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)

2021 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 2021 (the "**Period**") prepared in accordance with the International Accounting Standards 34 "Interim Financial Reporting".

FINANCIAL AND BUSINESS SUMMARIES

- Power generation amounted to approximately 113.24 million MWh, representing an increase of approximately 21.80% over the corresponding period in 2020;
- Turnover amounted to approximately RMB52,614 million, representing an increase of approximately 28.51% over the corresponding period in 2020;
- Profit for the Period attributable to equity holders of the Company amounted to approximately RMB3,302 million, representing an increase of approximately 36.94% over the corresponding period in 2020; and
- Basic earnings per share were approximately RMB0.281.

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 2020. During the Period, the turnover of the Group amounted to approximately RMB52,614 million, representing an increase of approximately 28.51% over the corresponding period in 2020; the profit for the Period attributable to equity holders of the Company amounted to approximately RMB3,302 million; the profit for the Period attributable to equity shareholders of the Company amounted to approximately RMB2,776 million; the basic earnings per share were approximately RMB0.281.

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 Baker Tilly Hong Kong 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 Baker Tilly Hong Kong 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 2021 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 power generating projects. The Group's power generating assets are located in 13 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 45 controlled power plants which have commenced operations involving a total of 53,411.85 MW controlled installed capacity, with a total of 42,360 MW attributable to coal-fired generating units, 8,343.45 MW attributable to gas-fired generating units and 2,708.40 MW attributable to renewable energy generating units such as hydropower 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:

Category		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
Coal-fired					
	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

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
	6	Huadian Zouxian Power Generation Company Limited ("**Zouxian Company**")	2,000	69%	2 x 1,000 MW
	7	Huadian Laizhou Power Generation Company Limited ("**Laizhou Company**")	4,000	75%	4 x 1,000 MW
	8	Huadian Weifang Power Generation Company Limited ("**Weifang Company**")	2,000	45%	2 x 670 MW + 2 x 330 MW
	9	Huadian Qingdao Power Generation Company Limited ("**Qingdao Company**")	1,220	55%	1 x 320 MW + 3 x 300 MW
	10	Huadian Zibo Thermal Power Company Limited ("**Zibo Company**")	950	100%	2 x 330 MW + 2 x 145 MW
	11	Huadian Zhangqiu Power Generation Company Limited ("**Zhangqiu Company**")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
Coal-fired					
	12	Huadian Tengzhou Xinyuan Thermal Power Company Limited ("**Tengzhou Company**")	930	93.26%	2 x 315 MW + 2 x 150 MW
	13	Huadian Longkou Power Generation Company Limited ("**Longkou Company**")	880	84.31%	4 x 220 MW
	14	Sichuan Guang'an Power Generation Company Limited ("**Guang'an Company**")	2,400	80%	2 x 600 MW + 4 x 300 MW
	15	Huadian Xinxiang Power Generation Company Limited ("**Xinxiang Company**")	1,320	90%	2 x 660 MW
	16	Huadian Luohe Power Generation Company Limited ("**Luohe Company**")	660	75%	2 x 330 MW
	17	Huadian Qudong Power Generation Company Limited ("**Qudong Company**")	660	90%	2 x 330 MW

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
	18	Anhui Huadian Suzhou Power Generation Company Limited ("**Suzhou Company**")	1,260	56.07%	2 x 630 MW
	19	Anhui Huadian Wuhu Power Generation Company Limited ("**Wuhu Company**")	2,320	65%	1 x 1,000 MW + 2 x 660 MW
	20	Anhui Huadian Lu'an Power Generation Company Limited ("**Lu'an Company**")	1,320	95%	2 x 660 MW
	21	Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("**Yuhua Company**")	600	100%	2 x 300 MW
	22	Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("**Luhua Company**")	660	90%	2 x 330 MW
Coal-fired	23	Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) ("**Pingshi Power Company**")	600	100%	2 x 300 MW
	24	Guangdong Huadian Shaoguan Thermal Power Company Limited ("**Shaoguan Thermal Power Company**")	700	100%	2 x 350 MW
	25	Huadian Hubei Power Generation Company Limited ("**Hubei Company**")*(Note)*	6,610	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
	26	Hunan Huadian Changsha Power Generation Company Limited ("**Changsha Company**")	1,200	70%	2 x 600 MW
	27	Hunan Huadian Changde Power Generation Company Limited ("**Changde Company**")	1,320	48.98%	2 x 660 MW

Category		Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
	28	Shenzhen Company	365	100%	1 x 120 MW + 2 x 82 MW + 1 x 81 MW
	29	Hangzhou Huadian Banshan Power Generation Company Limited ("**Hangzhou Banshan Company**")	2,415	64%	3 x 415 MW + 3 x 390 MW
	30	Hangzhou Huadian Xiasha Thermal Power Company Limited ("**Xiasha Company**")	246	56%	1 x 88 MW + 2 x 79 MW
	31	Hangzhou Huadian Jiangdong Thermal Power Company Limited ("**Jiangdong Company**")	960.5	70%	2 x 480.25 MW
	32	Huadian Zhejiang Longyou Thermal Power Company Limited ("**Longyou Company**")	405	100%	2 x 127.6 MW + 1 x 130.3 MW + 1 x 19.5 MW
	33	Hebei Huadian Shijiazhuang Thermal Power Company Limited ("**Shijiazhuang Thermal Power Company**")	1,307.2	82%	2 x 453.6 MW + 2 x 200 MW
Gas-fired	34	Shijiazhuang Huadian Heat Corporation Limited ("**Shijiazhuang Heat Corporation**")	12.55	100%	2 x 2 MW + 2 x 4.275 MW
	35	Huadian Foshan Energy Company Limited ("**Foshan Energy Company**")	165.5	100%	2 x 59 MW + 47.5 MW
	36	Huadian Guangdong Shunde Energy Company Limited ("**Shunde Energy Company**")	163.5	90%	2 x 59 MW + 45.5 MW
	37	Tianjin Huadian Fuyuan Thermal Power Company Limited ("**Fuyuan Thermal Power Company**")	400	63.14%	2 x 200 MW
	38	Tianjin Huadian Nanjiang Thermal Power Company Limited ("**Nanjiang Thermal Power Company**")	930	65%	2 x 315 MW + 1 x 300 MW
	39	Huadian Power International Corporation Limited Qingyuan Branch Company ("**Qingyuan Company**")	1,003.2	100%	2 x 501.6 MW

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

Category	**Power generation enterprise**	**Installed capacity** *(MW)*	**Shareholding percentage of Hubei Company**	**Generating units**
Coal-fired	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
	Hubei Huadian Jiangling Power Generation Company Limited ("**Jiangling Company**")	1,320	100%	2 x 660 MW
Gas-fired	Hubei Huadian Wuchang Thermal Power Company Limited ("**Wuchang Thermal Power**")	370	100%	2 x 185 MW

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

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
Hydropower	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 ("**Zagunao 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**")*(Note)*	83.4	100%	1 x 16 MW + 2 x 15 MW + 1 x 11 MW + 2 x 3.2 MW + 20 MW
Wind power	6	Inner Mongolia Huadian Mengdong Energy Company Limited ("**Mengdong Energy Company**")	399	54.85%	262 x 1.5 MW + 2 x 3 MW

Note: Hebei Hydropower Company acquired Zanhuang County Mingchengyumeng Energy Technology Company Limited (贊皇縣明誠宇盟能源科技有限公司) on 31 March 2021, with an installed capacity of 20 MW photovoltaic generating units.

