



華電國際電力股份有限公司  
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED \*

Stock Code: 1071



# INTERIM REPORT 2021



[www.hdpi.com.cn](http://www.hdpi.com.cn)

\* For identification purposes only

The board of directors (the “**Board**”) of Huadian Power International Corporation Limited\* (the “**Company**”) hereby announces the summary of the unaudited interim condensed consolidated financial statements 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”. The Group’s interim financial report for the Period are unaudited, but they have been reviewed by Baker Tilly Hong Kong Limited, the overseas 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 is set out on page 28 to 29. The audit committee of the Company (the “**Audit Committee**”) has also reviewed the 2021 interim report and the relevant financial information of the Group.

## BUSINESS REVIEW

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.

## INTERIM DIVIDEND

The Board of the Company did not recommend the payment of an interim dividend for the Period.

## 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-fired and 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 report, 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.

## MAJOR ASSETS (CONTINUED)

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

### (1) Details of controlled coal-fired 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
Coal-fired	1 Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
	2 Shiliquan Plant	2,120	100%	2 x 660 MW + 2 x 330 MW + 1 x 140 MW
	3 Laicheng Plant	1,200	100%	4 x 300 MW
	4 Shuozhou Thermal Power Branch Company	700	100%	2 x 350 MW
	5 Fengjie Plant	1,200	100%	2 x 600 MW
	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

## MAJOR ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	11 Huadian Zhangqiu Power Generation Company Limited ("Zhangqiu Company")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
	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
	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

## MAJOR ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	21 Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited (" <b>Yuhua Company</b> ")	600	100%	2 x 300 MW
	22 Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited (" <b>Luhua Company</b> ")	660	90%	2 x 330 MW
	23 Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) (" <b>Pingshi Power Company</b> ")	600	100%	2 x 300 MW
	24 Guangdong Huadian Shaoguan Thermal Power Company Limited (" <b>Shaoguan Thermal Power Company</b> ")	700	100%	2 x 350 MW
	25 Huadian Hubei Power Generation Company Limited (" <b>Hubei Company</b> ") <sup>(Note)</sup>	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 (" <b>Changsha Company</b> ")	1,200	70%	2 x 600 MW
	27 Hunan Huadian Changde Power Generation Company Limited (" <b>Changde Company</b> ")	1,320	48.98%	2 x 660 MW

## MAJOR ASSETS (CONTINUED)

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

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
Gas-fired	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
	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

## MAJOR ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Gas-fired	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

## MAJOR ASSETS (CONTINUED)

(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
	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
Hydropower	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 report, 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 <i>(Note)</i>	Coal-fired	1,200
Changde Company <i>(Note)</i>	Coal-fired	1,320
Total		3,523.2

*Note:* Changsha Company and Changde Company completed the transfer on 1 July 2021. Since 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 report, 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

<b>Company Name</b>	<b>Installed capacity (MW)</b>
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

## POWER GENERATION COMPANIES AND ASSETS NO LONGER INCLUDED IN THE GROUP'S CONSOLIDATED STATEMENTS (CONTINUED)

Company Name	Installed capacity (MW)
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
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
	<hr/>
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 gain on disposal recognized for the Period was RMB882 million. The gain on disposal 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 report.

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 report.

### (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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (4) Turnover and profit (Continued)

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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (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 a 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (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.



## BUSINESS OUTLOOK (CONTINUED)

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 three 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

### 1. 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.

### 2. 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.

### 3. 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.

## SIGNIFICANT EVENTS (CONTINUED)

### 4. 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.

## SIGNIFICANT EVENTS (CONTINUED)

### 5. 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 report, 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.

## SIGNIFICANT EVENTS (CONTINUED)

### 6. 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.

## SIGNIFICANT EVENTS (CONTINUED)

### 6. Integration of New Energy Assets (Continued)

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 continue 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 report, 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.

### 7. 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 report.

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.

### 8. 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.

## SIGNIFICANT EVENTS (CONTINUED)

### 9. 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.

## SIGNIFICANT EVENTS (CONTINUED)

### 9. Proposed Issuance of A Shares and A Share Convertible Bonds for the Equity Acquisitions (Continued)

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. On 2 September 2021, the Company received the “Approval of Issuance of Shares and Convertible Corporate Bonds by Huadian Power International Corporation Limited to CCB Financial Asset Investment Co. Ltd and Other Companies to Purchase Assets” issued by the CSRC.

For details, please refer to the announcements of the Company dated 25 March 2021, 29 April 2021, 28 May 2021, 30 July 2021, 19 August 2021 and 2 September 2021, and the circular dated 6 May 2021.

