
	2020 RMB’000	2019 RMB’000
Dividend income from financial assets measured at fair value through profit or loss	9,061	—
Gain on disposal of an associate	6,516	—
Interest income from other long-term receivables	7,597	7,395
Gain on deemed acquisition of a subsidiary	—	576
	<u>23,174</u>	<u>7,971</u>

5. Finance costs

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on loans and other financial liabilities	2,500,216	2,810,094
Less: interest capitalised	(180,097)	(273,342)
	<u>2,320,119</u>	<u>2,536,752</u>
Net foreign exchange loss/(gain)	1,433	(315)
Interest on lease liabilities	60,914	67,089
Other finance costs	45,395	46,640
	<u>2,427,861</u>	<u>2,650,166</u>

The borrowing costs have been capitalised at an average rate of 4.50% per annum (six months ended 30 June 2019: 4.73% per annum) for construction in progress.

6. Profit before taxation

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

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation		
– Intangible assets	154,721	323,081
Depreciation		
– Property, plant and equipment	5,473,024	5,002,620
– Right-of-use assets	203,734	226,851
– Investment properties	234	–
	<u>5,831,713</u>	<u>5,552,552</u>
Total amortisation and depreciation		
	5,831,713	5,552,552
Cost of inventories expensed	25,335,584	28,933,878
Expense relating to short-term leases	28,536	22,266
Research and development costs recognised as expense	3,994	3,133
Included in other revenue and net income:		
– Government grants	(141,724)	(212,789)
– Net (gain)/loss on disposal of property, plant and equipment	(18,889)	33,299
– Net income from sale of materials	(452,320)	(310,624)
	<u>(452,320)</u>	<u>(310,624)</u>

(b) Other operating expenses:

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Heating	231,839	253,444
Power charges	122,752	96,108
Water charges	159,182	182,466
Environmental restoration expenses	12,422	—
Other expense relating to short-term leases	9,907	2,608
Others	—	7,385
Total other operating expenses	536,102	542,011

7. Income tax

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Current tax		
Charge for PRC enterprise income tax for the period	843,192	753,962
Under provision in respect of prior years	12,850	7,024
	856,042	760,986
Deferred tax		
Origination and reversal of temporary differences and tax losses	(50,073)	(249,242)
	805,969	511,744

The charge for PRC enterprise income tax is calculated at the statutory rate of 25% (six months ended 30 June 2019: 25%) on the estimated assessable profits of the Group for the six months ended 30 June 2020 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 7.5%, 12.5% or 15% (six months ended 30 June 2019: 7.5%, 12.5% or 15%).

8. Other comprehensive income

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Share of other comprehensive income of investees accounted for under the equity method	<u>2,595</u>	<u>22,187</u>
Other comprehensive income, net of income tax	<u><u>2,595</u></u>	<u><u>22,187</u></u>

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the period and divided by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to equity holders of the Company	2,411,435	1,637,885
Less: Profit attributable to holders of perpetual capital securities	<u>(436,714)</u>	<u>(221,364)</u>
Profit attributable to equity shareholders	<u>1,974,721</u>	<u>1,416,521</u>
Weighted average number of ordinary shares in issue	<u>9,862,976,653</u>	<u>9,862,976,653</u>
Basic earnings per share (RMB)	<u><u>0.200</u></u>	<u><u>0.144</u></u>

(b) Diluted earnings per share

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the six months ended 30 June 2020 and 2019.