NEWLY-ADDED INSTALLED CAPACITY

From 1 January 2021 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)*
Qingyuan Company	Gas-fired	1,003.2
Changsha Company *(Note)*	Coal-fired	1,200
Changde Company *(Note)*	Coal-fired	1,320
Total		**3,523.2**

Note: Changsha Company and Changde Company completed the transfer on 1 July 2021. They were officially included in the scope of the Group's consolidated statements.

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	3,830
Gas-fired generating units	245.6
Hydropower generating units	168
Total	**4,243.6**

The Group will manage the construction and the pace of commencing operation of its projects in accordance with the national and local energy policies, the conditions of the power market and the Group's overall strategy.

Power generation companies and assets no longer included in the Group's consolidated statements

Company Name	Installed capacity *(MW)*
Huadian Ningxia Lingwu Power Generation Company Limited	3,320
Huadian Laizhou Wind Power Company Limited	40.5
Hebei Huadian Kangbao Wind Power Company Limited	729.5
Huadian Kezuozhongqi Wind Power Company Limited	49.5
Huadian Ningxia Ningdong Shangde Solar Power Company Limited	10
Huadian Laizhou Wind Power Generation Company Limited	146
Longkou Dongyi Wind Power Company Limited	80
Hebei Huadian Guyuan Wind Power Company Limited	490.5
Huadian Power International Ningxia New Energy Power Company Limited	1,541.6
Huadian Longkou Wind Power Company Limited	99.3
Huadian Laizhou Wind Energy Power Company Limited	149.4
Huadian Xuwen Wind Power Company Limited	198
Huadian Xiaxian Wind Power Company Limited	100
Huadian Zhangjiakou Saibei New Energy Generation Company Limited	4
Huadian Wengniuteqi Wind Power Company Limited	49.5
Zezhou County Huadian Wind Power Company Limited	197.7
Shaanxi Huadian Xunyi Wind Power Company Limited	100
Huadian Huzhou New Energy Power Generation Company Limited	38.2
Huadian Ningbo New Energy Generation Company Limited	10
Huadian Henan New Energy Power Generation Company Limited	40
Huadian Shandong New Energy Company Limited	763
Shanxi Huadian Pinglu New Energy Company Limited	99.2
Huadian Taiqian Photovoltaic Power Generation Company Limited	100
Huadian (Zhengxiangbai Banner) New Energy Company Limited	99
Shanxi Huadian Ying County New Energy Company Limited	50
Hebei Huadian Yuzhou Wind Power Company Limited	99
Hubei Huadian Suixian Yindian Photovoltaic Power Generation Company Limited	100
Hubei Huadian Zaoyang Photovoltaic Power Generation Company	100
Hubei Huadian Wuxue New Energy Company Limited	120
Hebei Huadian Complex Pumping-storage Hydropower Company Limited Zanhuang New Energy Branch Company	270
Huadian Hubei Power Generation Company Limited Huangshi Photovoltaic Power Generation Branch Company	6.4

Company Name	Installed capacity *(MW)*
Huadian Hubei Power Generation Company Limited Wuhan Photovoltaic Power Generation Branch Company	8
Huadian Laizhou Power Generation Company Limited (only photovoltaic business)	1.1
Huadian Zhejiang Longyou Thermal Company Limited (only photovoltaic business)	32.8
Huadian Weifang Power Company Limited (only photovoltaic business)	2.4
Hangzhou Huadian Banshan Power Generation Company Limited (only photovoltaic business)	0.7
Total	**9,245.3**

Note: Huadian Ningxia Lingwu Power Generation Company Limited, a subsidiary of the Group, completed the equity transfer on 19 May 2021. Since 20 May 2021, Huadian Ningxia Lingwu Power Generation Company Limited ceased to be included in the Group's consolidated statements. The transfer of remaining companies' equity and/or assets were completed on 30 June 2021, and the relevant equity and/or assets would no longer be included in the Group's consolidated statements from 1 July 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic conditions and electricity demand

According to the relevant information and statistics, in the first half of 2021, the gross domestic product of the PRC amounted to RMB53,216.7 billion, representing an increase of 12.70% over the corresponding period in 2020 based on comparable prices. Power consumption of the entire society in the PRC totaled 3,933.9 million MWh, representing an increase of 16.20% over the corresponding period in 2020. Specifically, consumption by the primary industry amounted to 45.1 million MWh, representing a year-on-year increase of 20.60%, consumption by the secondary industry amounted to 2,661 million MWh, representing a year-on-year increase of 16.60% and consumption by the tertiary industry amounted to 671 million MWh, representing a year-on-year increase of 25.80%, while the household consumption by urban and rural residents amounted to 556.8 million MWh, representing a year-on-year increase of 4.50%.

(2) Gain on Disposal of Assets

During the Period, the Group entered into Ningxia Lingwu Equity and Debt Transfer Agreement (the "**Ningxia Lingwu Agreement**") and Ningxia Heating Equity Transfer Agreement ("**Ningxia Heating Agreement**") with China Huadian Corporation Limited ("**China Huadian**"), and the revenue recognized for the period was RMB882 million. The revenue recognized for the period through integration of new energy assets was RMB2,952 million. For details, please refer to "Significant Events-Entering into Ningxia Asset Sale Agreement with China Huadian" and "Significant Events – Integration of New Energy Assets" in this announcement.

The Group intends to dispose of its entire equity interest in Shanxi Maohua Energy Investment Company Limited and its subsidiaries, the impairment loss on assets classified as held for sale was RMB2,106 million. For details, please refer to "Management Discussion and Analysis – Impairment loss" in this announcement.

(3) Power generation

During the Period, the power generated by the Group amounted to approximately 113.24 million MWh, representing an increase of approximately 21.80% over the corresponding period in 2020; the on-grid power sold amounted to approximately 106.40 million MWh, representing an increase of approximately 22.21% over the corresponding period in 2020. Such increase in the power generated and on-grid power sold was mainly attributable to the strong power demand in the service regions of the Group. The average utilisation hours of the generating units were 1,936 hours, among which the average utilisation hours of coal-fired generating units were 2,245 hours and the coal consumption for power supply was 283.16g/KWh that was remarkably lower than the national average. The on-grid tariff was RMB420.69/MWh, representing an increase of 2.74% over the corresponding period in 2020. The unit price of standard coal for furnace was RMB831.66/ton, representing an increase of 33.13% over the corresponding period in 2020.

(4) Turnover and profit

During the Period, the turnover of the Group amounted to approximately RMB52,614 million, representing an increase of approximately 28.51% over the corresponding period in 2020, mainly due to the increase 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 RMB39,768 million, representing an increase of approximately 25.29% over the corresponding period in 2020, mainly due to the increase in the volume of power generated. The revenue generated from the sale of heat amounted to approximately RMB4,202 million, representing an increase of approximately 13.51% over the corresponding period in 2020, mainly due to the increase in the volume of heat sold. The revenue generated from the sale of coal amounted to approximately RMB8,644 million, representing an increase of approximately 57.19% over the corresponding period in 2020, mainly due to the increase in coal price.

During the Period, the Group's operating profit amounted to approximately RMB2,940 million, representing a decrease of approximately 43.26% over the corresponding period in 2020, mainly due to the increase in coal price; the profit for the Period attributable to equity holders of the Company amounted to approximately RMB3,302 million, representing an increase of approximately 36.94% over the corresponding period in 2020; the profit for the Period attributable to equity shareholders of the Company amounted to approximately RMB2,776 million, representing an increase of approximately 40.56% over the corresponding period in 2020 and the basic earnings per share were approximately RMB0.281, representing an increase of approximately 40.50% over the corresponding period in 2020.