### 10. 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) <sup>(Note)</sup>	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.

## CORPORATE GOVERNANCE (CONTINUED)

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

# Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF  
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED  
華電國際電力股份有限公司  
(Incorporated in the People's Republic of China with limited liability)

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Huadian Power International Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 30 to 84, which comprise the condensed consolidated statement of financial position of the Group as of 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and other explanatory notes (the “**condensed consolidated financial statements**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with IAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# Report on Review of Condensed Consolidated Financial Statements (Continued)

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

## OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2020 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the condensed consolidated financial statements of the Group for the six-month period ended 30 June 2020 reviewed by BDO Limited who expressed an unmodified conclusion on the condensed consolidated financial statements on 20 August 2020. The comparative condensed consolidated statement of financial position as at 31 December 2020 were extracted from the consolidated financial statements of the Group for the year ended 31 December 2020 audited by the same auditor who expressed an unmodified opinion on those statements on 30 March 2021.

### **Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, 27 August 2021

### **Gao Yajun**

Practising certificate number P06391

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2021	2020
		RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Turnover</b>	4	<b>52,614,338</b>	40,942,846
<b>Operating expenses</b>			
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	7(b)	(821,343)	(536,102)
		<b>(49,673,873)</b>	(35,760,533)
<b>Operating profit</b>		<b>2,940,465</b>	5,182,313
Investment income	5	<b>3,844,269</b>	23,174
Other revenue and net income		<b>1,520,048</b>	892,239
Impairment loss on assets classified as held for sale	18	(2,106,000)	–
Interest income from bank deposits		<b>46,050</b>	48,552
Finance costs	6	(2,090,197)	(2,427,861)
Share of results of associates and joint ventures		<b>419,905</b>	249,790
<b>Profit before taxation</b>	7(a)	<b>4,574,540</b>	3,968,207
Income tax	8	(674,498)	(805,969)
<b>Profit for the period</b>		<b>3,900,042</b>	3,162,238

## 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	2020
		RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Other comprehensive (expense)/income for the period (net of tax):</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Share of other comprehensive (expense)/income of investees accounted for under the equity method	9	(6,055)	2,595
<b>Total comprehensive income for the period</b>		<b>3,893,987</b>	3,164,833
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		3,302,290	2,411,435
Non-controlling interests		597,752	750,803
		<b>3,900,042</b>	3,162,238
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		3,296,235	2,414,030
Non-controlling interests		597,752	750,803
		<b>3,893,987</b>	3,164,833
<b>Basic earnings per share</b>	10	<b>RMB0.281</b>	RMB0.200

The accompanying notes form part of the condensed consolidated financial statements.



## Condensed Consolidated Statement of Financial Position

As at 30 June 2021

(Expressed in Renminbi)

		At 30 June 2021	At 31 December 2020
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	121,673,721	160,304,083
Right-of-use assets		6,166,053	7,533,405
Construction in progress	12	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	13	1,530,975	3,126,447
Deferred tax assets		766,490	748,228
		<b>184,444,143</b>	211,834,333
<b>Current assets</b>			
Inventories		3,044,800	2,347,810
Trade debtors and bills receivable	14	7,993,217	11,719,443
Deposits, other receivables and prepayments	15	5,151,017	4,033,493
Tax recoverable		141,311	76,775
Restricted deposits	16	107,928	180,624
Cash and cash equivalents	17	8,286,011	6,498,457
		<b>24,724,284</b>	24,856,602
Assets classified as held for sale	18	3,720,349	–
		<b>28,444,633</b>	24,856,602

## Condensed Consolidated Statement of Financial Position (Continued)

*As at 30 June 2021  
(Expressed in Renminbi)*

Notes	<b>At 30 June 2021</b>	At 31 December 2020
	<i>RMB'000 (unaudited)</i>	<i>RMB'000 (audited)</i>
<b>Current liabilities</b>		
Bank loans	<b>20,524,237</b>	25,566,828
Loans from shareholders	<b>3,300,000</b>	700,000
State loans	<b>1,845</b>	1,926
Other loans	19(a) <b>3,298,044</b>	3,245,524
Long-term debentures payable – current portion	19(b) <b>5,497,786</b>	1,996,838
Amount due to the parent company	<b>158,350</b>	42,337
Lease liabilities	<b>303,590</b>	641,932
Trade creditors and bills payable	20 <b>12,619,219</b>	17,490,945
Other payables	21 <b>12,142,397</b>	8,833,733
Tax payable	<b>336,972</b>	625,496
	<b>58,182,440</b>	59,145,559
Liabilities associated with assets classified as held for sale	18 <b>1,293,260</b>	–
	<b>59,475,700</b>	59,145,559
<b>Net current liabilities</b>	<b>(31,031,067)</b>	(34,288,957)
<b>Total assets less current liabilities</b>	<b>153,413,076</b>	177,545,376

## Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2021

(Expressed in Renminbi)

	Notes	At 30 June 2021	At 31 December 2020
		RMB'000 (unaudited)	RMB'000 (audited)
<b>Non-current liabilities</b>			
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	19(a)	5,263,434	7,851,972
Long-term debentures payable	19(b)	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	22	2,805,022	3,028,195
Deferred tax liabilities		1,868,738	1,966,243
Retirement benefit obligations		12,916	15,538
		<u>63,359,577</u>	<u>83,152,267</u>
<b>Net assets</b>		<u>90,053,499</u>	<u>94,393,109</u>
<b>Capital and reserves</b>			
Share capital		9,862,977	9,862,977
Perpetual capital securities	24	24,444,020	24,645,175
Reserves		38,807,342	38,637,209
<b>Equity attributable to equity holders of the Company</b>		<u>73,114,339</u>	<u>73,145,361</u>
<b>Non-controlling interests</b>		<u>16,939,160</u>	<u>21,247,748</u>
<b>Total equity</b>		<u>90,053,499</u>	<u>94,393,109</u>

The condensed consolidated financial statements on pages 30 to 84 were approved and authorised for issue by the board of directors on 27 August 2021 and are signed on its behalf by:

**Ding Huande**  
Director

**Feng Rong**  
Director

The accompanying notes form part of the condensed consolidated financial statements.

# Condensed Consolidated Statement of Changes in Equity

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

Attributable to equity holders of the Company

	Attributable to equity holders of the Company										
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Perpetual capital securities	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2021 (audited)</b>	9,862,977	15,365,069	3,977,820	68,089	44,726	(13,610)	19,195,115	24,645,175	73,145,361	21,247,748	94,393,109
Profit for the period	-	-	-	-	-	-	2,775,657	526,633	3,302,290	597,752	3,900,042
Other comprehensive expense (note 9)	-	-	-	-	-	(6,055)	-	-	(6,055)	-	(6,055)
Total comprehensive income for the period	-	-	-	-	-	(6,055)	2,775,657	526,633	3,296,235	597,752	3,893,987
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	409,997	409,997
Appropriation of specific reserve	-	-	37,413	-	-	-	(37,413)	-	-	-	-
Utilisation of specific reserve	-	-	(23,622)	-	-	-	23,622	-	-	-	-
Dividends recognised as distribution (note 23)	-	-	-	-	-	-	(2,465,744)	-	(2,465,744)	-	(2,465,744)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(347,765)	(347,765)
Distributions payable to holders of perpetual capital securities (note 24)	-	-	-	-	-	-	-	(727,788)	(727,788)	-	(727,788)
Disposal of subsidiaries (notes 29 and 30)	-	-	-	-	-	-	-	-	-	(4,966,012)	(4,966,012)
Others	-	(133,725)	-	-	-	-	-	-	(133,725)	(2,560)	(136,285)
<b>Balance at 30 June 2021 (unaudited)</b>	9,862,977	15,231,344	3,991,611	68,089	44,726	(19,665)	19,491,237	24,444,020	73,114,339	16,939,160	90,053,499

## Condensed Consolidated Statement of Changes in Equity (Continued)

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

	Attributable to equity holders of the Company										
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Perpetual capital securities	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2020</b>											
(audited)	9,862,977	15,149,644	3,571,847	68,089	44,726	(19,410)	17,794,810	16,129,055	62,601,738	18,005,905	80,607,643
Profit for the period	-	-	-	-	-	-	1,974,721	436,714	2,411,435	750,803	3,162,238
Other comprehensive income (note 9)	-	-	-	-	-	2,595	-	-	2,595	-	2,595
Total comprehensive income for the period	-	-	-	-	-	2,595	1,974,721	436,714	2,414,030	750,803	3,164,833
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	2,865,023	2,865,023
Issue of perpetual capital securities	-	-	-	-	-	-	-	4,994,599	4,994,599	-	4,994,599
Appropriation of specific reserve	-	-	74,460	-	-	-	(74,460)	-	-	-	-
Utilisation of specific reserve	-	-	(22,954)	-	-	-	22,954	-	-	-	-
Dividends recognised as distribution (note 23)	-	-	-	-	-	-	(1,439,995)	-	(1,439,995)	-	(1,439,995)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(424,861)	(424,861)
Distributions payable to holders of perpetual capital securities	-	-	-	-	-	-	-	(614,414)	(614,414)	-	(614,414)
Others	-	213,507	-	-	-	-	-	-	213,507	4,961	218,468
<b>Balance at 30 June 2020</b>											
(unaudited)	9,862,977	15,363,151	3,623,353	68,089	44,726	(16,815)	18,278,030	20,945,954	68,169,465	21,201,831	89,371,296

The accompanying notes form part of the condensed consolidated financial statements.