10. Trade debtors and bills receivable

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Trade debtors and bills receivable for the sale of electricity	9,599,859	10,705,213
Trade debtors and bills receivable for the sale of heat	1,193,762	645,722
Trade debtors and bills receivable for the sale of coal	1,283,511	1,199,203
	<u>12,077,132</u>	<u>12,550,138</u>
Less: allowance for impairment	(289,056)	(288,254)
	<u>11,788,076</u>	<u>12,261,884</u>

The ageing analysis of trade debtors and bills receivable (net of allowance for impairment), presented based on the invoice date, which approximated to the revenue recognition date, is as:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Within 1 year	10,637,375	10,757,651
1 to 2 years	717,910	1,342,010
2 to 3 years	340,563	142,988
Over 3 years	92,228	19,235
	<u>11,788,076</u>	<u>12,261,884</u>

11. Trade creditors and bills payable

As at 30 June 2020, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Within 1 year	10,868,702	12,089,916
1 to 2 years	3,267,199	3,563,282
Over 2 years	2,018,345	1,983,035
	<u>16,154,246</u>	<u>17,636,233</u>

12. Deferred income

Deferred income represents the unearned portion of upfront installation fees received from customers for connecting the customers' premises to the heat network of the Group. The amount is deferred until completion of the installation work and recognised in profit or loss in equal instalments over the expected service terms of the relevant services.

The upfront installation fee recognised for the six months ended 30 June 2020 amounting to RMB96 million (six months ended 30 June 2019: RMB92 million) is included in "Other revenue and net income" in the condensed consolidated statement of profit or loss and other comprehensive income.

13. Dividends

- (a) A final dividend of RMB0.146 per share in respect of the year ended 31 December 2019 (six months ended 30 June 2019: RMB0.066 per share in respect of the year ended 31 December 2018) was declared to the equity shareholders of the Company and approved on 30 June 2020. The aggregate amount of the final dividend declared approximately amounted to RMB1,440 million (six months ended 30 June 2019: approximately RMB651 million).
- (b) The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

14. Contingent liabilities

As at 30 June 2020, some subsidiaries of the Company were the defendant in certain lawsuits for events incurred before the acquisition date. At the end of reporting period, the lawsuits were in progress whose final outcomes cannot be determined at present. The directors of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

As at 30 June 2020, Sichuan Guang'an Power Generation Company Limited ("**Guang'an Company**"), a subsidiary of the Company, provided guarantees to banks for loans amounting to approximately RMB43.58 million (31 December 2019: RMB43.58 million) which were granted to Sichuan Huayingshan Longtan Coal Company Limited, an associate of Guang'an Company.

Apart from the above guarantees, the Group has no other material contingent liabilities as at 30 June 2020 (31 December 2019: Nil).

II. 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 unaudited consolidated financial statements prepared under CAS of the Group as set out in its 2020 interim report.

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET (UNAUDITED)

As at 30 June 2020

(Expressed in Renminbi'000)

Item	The Group		The Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Non-current assets:				
Long-term investment	231,373	231,358	313,627	309,186
Long-term equity investment	11,831,309	11,759,933	53,339,442	52,642,683
Other non-current financial assets	292,170	279,439	35,531	27,500
Investment property	32,518	32,752	–	–
Property, plant and equipment	152,427,532	153,871,709	15,979,175	16,346,213
Construction in progress	17,631,396	16,704,993	3,295,039	2,884,176
Right-of-use assets	2,713,715	3,088,463	85,391	119,835
Intangible assets	13,234,992	13,270,795	904,549	923,234
Goodwill	951,651	951,651	12,111	12,111
Deferred tax assets	593,972	653,916	–	–
Other non-current assets	2,485,152	2,431,075	440,138	437,575
Total non-current assets	202,425,780	203,276,084	74,405,003	73,702,513
Current assets:				
Cash and cash equivalents	6,151,240	6,587,793	789,671	986,596
Bills receivable	3,201,669	1,645,555	456,601	125,499
Trade debtors	8,586,407	10,616,329	554,386	595,781
Prepayments	687,654	526,378	14,290	22,039
Other receivables	1,689,977	1,776,592	14,403,102	13,563,730
Inventories	3,101,134	3,222,591	481,405	486,061
Non-current assets – current portion	96,539	96,552	112,000	112,013
Other current assets	1,892,089	2,127,721	223,038	238,668
Total current assets	25,406,709	26,599,511	17,034,493	16,130,387