(5) 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 RMB28,184 million, representing an increase of approximately 52.34% over the corresponding period in 2020. This was mainly due to the increase in coal price.

During the Period, the cost of sales of the Group for coal amounted to approximately RMB8,609 million, representing an increase of approximately 73.49% over the corresponding period in 2020. This was mainly due to the increase in coal price.

During the Period, the depreciation and amortization expenses of the Group amounted to approximately RMB6,015 million, representing an increase of approximately 3.15% over the corresponding period in 2020. 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 RMB1,733 million, representing a decrease of approximately 7.41% over the corresponding period in 2020. This was mainly due to the generating units maintenance plan arrangement.

During the Period, the staff cost of the Group amounted to approximately RMB3,142 million, representing an increase of approximately 10.14% over the corresponding period in 2020. This was mainly due to the commencement of operation of new generating units and the social insurance deduction enjoyed in the same period of last year.

During the Period, the administration expenses of the Group amounted to approximately RMB692 million, representing an increase of approximately 3.85% over the corresponding period in 2020. 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 RMB477 million, representing a decrease of approximately 11.34% over the corresponding period in 2020. This was mainly due to the decrease in resource tax.

During the Period, the other operating expenses of the Group amounted to approximately RMB821 million, representing an increase of approximately 53.21% over the corresponding period in 2020. This was mainly due to the year-on-year increase in electricity purchase charges and water charges.

(6) Investment Income

During the Period, the investment income of the Group amounted to approximately RMB3,844 million, representing an increase of approximately RMB3,821 million over the corresponding period in 2020. This was mainly the income from the disposal of the investment equity of subsidiaries.

(7) Other revenue and net income

During the Period, the other revenue and net income of the Group amounted to approximately RMB1,520 million, representing an increase of approximately 70.36% over the corresponding period in 2020. This was mainly due to the increase in revenue from sales of by-products of power generation such as coal ash and gypsum and subsidies.

(8) Finance costs

During the Period, the finance costs of the Group amounted to approximately RMB2,090 million, representing a decrease of approximately 13.91% over the corresponding period in 2020. This was mainly due to the decrease in interest-bearing debt and the capital cost rate.

(9) 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 RMB420 million, representing an increase of approximately 68.10% over the corresponding period in 2020. This was mainly due to the increase in income of coal mining enterprises invested by the Group.

(10) Income tax

During the Period, the income tax of the Group amounted to approximately RMB674 million, representing an decrease of approximately 16.31% over the corresponding period in 2020. This was mainly due to the decrease in profits of certain subsidiaries.

(11) Pledge and mortgage of assets

As at 30 June 2021, the Company and its subsidiaries have pledged their income stream in respect of the sale of electricity to secure loans amounting to approximately RMB12,161 million.

As at 30 June 2021, 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 RMB2,956 million.

(12) Indebtedness

As at 30 June 2021, the total borrowings of the Group amounted to approximately RMB76,978 million, of which borrowings denominated in Euro amounted to approximately EUR7 million. The liabilities to assets ratio was approximately 57.70%, representing a decrease of 2.42 percentage points compared to that at the end of 2020. Borrowings of the Group were mainly at floating rates. In addition, medium-term notes payable (including the portion due within one year) and lease liabilities of the Group amounted to approximately RMB12,496 million and RMB732 million, respectively.

(13) Impairment loss

The Group intends to dispose of its entire equity interest in Shanxi Maohua Energy Investment Company Limited and its subsidiaries (together the "**Disposal Group**") and would expect to complete the disposal within twelve months from 30 June 2021. Accordingly, the assets and liabilities attributable to the Disposal Group had been classified as held for sale and are presented separately in the condensed consolidated financial statements. An impairment loss of approximately RMB2,106 million has been recognized in the condensed consolidated statement of profit or loss and other comprehensive income.

(14) Cash and cash equivalents

As at 30 June 2021, the Group had cash and cash equivalents of approximately RMB8,286 million (excluding those classified as held for sale).

(15) Exchange rate fluctuation risk and related hedging

The Group mainly engages in business that sources 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.

As at 30 June 2021, the Group had no material contingent liabilities.

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 2020 annual report.

BUSINESS OUTLOOK

In the second half of the year, China will continue to adopt a proactive fiscal policy and a prudent monetary policy, and liquidity will remain relatively sufficient. PBOC's RRR cut will further reduce financing costs. As the global pandemic and economic situation become clearer, China's endogenous growth momentum in the economy will further improve, the layout of national medium and long-term development strategy and the implementation of related projects will be accelerated, and the rapid recovery of China's macro economy and continuous growth of domestic demand will effectively promote the development of the power generation industry.

The energy and power industries are undergoing profound changes. The proposal and implementation of the "3060" and "dual-carbon" goal have accelerated the energy structure transformation and spawned new industries, new formats and new models. As pointed out in Guiding Opinions on Promoting Source-Network-Load-Storage Integration and Multi-energy Complementarity Development (《關於推進電力源網荷儲一體化和多能互補發展的指導意見》) jointly issued by the National Development and Reform Commission and the National Energy Administration, it is necessary to further optimize and integrate resources on the load side and power source side, improve energy utilization efficiency, and promote the development of emerging industries such as energy storage, hydrogen energy in the right direction.

However, the Group still faces risks from the coal market, power market, carbon emissions, as well as in safety and environmental protection.

In the coal market, coal demand rebounded with economic recovery, while supply was restricted by safety, environmental protection and import policies, and market prices remained high, which had a major impact on the profitability of the Group's coal-fired units. The Group will firmly grasp the trend of the coal market, strengthen the management of procurement strategies and inventory strategies, optimize the coal intake structure, and tap room for price reductions. It will deeply tap the potential for energy saving and consumption reduction, strictly control various expenses, and strive to create a low-cost competitive advantage.

In the power market, China has accelerated the construction of a new type of power system with new energy as the mainstay. New energy saw rapid growth and the inter-provincial and cross-regional mutual aid capacities continued to improve. Affected by the asset layout and installed capacity structure, the Company's power generation growth rate is expected to slow down in the second half of the year. The Group will accelerate its strategic transformation, adhere to the tree pronged development strategy of new construction, mergers and acquisitions, and asset injection, vigorously expand domestic hydropower, high-quality gas power, and high-efficiency coal power in line with national policies, and actively explore mergers and acquisitions of overseas wind and photovoltaic projects. It will conduct strict review over the approval and initiation of technological transformation projects, focus on ensuring the implementation of safety and environmental protection, heating expansion, energy conservation and consumption reduction projects, and strive to improve the quality of the Group's assets, increase its market competitiveness and benefit contribution.

Regarding carbon emissions, in July 2021, China launched a national carbon emissions trading market for online trading, putting forward new requirements for companies' clean and low-carbon power generation. The National Allocation Plan for 2021 and subsequent years has not yet been issued, and the risk of an increase in the cost of power generation due to the gradual tightening of quota distribution in the future will not be ruled out. The Group will continue to strengthen carbon emission management, actively explore participation in carbon emission rights trading, and strive to complete the national carbon market transaction compliance work on schedule at a lower cost.

In terms of safety and environmental protection, extreme weather such as heavy rainfall during this year's flood season has adversely affected production safety. The Group will vigorously carry out safety inspections, eliminate potential safety hazards in a timely manner, improve equipment reliability, earnestly implement flood prevention measures, strengthen emergency drills to ensure a safe flood season. The Group will continue to monitor environmental protection indicators to ensure that pollutants meet the discharge standards, speed up the treatment of ash yard and wastewater to ensure compliance with environmental protection requirements. It will conduct in-depth supervision on major energy consumption indicators and benchmarking analysis, implement measures to save energy and reduce consumption, and consolidate and improve the energy efficiency of units.