## Condensed Consolidated Statement of Cash Flows

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

		Six months ended 30 June	
		2021	2020
Notes		RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Cash generated from operations</b>		<b>5,309,668</b>	9,655,951
	PRC enterprise income tax paid	<b>(1,066,282)</b>	(885,455)
<b>Net cash generated from operating activities</b>		<b>4,243,386</b>	8,770,496
	Net cash used in investing activities	<b>(8,191,411)</b>	(6,191,443)
	Net cash generated from/(used in) financing activities	<b>5,803,248</b>	(3,000,565)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>1,855,223</b>	(421,512)
	Cash and cash equivalents at 1 January	<b>6,498,457</b>	6,465,560
<b>Cash and cash equivalents at 30 June</b>		<b>8,353,680</b>	6,044,048
<b>Analysed into:</b>			
	Bank balances and cash	<b>8,286,011</b>	6,044,048
	Bank balances classified as held for sale	<b>67,669</b>	-
		<b>8,353,680</b>	6,044,048

The accompanying notes form part of the condensed consolidated financial statements.

# Notes to the Condensed Consolidated Financial Statements

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

## 1 GENERAL

Huadian Power International Corporation Limited (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on 28 June 1994 as a joint stock limited company.

The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the generation and sale of electricity, heat and coal. Majority of electricity generated is supplied to the local power grid companies where the power plants are located.

The condensed consolidated financial statements is presented with Renminbi (“**RMB**”), the functional currency of the Company.

## 2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by International Accounting Standards Board 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 “**Listing Rules**”).

## 3 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.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Non-current assets held for sale (Continued)

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.

#### 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 standards, interpretation or amendment that has been issued but is not yet effective for the current accounting period.



## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 4 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
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
– Sale of electricity	<b>39,768,212</b>	31,741,657
– Sale of heat	<b>4,202,245</b>	3,702,048
– Sale of coal	<b>8,643,881</b>	5,499,141
	<b>52,614,338</b>	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.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 5 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 (notes 29 and 30)	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 ("FVOCI")	(17,926)	–
	<b>3,844,269</b>	<b>23,174</b>

### 6 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)
	<b>2,031,018</b>	<b>2,320,119</b>
Net foreign exchange (gain)/loss	(2,766)	1,433
Interest on lease liabilities	32,289	60,914
Other finance costs	29,656	45,395
	<b>2,090,197</b>	<b>2,427,861</b>

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.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 7 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 (Note)	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)

Note: The directors of the Company are of the opinion that the impairment loss is sufficient and do not expect the disposal would incur additional material losses subsequently.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 7 PROFIT BEFORE TAXATION (CONTINUED)

#### (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	–
	<b>821,343</b>	<b>536,102</b>

### 8 INCOME TAX

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

The charge for 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%).

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi)

### 9 OTHER COMPREHENSIVE (EXPENSE)/INCOME

	Six months ended 30 June	
	2021	2020
	RMB'000	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

### 10 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	2020
	RMB'000	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 (note 24)	(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

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 10 EARNINGS PER SHARE (CONTINUED)

#### (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.

### 11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired items of property, plant and equipment with an aggregate cost of approximately RMB11,944 million (six months ended 30 June 2020: RMB4,215 million), including approximately RMB10,081 million through transfer from construction in progress (six months ended 30 June 2020: RMB3,694 million through transfer from construction in progress).

During the six months ended 30 June 2021, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately RMB65.46 million (six months ended 30 June 2020: RMB34.54 million) for cash proceeds of approximately RMB67.26 million (six months ended 30 June 2020: RMB53.43 million), resulting in a gain on disposal of approximately RMB1.8 million (six months ended 30 June 2020: gain on disposal of RMB18.89 million).