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET (UNAUDITED)
(CONTINUED)

As at 30 June 2020

(Expressed in Renminbi'000)

Item	The Group		The Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Current liabilities				
Short-term loans	22,730,109	24,066,734	6,533,153	7,800,000
Bills payable	407,657	789,927	2,424	–
Trade creditors	15,794,292	16,882,042	2,165,790	2,335,288
Contract liabilities	493,243	1,757,069	37,568	89,999
Salaries payable	580,481	236,568	85,710	40,332
Tax payable	1,489,339	1,574,193	147,936	99,186
Other payables	6,710,865	5,157,063	2,756,069	1,695,736
Non-current liabilities – current portion	8,621,349	13,286,633	1,666,130	2,657,229
Other current liabilities	316,107	3,573,409	11,935	3,065,027
Total current liabilities	57,143,442	67,323,638	13,406,715	17,782,797
Non-current liabilities				
Long-term loans	62,671,010	64,623,530	9,031,823	9,600,082
Long-term debentures payable	12,488,615	10,485,671	12,488,615	10,485,671
Lease liabilities	1,381,822	2,060,661	53,151	67,204
Long-term payables	445,430	566,962	35,311	35,311
Retirement benefit obligations	18,087	16,907	–	–
Provisions	170,821	127,532	–	–
Deferred income	3,929,321	3,843,788	81,953	64,973
Deferred tax liabilities	1,692,195	1,771,898	58,735	58,735
Total non-current liabilities	82,797,301	83,496,949	21,749,588	20,311,976
Net assets	87,891,746	79,055,008	56,283,193	51,738,127

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET (UNAUDITED)
(CONTINUED)

As at 30 June 2020

(Expressed in Renminbi'000)

Item	The Group		The Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Shareholders' equity:				
Share capital	9,862,977	9,862,977	9,862,977	9,862,977
Perpetual capital securities	20,945,954	16,129,055	20,945,954	16,129,055
Capital reserve	13,540,819	13,327,312	13,565,303	13,565,080
Other comprehensive income	(16,183)	(18,778)	(15,029)	(17,624)
Specific reserve	321,923	268,051	174,913	143,364
Surplus reserve	3,389,059	3,389,059	3,389,059	3,389,059
Retained earnings	19,061,529	18,552,761	8,360,016	8,666,216
Total equity holders of the Company	67,106,078	61,510,437	56,283,193	51,738,127
Non-controlling interests	20,785,668	17,544,571	—	—
Total equity	87,891,746	79,055,008	56,283,193	51,738,127

CONSOLIDATED INCOME STATEMENT AND INCOME STATEMENT (UNAUDITED)*For the six months ended 30 June 2020**(Expressed in Renminbi'000)*

Item	The Group		The Company	
	Six months ended 30 June 2020	2019	Six months ended 30 June 2020	2019
Total operating income	41,531,486	44,140,958	4,801,265	6,125,984
Less: Total operating costs	38,191,515	41,972,440	4,651,090	6,215,609
Including: Operating costs	34,570,239	38,179,877	4,067,537	5,450,329
Taxes and surcharges	546,536	510,291	77,212	81,118
Administrative expenses	695,431	658,641	142,702	123,697
Finance expenses	2,379,309	2,623,631	363,639	560,465
Impairment loss/(reversal of impairment loss)	3,536	(19)	–	–
(Reversal)/recognition of expected credit losses	(7,108)	9,242	–	–
Add: Investment income	272,964	329,213	1,237,299	916,553
Net gain on fair value changes	–	201	–	201
Gain on disposal of assets	991	197	–	–
Other income	217,802	208,023	15,756	11,499
Operating profit	3,835,300	2,696,929	1,403,230	838,628
Add: Non-operating income	294,715	121,428	223,704	1,227
Less: Non-operating expenses	111,663	98,177	56,425	10,188
Total profit	4,018,352	2,720,180	1,570,509	829,667
Less: Income tax expenses	836,283	546,015	–	–
Net profit	3,182,069	2,174,165	1,570,509	829,667
Classified according to the ownership				
(1) Attributable to equity shareholders of the Company	2,385,988	1,662,874	1,570,509	829,667
(2) Minority interests	796,081	511,291	–	–