SIGNIFICANT EVENTS

Change of the Non-executive Directors, Member of the Remuneration and Appraisal Committee and the Strategic Committee

At the 8th meeting of the ninth session of the Board held on 27 January 2021, Mr. Zhang Zhiqiang was appointed as a member of the Remuneration and Appraisal Committee and Mr. Li Pengyun was appointed as a member of the Strategic Committee.

As at 27 January 2021, due to work arrangement, Mr. Gou Wei ceased to serve as a non-executive Director and a member of the Remuneration and Appraisal Committee of the ninth session of the Board, and Mr. Hao Bin ceased to serve as a non-executive Director and a member of the Strategic Committee of the ninth session of the Board.

For details, please refer to the announcements of the Company dated 8 January 2021 and 27 January 2021.

Appointment of the Chief Engineer and Change of the Deputy General Manager

At the 8th meeting of the ninth session of the Board held on 27 January 2021, Mr. Song Jingshang was appointed as the chief engineer of the Company, and Mr. Wu Yuejie was appointed as the deputy general manager of the Company.

For details, please refer to the announcements of the Company dated 8 January 2021 and 27 January 2021.

Change of the Independent Non-executive Directors, Members of the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee

In accordance with relevant requirements of China Securities Regulatory Commission, independent directors of listed companies shall not serve for more than six consecutive years. Mr. Wang Dashu shall cease to be an independent non-executive Director of the ninth session of the Board, the chairman of the Remuneration and Appraisal Committee, and a member of the Audit Committee and the Nomination Committee upon the conclusion of the Company's 2020 Annual General Meeting (the "**AGM**") held on 30 June 2021, with effect from the same date, and Mr. Zong Wenlong shall cease to be an independent non-executive Director of the ninth session of the Board, the chairman of the Audit Committee and a member of the Remuneration and Appraisal Committee upon the conclusion of the AGM, with effect from the same date.

At the AGM, Mr. Li Menggang and Mr. Wang Yuesheng were elected as the independent non-executive Directors of the ninth session of the Board for a term commencing from the conclusion of the AGM and ending at the expiry of the term of the ninth session of the Board. At the 17th meeting of the ninth session of the Board held on 30 June 2021, Mr. Li Menggang was appointed as the chairman of the Audit Committee and a member of the Remuneration and Appraisal Committee, and Mr. Wang Yuesheng was appointed as the chairman of the Remuneration and Appraisal Committee and a member of the Audit Committee and the Nomination Committee. Mr. Li Pengyun was appointed as a member of the Audit Committee, and Mr. Peng Xingyu shall cease to serve as a member of the Audit Committee.

For details, please refer to the announcements of the Company dated 28 May 2021 and 30 June 2021.

Entering into Commercial Factoring Services Framework Agreement with Huadian Commercial Factoring (Tianjin) Co., Ltd. ("Huadian Factoring")

On 8 January 2021, the Company and Huadian Factoring entered into the Commercial Factoring Services Framework Agreement, pursuant to which Huadian Factoring will provide the Company and its subsidiaries with factoring business services, for a term from the effective date of the Commercial Factoring Services Framework Agreement to 31 December 2021. The Directors propose the cap of RMB7,500 million for the transactions contemplated under the Commercial Factoring Services Framework Agreement for the period from the effective date of the Commercial Factoring Services Framework Agreement to 31 December 2021. The commercial factoring services framework agreement between the Company and Huadian Factoring was reviewed at the 2021 second extraordinary general meeting held on 28 April 2021, and this resolution was passed at such EGM.

As Huadian Factoring is a subsidiary of China Huadian, the controlling shareholder of the Company, Huadian Factoring is a connected person of the Company. Therefore, the entering into of the Commercial Factoring Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios of the transactions contemplated under the Commercial Factoring Services Framework Agreement exceed 5%, the Commercial Factoring Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. In addition, as one or more of the applicable percentage ratios of the transactions contemplated under the Commercial Factoring Services Framework Agreement exceed 5% but are less than 25%, the Commercial Factoring Services Framework Agreement and the transactions contemplated thereunder constitute discloseable transaction pursuant to Chapter 14 of the Hong Kong Listing Rules, and are subject to the reporting and announcement requirements, but are exempt from the shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

For details, please refer to the announcement of the Company dated 8 January 2021 and 28 April 2021 and the circular dated 29 January 2021.

Entering into Ningxia Asset Sale Agreements with China Huadian

On 26 February 2021, the Company entered into Ningxia Lingwu Agreement with China Huadian, pursuant to which, the Company agreed to sell and China Huadian agreed to purchase 65% equity interest in Huadian Ningxia Lingwu Power Generation Company Limited ("**Ningxia Lingwu**") held by the Company and the dividends receivable from Ningxia Lingwu.

On 26 February 2021, the Company entered into Ningxia Heating Agreement with China Huadian, pursuant to which, the Company agreed to sell and China Huadian agreed to purchase 53% equity interests in Ningxia Huadian Heating Corporation Limited ("**Ningxia Heating**") held by the Company. Upon the completion of the Transfers, the Company would no longer hold any interests in Ningxia Lingwu and Ningxia Heating, while Ningxia Lingwu and Ningxia Heating would cease to be the subsidiaries of the Company.

As China Huadian is the controlling shareholder of the Company, is therefore a connected person of the Company under the Hong Kong Listing Rules. Pursuant to Chapter 14A of the Hong Kong Listing Rules, the Transfers shall constitute connected transactions of the Company. Pursuant to Rule 14A.81, as one or more of the percentage ratios in respect of the Transfers, calculated on an aggregate basis, exceed 5%, the Transfers are subject to the annual report, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. In addition, as one or more of the percentage ratios in respect of the Transfers, calculated on an aggregate basis, exceed 5% but are less than 25%, pursuant to the Chapter 14 of the Hong Kong Listing Rules, the Transfers also constitute discloseable transactions of the Company, and are subject to the reporting and announcement requirements but are exempted from shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

As of the date of this announcement, the transfer of the above-mentioned transactions has been completed, where the final transaction considerations under Ningxia Lingwu Agreement and Ningxia Heating Agreement were RMB2,850 million and RMB1,486 million, respectively.

For details, please refer to the announcement of the Company dated 28 April 2021 and the circular dated 31 March 2021.

Integration of New Energy Assets

On 24 May 2021, the Company entered into a capital increase agreement with Huadian Fuxin Energy Corporation Limited ("**Huadian Fuxin**") and Huadian Fuxin Energy Development Company Limited ("**Fuxin Development**"), pursuant to which the Company agreed to make a capital contribution of approximately RMB21,237 million in Fuxin Development by way of a transfer of the equity interests held by the Company in 27 subsidiaries of the Company ("**New Energy Companies**") to Fuxin Development, representing an amount of not more than approximately RMB13,609 million; and a cash payment of not lower than approximately RMB7,628 million by the Company to Fuxin Development.

On 24 May 2021, certain subsidiaries and branches of the Company entered into the Equity and Assets Disposal Agreements with certain subsidiaries of Fuxin Development, pursuant to which the subsidiaries of Fuxin Development agreed to purchase and the subsidiaries and branches of the Company agreed to sell the New Energy Equity and Assets, representing an amount of not more than approximately RMB2,082 million. Upon the completion of the sale of New Energy Equity and Assets, the companies and assets involved in the transaction will no longer be consolidated into the Company's consolidated financial statements.

