

PROSPECTS FOR THE SECOND HALF OF THE YEAR

The Company will face certain challenges and difficulties in the second half of the year, including weak demand for power in certain regions, the risk of tariff adjustments of some power plants and the pressure from rising coal prices. Accordingly, the management and all staff of the Company will continue to strive to overcome the difficulties with full confidence to ensure the achievement of annual targets in terms of generation and operation. The main tasks for the second half of the year include:

1. to ensure the safe operation of all power plants and the achievement of the planned annual power generation;
2. to further reinforce the Company's marketing efforts, to strengthen the analysis on the power market and to fully utilise the advantages of the Company's power plants to increase power generation. At the same time, the Company will actively strive to obtain more power sale by competitive bidding and to increase its share in the power market so as to maximise the interests of the shareholders;
3. to strengthen internal management and cost controls: to continue to focus on fuel costs control by stringently controlling the purchase price of coal, actively tapping new, more economical and suitable types of coal, and greatly promoting blend coal burning and energy saving work; at the same time to strengthen the distribution and utilisation of materials among the Company's power plants, to enhance the management of spare parts and components to reduce inventory, and to increase the market competitiveness of the Company with its cost advantage.
4. to ensure the successful issuance and listing of A Shares in the PRC;
5. to continue to push ahead the preparation work of the proposed projects;
6. to actively seek new opportunities for project development and asset acquisition.