CONSOLIDATED INCOME STATEMENT AND INCOME STATEMENT (UNAUDITED)
(CONTINUED)

For the six months ended 30 June 2020

(Expressed in Renminbi'000)

Item	The Group		The Company	
	Six months ended 30 June 2020	2019	Six months ended 30 June 2020	2019
Other comprehensive income, net of tax	2,595	22,187	2,595	20,124
Other comprehensive income attributable to equity shareholders of the Company, net of tax	2,595	21,444	2,595	20,124
Items that may be subsequently reclassified to profit or loss	2,595	21,444	2,595	20,124
(1) Shares of other comprehensive income that may be subsequently reclassified to profit or loss of investees accounted for under the equity method	2,595	21,444	2,595	20,124
Other comprehensive income attributable to minority interests, net of tax	—	743	—	—
Total comprehensive income	3,184,664	2,196,352	1,573,104	849,791
Attributable to equity shareholders of the Company	2,388,583	1,684,318	1,573,104	849,791
Minority interests	796,081	512,034	—	—
Earnings per share				
Basic earnings per share (RMB/Share)	0.198	0.146	N/A	N/A
Diluted earnings per share (RMB/Share)	N/A	N/A	N/A	N/A

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

Effects of major differences between the CAS and IFRSs on net profit and net assets attributable to equity shareholders of the Company are analysed as follows:

	<i>Notes</i>	Net profit attributable to equity shareholders of the Company		Net asset attributable to equity shareholders of the Company	
		Six months ended 30 June		30 June	31 December
		2020	2019	2020	2019
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amounts under CAS		2,385,988	1,651,683*	67,106,078	61,510,437*
Adjustments					
Business combination involving entities under common control	(i)	(121,142)	(121,895)	2,191,052	2,312,194
Government grants	(ii)	16,796	16,796	(303,597)	(320,393)
Maintenance and production safety funds	(iii)	54,819	20,688	39,301	38,354
Separation and transfer equipment	(iv)	(618)	(5,400)	–	–
Taxation impact of the adjustments		30,314	29,753	(447,206)	(477,520)
Attributable to minority interest		45,278	46,260	(416,163)	(461,334)
Amounts under IFRSs		<u>2,411,435</u>	<u>1,637,885</u>	<u>68,169,465</u>	<u>62,601,738</u>

* The figures are extracted from the interim and annual report prepared under China Accounting Standards for Business Enterprise and issued on Shanghai Stock Exchange for the six month ended 30 June 2019 and year ended 31 December 2019 respectively.

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 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. 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 respect of business combination involving entities under common control, when 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 (no earlier than the later of both parties were under common control).

- (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.

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.

- (iii) Pursuant to the relevant PRC regulations for coal mining companies, the funds for production maintenance and production safety are accrued by the Group at fixed rates based on coal production volume. Provision for maintenance and production funds is recognised as expense in profit or loss with a corresponding adjustment to the specific reserve. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve back to retained earnings.

According to IFRSs, coal mining companies are required to set aside an amount to a fund for production maintenance, production safety and other similar funds through transferring from retained earnings to specific reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of such expenses whereas specific reserve is offset against retained earnings to the extent of zero.

- (iv) Pursuant to the relevant PRC regulations for the separation and transfer of "Water/Electricity/Heat Supply and Property Management", the Group required to transfer certain equipment to relevant parties without any consideration, which the loss will directly recognise to equity.

According to IFRSs, the loss from the separation and transfer of equipment should be first recorded in profit or loss as incurred, then to equity as reduced the retained profits for the Group.