As China Huadian is the controlling Shareholder of the Company, directly and indirectly holding approximately 46.84% of the total issued share capital of the Company. Huadian Fuxin, Fuxin Development and their subsidiaries are the subsidiaries of China Huadian. Therefore, each of China Huadian, Huadian Fuxin, Fuxin Development and their subsidiaries is a connected person of the Company. As the Transactions involve both the Acquisitions (i.e., acquisition of 37.19% equity interests in Fuxin Development and acquisition of Hunan Area Companies as described below) and the Disposals (i.e., disposal of New Energy Companies and New Energy Assets and Equity), pursuant to Rule 14.24 of the Hong Kong Listing Rules, it will be classified by reference to the larger of the Acquisitions or the Disposals, and subject to the reporting, announcement and/or Shareholders' approval requirements applicable to that classification.

Pursuant to Rules 14.22 and 14A.81 of the Hong Kong Listing Rules, the Disposals would be aggregated with the Previous Transactions (i.e. the aforesaid Ningxia Asset Sale) and be treated as if they were one transaction for the purpose of Chapters 14 and 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios of the Acquisitions exceed 25% but are less than 100% and one or more of the applicable percentage ratios of the Disposals (as aggregated with the Previous Transactions) exceed 25% but are less than 75%, the Transactions constitute major transactions of the Company under Chapter 14 of the Hong Kong Listing Rules and connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Hong Kong Listing Rules.

Upon completion of the transactions under the Capital Increase Agreement and the Assets and Equity Disposal Agreements, the Company would hold 37.19% equity interests in Fuxin Development and the remaining 62.81% equity interests would continued to be held by Huadian Fuxin. This resolution has been passed at the AGM. The companies and assets involved in this transaction have completed the transfer on the date of this announcement, except that the asset transfer of the Lechang Wind Power Branch of Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) has not yet been completed, which will be completed upon the completion of the project under construction.

For details, please refer to the announcements of the Company dated 24 May 2021, 4 June 2021, 15 June 2021 and 30 June 2021 and the circular dated 15 June 2021.

Acquisition of Hunan Area Companies

On 24 May 2021, the Company entered into an equity purchase agreement with China Huadian, pursuant to which the Company agreed to acquire and China Huadian agreed to sell its equity interests in the companies of the Hunan area, including its 70% equity interests in Changsha Company, 48.98% equity interests in Changde Company, and 100% equity interests in Pingjiang Company, the total transaction considerations under the agreements were RMB3,146 million. The equity acquisition was completed on 1 July 2021, and their financial statements were consolidated into the Company's consolidated financial statements from 1 July.

For detailed information on the implications of acquisition of Hunan Area Companies under the Hong Kong Listing Rules, please refer to the aforementioned section headed "Significant Events – Integration of New Energy Assets" in this announcement.

For details, please refer to the announcements of the Company dated 24 May 2021, 4 June 2021, 15 June 2021 and 30 June 2021 and the circular dated 15 June 2021.

Change of Auditors

On 30 March 2021, the eleventh meeting of the ninth session of the Board resolved to propose the appointment of Baker Tilly International Certified Public Accountants (Special General Partnership) as the domestic auditor (internal control auditor) of the Company and Baker Tilly Hong Kong Limited as the overseas auditor of the Company, respectively, which was considered and approved at the AGM. The respective term of service of Baker Tilly International Certified Public Accountants (Special General Partnership) and Baker Tilly Hong Kong Limited is proposed to commence from the date of the approval at the AGM up to the date of next annual general meeting of the Company.

For details, please refer to the announcements of the Company dated 30 March 2021 and 30 June 2021.

Proposed Issuance of A Shares and A Share Convertible Bonds for the Equity Acquisitions

On 25 March 2021, the Company entered into equity acquisition agreements with CCB Financial Asset Investment Company Limited and BOC Financial Assets Investment Co., Ltd. (the "**Transferors**"), pursuant to which the Company agreed to acquire, and the Transferors agreed to sell, the equity interest of Inner Mongolia Huadian Mengdong Energy Company Limited and Tianjin Huadian Fuyuan Thermal Power Company Limited (the "**Target Subsidiaries**") at a consideration of RMB1,500,162,600 (subject to adjustment), which will be paid by the Company through (i) the issuance of 6,508,376 (subject to adjustment) Consideration Shares at an issue price of RMB4.61 per Consideration Share, and (ii) the issuance of Consideration Convertible Bonds in the total amount of RMB1,470,159,000 (subject to adjustment) to the Transferors.

Upon completion of the Proposed Acquisitions, the Target Subsidiaries will become wholly-owned subsidiaries of the Company and the Transferors will hold a total of 3.19% equity interest in the Company (assuming that the Consideration Convertible Bonds are fully converted into Conversion Shares at the initial conversion price of RMB4.61 per Conversion Share).

On 29 April 2021, the assets valuation reports of the Target Equity have been filed with China Huadian, and the Company and the Transferors entered into the Equity Acquisition Supplemental Agreements to determine the consideration under the Equity Acquisition Agreements. Pursuant to the Equity Acquisition Supplemental Agreements, the consideration, and the number of Consideration Shares and Consideration Convertible Bonds to be issued by the Company to the Transferors under the Equity Acquisition Agreements remain unchanged.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) of the Proposed Acquisitions is less than 5% and the considerations under the Equity Acquisition Agreements (as supplemented by the Equity Acquisition Supplemental Agreements) are satisfied by way of issuance of Consideration Shares and Consideration Convertible Bonds, the Proposed Acquisitions constitute share transactions of the Company and are therefore subject to the reporting and announcement requirements, but are exempt from the Shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

Although the Proposed Acquisitions are exempt from the Shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules, the Proposed Acquisitions in consideration of the issuance of Consideration Shares and Consideration Convertible Bonds shall be subject to the approval of the Shareholders at the general meeting of the Company pursuant to the Administrative Measures for the Major Asset Restructuring of Listed Companies issued by the CSRC. The Consideration Shares and the Conversion Shares will be issued under the General Mandate.

On 28 May 2021, the Company held the 2021 third extraordinary general meeting (the "**3rd EGM**"), at which the relevant proposals on the issuance of A shares and A share convertible bonds for acquisitions of Target Subsidiaries' equity interests were approved.

On 30 July 2021, the Company convened the 18th meeting of the ninth session of the Board, at which, the revised draft report on the issuance of A shares and A share convertible bonds for asset acquisitions, and relevant extended audit reports, pro forma review reports and evaluation reports were reviewed and approved. On 19 August 2021, upon the vetting by the Listed Company Merger and Reorganization Vetting Committee of the CSRC at its 21st working meeting for the year of 2021, the Asset Acquisition through Issuance of A Shares and Convertible Corporate Bonds was approved unconditionally.

For details, please refer to the announcements of the Company dated 25 March 2021, 29 April 2021, 28 May 2021, 30 July 2021 and 19 August 2021, and the circular dated 6 May 2021.

Shareholders' Return Plan

On 25 March 2021, the Shareholders' Return Plan for the Years 2020-2022 was considered and approved at the 10th meeting of the ninth session of the Board of the Company by adhering to the principals of getting a reasonable return on investment for shareholders while taking into account the interests of all the shareholders as a whole, and the long-term interests and the reasonable funding requirements of the Company, so as to implement a sustainable, stable and proactive profit distribution policy. During 2020 to 2022, the profit to be distributed in cash by the Company in principle will not be less than 50% of the distributable profits achieved in that year as indicated in the consolidated statements, and the dividend per share will not be less than RMB0.2. Aforesaid Shareholders' Return Plan has come into effect after it is considered and approved at the third extraordinary general meeting.

For details, please refer to the announcements of the Company dated 25 March 2021 and 28 May 2021.

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 2021 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 2021, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company as at 30 June 2021:

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)*	0.87%	–	5.00%	Interests in a controlled corporation
Shandong Development Investment Holding Group Co., Ltd.	A shares	757,226,729 (L)	7.68%	9.30%	–	Beneficial owner
Brown Brothers Harriman & Co.	H shares	86,462,341 (L)	0.88%	–	5.03%	Agent
		86,462,341 (P)	0.88%	–	5.03%	Agent

(L) = long position; (P) = lending pool

Note: 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.

Save as disclosed above and so far as the directors of the Company are aware, as at 30 June 2021, 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 2021, 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 for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules (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 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 2021, 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 2021, 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 2021, the total number of employees of the Group was 25,952. 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.

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*
Ding Huande
Chairman

Beijing, the PRC
27 August 2021

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

Ding Huande (Chairman, Executive Director), Ni Shoumin (Vice Chairman, Non-executive Director), Peng Xingyu (Non-executive Director), Luo Xiaoqian (Executive Director), Zhang Zhiqiang (Non-executive Director), Li Pengyun (Non-executive Director), Wang Xiaobo (Non-executive Director), Feng Rong (Executive Director), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Li Menggang (Independent Non-executive Director) and Wang Yuesheng (Independent Non-executive Director).

* *For identification purpose 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 2021 interim report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021
(Expressed in Renminbi)

		Six months ended 30 June	
		2021	2020
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Turnover	*3*	**52,614,338**	40,942,846
Operating expenses			
Fuel costs		**(28,184,459)**	(18,501,595)
Costs of coal sold		**(8,609,027)**	(4,962,286)
Depreciation and amortisation		**(6,015,184)**	(5,831,713)
Repairs, maintenance and inspection		**(1,732,984)**	(1,871,703)
Personnel costs		**(3,141,567)**	(2,852,466)
Administration expenses		**(692,046)**	(666,386)
Taxes and surcharges		**(477,263)**	(538,282)
Other operating expenses	*6(b)*	**(821,343)**	(536,102)
		(49,673,873)	(35,760,533)
Operating profit		**2,940,465**	5,182,313
Investment income	*4*	**3,844,269**	23,174
Other revenue and net income		**1,520,048**	892,239
Impairment loss on assets classified as held for sale		**(2,106,000)**	–
Interest income from bank deposits		**46,050**	48,552
Finance costs	*5*	**(2,090,197)**	(2,427,861)
Share of results of associates and joint ventures		**419,905**	249,790

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(CONTINUED)*
For the six months ended 30 June 2021
(Expressed in Renminbi)

	Notes	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Profit before taxation	*6(a)*	**4,574,540**	3,968,207
Income tax	*7*	**(674,498)**	(805,969)
Profit for the period		**3,900,042**	3,162,238
Other comprehensive (expense)/income for the period (net of tax):			
Item that may be subsequently reclassified to profit or loss:			
Share of other comprehensive (expense)/income of investees accounted for under the equity method	*8*	**(6,055)**	2,595
Total comprehensive income for the period		**3,893,987**	3,164,833
Profit for the period attributable to:			
Equity holders of the Company		**3,302,290**	2,411,435
Non-controlling interests		**597,752**	750,803
		3,900,042	3,162,238
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**3,296,235**	2,414,030
Non-controlling interests		**597,752**	750,803
		3,893,987	3,164,833
Basic earnings per share	*9*	**RMB0.281**	RMB0.200

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021
(Expressed in Renminbi)

	Notes	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**121,673,721**	160,304,083
Right-of-use assets		**6,166,053**	7,533,405
Construction in progress		**13,206,133**	22,361,667
Investment properties		**54,943**	32,283
Intangible assets		**2,941,001**	4,163,741
Goodwill		**1,233,366**	1,233,366
Interests in associates and joint ventures		**36,535,154**	12,023,223
Financial assets at fair value through profit or loss		**336,307**	307,890
Other non-current assets		**1,530,975**	3,126,447
Deferred tax assets		**766,490**	748,228
		184,444,143	211,834,333
Current assets			
Inventories		**3,044,800**	2,347,810
Trade debtors and bills receivable	*10*	**7,993,217**	11,719,443
Deposits, other receivables and prepayments		**5,151,017**	4,033,493
Tax recoverable		**141,311**	76,775
Restricted deposits		**107,928**	180,624
Cash and cash equivalents		**8,286,011**	6,498,457
		24,724,284	24,856,602
Assets classified as held for sale	*11*	**3,720,349**	–
		28,444,633	24,856,602

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
As at 30 June 2021
(Expressed in Renminbi)

	Notes	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
Current liabilities			
Bank loans		**20,524,237**	25,566,828
Loans from shareholders		**3,300,000**	700,000
State loans		**1,845**	1,926
Other loans		**3,298,044**	3,245,524
Long-term debentures payable – current portion		**5,497,786**	1,996,838
Amount due to the parent company		**158,350**	42,337
Lease liabilities		**303,590**	641,932
Trade creditors and bills payable	*12*	**12,619,219**	17,490,945
Other payables		**12,142,397**	8,833,733
Tax payable		**336,972**	625,496
		58,182,440	59,145,559
Liabilities associated with assets classified as held for sale	*11*	**1,293,260**	–
		59,475,700	59,145,559
Net current liabilities		**(31,031,067)**	(34,288,957)
Total assets less current liabilities		**153,413,076**	177,545,376

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

As at 30 June 2021

(Expressed in Renminbi)

	Notes	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
Non-current liabilities			
Bank loans		**38,941,301**	50,490,648
Loans from shareholders		**5,600,000**	6,007,768
State loans		**49,239**	52,372
Other loans		**5,263,434**	7,851,972
Long-term debentures payable		**6,998,008**	10,495,397
Lease liabilities		**428,824**	1,175,083
Long-term payables		**–**	262,460
Provisions		**127,035**	236,717
Deferred government grants		**1,265,060**	1,569,874
Deferred income	*13*	**2,805,022**	3,028,195
Deferred tax liabilities		**1,868,738**	1,966,243
Retirement benefit obligations		**12,916**	15,538
		63,359,577	83,152,267
Net assets		**90,053,499**	94,393,109
Capital and reserves			
Share capital		**9,862,977**	9,862,977
Perpetual capital securities		**24,444,020**	24,645,175
Reserves		**38,807,342**	38,637,209
Equity attributable to equity holders of the Company		**73,114,339**	73,145,361
Non-controlling interests		**16,939,160**	21,247,748
Total equity		**90,053,499**	94,393,109

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. Accounting policies and basis of preparation

2.1 Principal accounting policies

Except as described below, the accounting policies, methods of computation and the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of IFRS 9.

2.2 Application of amendments to International Financial Reporting Standards ("IFRSs")

Adoption of amendments to standards effective on 1 January 2021:

Amendments to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to IFRSs that are effective from 1 January 2021 did not have any significant impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements. 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.

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	
	2021	2020
Revenue from contracts with customers within the scope of IFRS 15	***RMB'000***	*RMB'000*
Sale of electricity	**39,768,212**	31,741,657
Sale of heat	**4,202,245**	3,702,048
Sale of coal	**8,643,881**	5,499,141
	52,614,338	40,942,846

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 are recognised at a point in time. The Group's assets are mainly located in the PRC.

4. Investment income

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Dividend income from financial assets measured at fair value through profit or loss	**20,197**	9,061
Gain on disposal of subsidiaries	**3,834,442**	–
Gain on disposal of an associate	**–**	6,516
Interest income from other long-term receivables	**7,556**	7,597
Loss on disposal of financial assets measured at fair value through other comprehensive income	**(17,926)**	–
	3,844,269	23,174

5. Finance costs

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Interest on loans and other financial liabilities	**2,187,488**	2,500,216
Less: interest capitalised	**(156,470)**	(180,097)
	2,031,018	2,320,119
Net foreign exchange (gain)/loss	**(2,766)**	1,433
Interest on lease liabilities	**32,289**	60,914
Other finance costs	**29,656**	45,395
	2,090,197	2,427,861

The borrowing costs have been capitalised at an average rate of 4.16% per annum (six months ended 30 June 2020: 4.50% 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	
	2021	2020
	RMB'000	*RMB'000*
Amortisation		
– Intangible assets	**119,279**	154,721
Depreciation		
– Property, plant and equipment	**5,718,312**	5,473,024
– Right-of-use assets	**176,841**	203,734
– Investment properties	**752**	234
Total amortisation and depreciation	**6,015,184**	5,831,713
Cost of inventories recognised as an expense	**38,679,246**	25,335,584
Impairment loss on assets classified as held for sale	**2,106,000**	–
Impairment loss/(reversal of impairment loss) under expected credit loss model, net (included in administration expenses)		
– Trade debtors and bills receivable	**33,319**	(543)
– Deposits, other receivables and prepayments	**4,836**	(6,565)
Included in other revenue and net income:		
– Government grants	**(464,569)**	(141,724)
– Net gain on disposal of property, plant and equipment	**(1,800)**	(18,889)
– Net gain on disposal of right-of-use assets	**(254,793)**	–
– Net income from sale of materials	**(745,629)**	(452,320)

(b) **Other operating expenses:**

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Heating	**263,594**	231,839
Power charges	**342,869**	122,752
Water charges	**189,359**	159,182
Environmental restoration expenses	**–**	12,422
Other expense relating to short-term leases	**25,508**	9,907
Others	**13**	–
Total other operating expenses	**821,343**	536,102

7. Income tax

	Six months ended 30 June 2021 *RMB'000*	2020 *RMB'000*
Current tax – PRC Enterprise Income Tax		
Charge for the period	**794,256**	843,192
Under provision in respect of prior years	**902**	12,850
	795,158	856,042
Deferred tax		
Origination and reversal of temporary differences and tax losses	**(120,660)**	(50,073)
	674,498	805,969

The charge for the People's Republic of China (the "PRC") Enterprise Income Tax is calculated at the statutory rate of 25% (six months ended 30 June 2020: 25%) on the estimated assessable profits of the Group for the six months ended 30 June 2021 determined in accordance with relevant enterprise income tax rules and regulations, except for certain subsidiaries of the Group which are tax exempted or taxed at preferential rates of 7.5%, 12.5% or 15% (six months ended 30 June 2020: 7.5%, 12.5% or 15%).

8. Other comprehensive (expense)/income

	Six months ended 30 June 2021 *RMB'000*	2020 *RMB'000*
Share of other comprehensive (expense)/income of investees accounted for under the equity method	**(6,055)**	2,595
Other comprehensive (expense)/income, net of income tax	**(6,055)**	2,595

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 2021 *RMB'000*	2020 *RMB'000*
Profit attributable to equity holders of the Company	**3,302,290**	2,411,435
Less: Profit attributable to holders of perpetual capital securities	**(526,633)**	(436,714)
Profit attributable to equity shareholders	**2,775,657**	1,974,721
Weighted average number of ordinary shares in issue	**9,862,976,653**	9,862,976,653
Basic earnings per share (RMB)	**0.281**	0.200

(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 2021 and 2020.

10. Trade debtors and bills receivable

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Trade debtors and bills receivable for the sale of electricity	**5,465,088**	9,437,658
Trade debtors and bills receivable for the sale of heat	**1,102,382**	846,628
Trade debtors and bills receivable for the sale of coal	**1,693,860**	1,709,518
	8,261,330	11,993,804
Less: allowance for impairment	**(268,113)**	(274,361)
	7,993,217	11,719,443

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 follows:

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Within 1 year	**7,536,107**	10,493,513
1 to 2 years	**338,300**	835,637
2 to 3 years	**81,557**	279,437
Over 3 years	**44,764**	110,856
	8,000,728	11,719,443

Note: The analysis above covered trade debtors and bills receivable included in assets held for sale (note 11) of RMB7,511,000 as at 30 June 2021.

11. Assets held for sale/Liabilities associated with assets classified as held for sale

During the six months ended 30 June 2021, the Group has resolved to dispose of its entire equity interest in Shanxi Maohua Energy Investment Company Limited and its subsidiaries (together the "Disposal Group") and would expect to complete the disposal within twelve months from 30 June 2021. Accordingly, the assets and liabilities attributable to the Disposal Group had been classified as held for sale and are presented separately in the condensed consolidated financial statements.

An impairment loss of approximately RMB2,106 million is recognised in the condensed consolidated statement of profit or loss and other comprehensive income, being the difference of the Disposal Group's fair value less cost to sell and its carrying amount as at 30 June 2021.

12. Trade creditors and bills payable

As at 30 June 2021, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	At 30 June 2021 *RMB'000*	At 31 December 2020 *RMB'000*
Within 1 year	**9,306,027**	13,566,685
1 to 2 years	**1,362,318**	2,761,574
Over 2 years	**2,460,079**	1,162,686
	13,128,424	17,490,945

Note: The analysis above covered trade creditors and bills payable included in liabilities associated with assets classified as held for sale (note 11) of RMB509,205,000 as at 30 June 2021.

13. 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 2021 amounting to approximately RMB291 million (six months ended 30 June 2020: RMB96 million) is included in "Other revenue and net income" in the condensed consolidated statement of profit or loss and other comprehensive income.

14. Dividends

(a) A final dividend of RMB0.25 per share in respect of the year ended 31 December 2020 (six months ended 30 June 2020: RMB0.146 per share in respect of the year ended 31 December 2019) was declared to the equity shareholders of the Company and approved on 30 June 2021. The aggregate amount of the final dividend declared amounted to approximately RMB2,466 million (six months ended 30 June 2020: RMB1,440 million).

(b) The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

15. Contingent liabilities

As at 30 June 2021, 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 were granted to Sichuan Huayingshan Longtan Coal Company Limited, an associate of Guang'an Company. The loan has been fully repaid during the period.

Apart from the above guarantees, the Group has no other material contingent liabilities as at 30 June 2021 and 31 December 2020.

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 2021 interim report.

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET (UNAUDITED)

As at 30 June 2021
(Expressed in Renminbi'000)

	The Group		The Company	
Item	**30 June 2021**	31 December 2020	**30 June 2021**	31 December 2020
Non-current assets:				
Long-term investments	**155,024**	170,066	**230,394**	241,333
Long-term equity investments	**36,518,483**	12,006,552	**71,114,201**	55,560,659
Other non-current financial assets	**336,307**	307,890	**71,251**	45,898
Investment properties	**54,943**	32,283	**22,894**	–
Property, plant and equipment	**119,623,981**	156,043,229	**16,822,454**	15,647,720
Construction in progress	**13,253,514**	22,409,048	**3,646,990**	4,998,500
Right-of-use assets	**1,250,096**	2,290,514	**179,245**	53,594
Intangible assets	**8,246,727**	11,886,373	**973,777**	958,361
Goodwill	**864,415**	864,415	**–**	–
Deferred tax assets	**805,693**	787,431	**262,658**	361,092
Other non-current assets	**1,376,946**	2,957,376	**528,331**	521,727
Total non-current assets	**182,486,129**	209,755,177	**93,852,195**	78,388,884
Current assets:				
Cash and cash equivalents	**8,393,939**	6,679,081	**2,223,974**	936,839
Bills receivable	**7,393**	27,393	**7,393**	27,393
Trade debtors	**7,283,534**	10,110,108	**590,076**	416,881
Accounts receivable financing	**1,306,747**	1,581,942	**202,950**	275,280
Prepayments	**866,003**	842,651	**74,849**	26,213
Other receivables	**2,272,713**	1,310,857	**11,820,167**	15,496,050
Inventories	**3,044,455**	2,347,465	**710,625**	350,715
Assets classified as held for sale	**3,720,349**	–	**–**	–
Non-current assets – current portion	**172,888**	157,890	**188,349**	173,351
Other current assets	**1,375,955**	1,798,558	**226,391**	253,028
Total current assets	**28,443,976**	24,855,945	**16,044,774**	17,955,750

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

As at 30 June 2021

(Expressed in Renminbi'000)

Item	The Group 30 June 2021	The Group 31 December 2020	The Company 30 June 2021	The Company 31 December 2020
Current liabilities				
Short-term loans	**21,793,460**	20,778,711	**10,142,380**	5,452,397
Bills payable	**752,978**	368,597	**–**	–
Trade creditors	**11,875,617**	17,132,682	**2,077,408**	2,502,848
Salaries payable	**404,232**	231,515	**61,676**	49,862
Tax payable	**1,283,768**	1,705,488	**115,418**	68,316
Other payables	**10,554,527**	5,443,515	**7,063,759**	1,088,744
Contract liabilities	**326,484**	1,939,642	**21,610**	60,569
Liabilities classified as held for sale	**1,293,260**	–	**–**	–
Non-current liabilities – current portion	**11,132,042**	11,437,402	**6,669,994**	3,795,898
Other current liabilities	**43,194**	91,869	**10,146**	12,649
Total current liabilities	**59,459,562**	59,129,421	**26,162,391**	13,031,283
Non-current liabilities				
Long-term loans	**49,853,974**	64,402,760	**13,167,995**	10,454,164
Long-term debentures payable	**6,998,008**	10,495,397	**6,998,008**	10,495,397
Lease liabilities	**428,824**	1,175,083	**129,069**	36,721
Long-term payables	**129,560**	409,717	**45,413**	35,311
Retirement benefit obligations	**12,916**	15,538	**–**	–
Provisions	**127,035**	236,717	**–**	–
Deferred income	**3,692,876**	4,186,370	**77,120**	78,891
Deferred tax liabilities	**1,527,664**	1,595,125	**–**	–
Total non-current liabilities	**62,770,857**	82,516,707	**20,417,605**	21,100,484
Net assets	**88,699,686**	92,964,994	**63,316,973**	62,212,867

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

As at 30 June 2021

(Expressed in Renminbi'000)

Item	The Group 30 June 2021	The Group 31 December 2020	The Company 30 June 2021	The Company 31 December 2020
Shareholders' equity:				
Share capital	**9,862,977**	9,862,977	**9,862,977**	9,862,977
Perpetual capital securities	**24,444,020**	24,645,175	**24,444,020**	24,645,175
Capital reserve	**13,409,012**	13,542,737	**13,588,705**	13,565,303
Other comprehensive income	**(19,033)**	(12,978)	**(16,848)**	(11,824)
Specific reserve	**303,479**	289,688	**183,841**	149,042
Surplus reserve	**3,819,537**	3,819,537	**3,852,907**	3,819,537
Retained earnings	**20,266,720**	19,941,845	**11,401,371**	10,182,657
Total equity holders of the Company	**72,086,712**	72,088,981	**63,316,973**	62,212,867
Non-controlling interests	**16,612,974**	20,876,013	**–**	–
Total equity	**88,699,686**	92,964,994	**63,316,973**	62,212,867

CONSOLIDATED INCOME STATEMENT AND INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2021
(Expressed in Renminbi'000)

	The Group		The Company	
	Six months ended 30 June		Six months ended 30 June	
Item	**2021**	2020	**2021**	2020
Total operating income	**53,478,297**	41,531,486	**5,818,994**	4,801,265
Less: Total operating costs	**51,691,295**	38,191,515	**6,085,958**	4,651,090
Including: Operating costs	**48,471,989**	34,570,239	**5,559,623**	4,067,537
Taxes and surcharges	**496,299**	546,536	**81,227**	77,212
Administrative expenses	**676,099**	695,431	**143,621**	142,702
Research and development costs	**2,761**	–	**–**	–
Finance expenses	**2,044,147**	2,379,309	**301,487**	363,639
Recognition/(reversal) of expected credit losses	**38,155**	(7,108)	**4,705,840**	–
Impairment loss	**2,106,000**	3,536	**–**	–
Add: Other income	**437,449**	217,802	**28,059**	15,756
Investment income	**4,264,174**	272,964	**8,947,418**	1,237,299
Gain on disposal of assets	**255,292**	991	**–**	–
Operating profit	**4,599,762**	3,835,300	**4,002,673**	1,403,230
Add: Non-operating income	**129,747**	294,715	**6,851**	223,704
Less: Non-operating expenses	**64,865**	111,663	**331**	56,425
Total profit	**4,664,644**	4,018,352	**4,009,193**	1,570,509
Less: Income tax expenses	**704,542**	836,283	**98,434**	–
Net profit	**3,960,102**	3,182,069	**3,910,759**	1,570,509
Classified according to the ownership				
(1) Attributable to equity shareholders of the Company	**3,316,801**	2,385,988	**3,910,759**	1,570,509
(2) Minority interests	**643,301**	796,081	**–**	–

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

For the six months ended 30 June 2021
(Expressed in Renminbi'000)

Item	The Group Six months ended 30 June 2021	2020	The Company Six months ended 30 June 2021	2020
Other comprehensive (expense)/income, net of tax	**(6,055)**	2,595	**(5,024)**	2,595
Other comprehensive (expense)/income attributable to equity shareholders of the Company, net of tax	**(6,055)**	2,595	**(5,024)**	2,595
Items that may be subsequently reclassified to profit or loss	**(6,055)**	2,595	**(5,024)**	2,595
(1) Shares of other comprehensive (expense)/income that may be subsequently reclassified to profit or loss of investees accounted for under the equity method	**(6,055)**	2,595	**(5,024)**	2,595
Total comprehensive income	**3,954,047**	3,184,664	**3,905,735**	1,573,104
Attributable to equity shareholders of the Company	**3,310,746**	2,388,583	**3,905,735**	1,573,104
Minority interests	**643,301**	796,081	**–**	–
Earnings per share				
Basic earnings per share *(RMB/Share)*	**0.283**	0.198	**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:

		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
		2021	2020	**2021**	2020
	Notes	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts under CAS		**3,316,801**	2,385,988*	**72,086,712**	72,088,981*
Adjustments					
Business combination involving entities under common control	*(i)*	**(121,142)**	(121,142)	**1,941,861**	2,063,003
Government grants	*(ii)*	**16,796**	16,796	**(270,005)**	(286,801)
Maintenance and production safety funds	*(iii)*	**14,759**	54,819	**78,320**	78,320
Separation and transfer equipment	*(iv)*	**(517)**	(618)	**–**	–
Taxation impact of the adjustments		**30,044**	30,314	**(396,363)**	(426,407)
Attributable to minority interest		**45,549**	45,278	**(326,186)**	(371,735)
Amounts under IFRSs		**3,302,290**	2,411,435	**73,114,339**	73,145,361

* 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 2020 and year ended 31 December 2020 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.