As at 30 June 2021, the carrying value of property, generators and related machinery of property, plant and equipment held as collateral of the sales and leaseback agreement signed by the Group for financing purposes (note 19(a)) was approximately RMB1,490 million (31 December 2020: RMB1,103 million). In addition, as at 30 June 2021, property, plant and equipment with an aggregate carrying amount of approximately RMB3,059 million was presented as assets held for sale (note 18) (31 December 2020: Nil).

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 12 CONSTRUCTION IN PROGRESS

The acquisition and transfer of items of construction in progress during the six months ended 30 June 2021 and 2020 are as follows:

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Additions	<b>4,352,253</b>	4,620,657
Transfer to property, plant and equipment	<b>(10,080,836)</b>	(3,694,254)

As at 30 June 2021, an aggregate carrying amount of approximately RMB191 million was presented as assets held for sale (note 18) (31 December 2020: Nil).

### 13 OTHER NON-CURRENT ASSETS

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
– Other long-term receivables with fixed-rate and non-current feature ( <i>Note (i)</i> )	<b>155,024</b>	170,066
Deductible Value Added Tax and other tax	<b>1,304,283</b>	2,775,488
Deferred differences arising from sales and leaseback arrangements ( <i>Note (ii)</i> )	<b>71,668</b>	180,893
	<b>1,530,975</b>	3,126,447

Notes:

- (i) Other long-term receivables are balances due from an associate (note 27).
- (ii) Deferred differences arising from sales and leaseback arrangements represent the deficit of sale proceeds over the carrying amounts of the assets disposed under the sales and leaseback arrangements which resulted in finance lease. The differences are deferred and amortised as adjustments to the depreciation of the assets over their estimated useful lives.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 14 TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Trade debtors and bills receivable for the sale of electricity	<b>5,465,088</b>	9,437,658
Trade debtors and bills receivable for the sale of heat	<b>1,102,382</b>	846,628
Trade debtors and bills receivable for the sale of coal	<b>1,693,860</b>	1,709,518
	<b>8,261,330</b>	11,993,804
Less: allowance for impairment	<b>(268,113)</b>	(274,361)
	<b>7,993,217</b>	11,719,443
Analysed into:		
– At amortised cost	<b>6,954,583</b>	10,411,862
– At FVOCI ( <i>Note</i> )	<b>1,306,747</b>	1,581,942
	<b>8,261,330</b>	11,993,804
– At amortised cost and classified as assets held for sale ( <i>note 18</i> )	<b>7,511</b>	–
	<b>8,268,841</b>	11,993,804



## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 14 TRADE DEBTORS AND BILLS RECEIVABLE (CONTINUED)

Note:

The Group's bills receivables are managed with a business model under which bills receivables are held to collect contractual cash flows or endorsed to suppliers prior to their expiry date. Accordingly, these bills receivables are classified as financial assets at fair value through other comprehensive income.

As at 30 June 2021, bank acceptance bills discounted of approximately RMB2,136 million (31 December 2020: RMB3,537 million) were derecognised by the Group (the "Derecognised Bills"). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant. Losses related to derecognition of the Derecognised Bills was RMB18 million in total and charged into profit or loss.

The ageing analysis of trade debtors and bills receivable (including those classified as part of assets held for sale) (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	At 31 December 2020
	<i>RMB' 000</i>	<i>RMB' 000</i>
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
	<b>8,000,728</b>	<b>11,719,443</b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 15 DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
– Dividends receivable	797,688	536,672
– Deposits	153,906	94,186
– Consideration receivables (Note (i))	635,114	25,667
– Machinery and equipment related receivables	604,457	–
– Other receivables	1,103,791	1,213,116
	<b>3,294,956</b>	1,869,641
Less: allowance for impairment (Note (ii))	<b>(417,786)</b>	(558,784)
	<b>2,877,170</b>	1,310,857
Deductible Value Added Tax	1,234,956	1,722,095
Prepayments	866,003	842,651
Others	172,888	157,890
	<b>5,151,017</b>	4,033,493

Notes:

- (i) As at 30 June 2021, consideration receivables mainly include the consideration receivable for disposal of subsidiaries amounting to RMB626,339,000 as set out in note 30(b).
- (ii) Expected credit losses ("ECLs") are estimated by applying a loss rate approach with reference to the historical loss record of the Group. 12-months ECLs are applied as there has no significant increase in credit risk since initial recognition. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

As at 30 June 2021, 12-month ECLs of deposits and other receivables of the Group amounted to approximately RMB418 million (31 December 2020: RMB559 million), including allowance for impairment on other receivables on Certified Emission Reductions of approximately RMB51 million (31 December 2020: RMB85 million).

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 16 RESTRICTED DEPOSITS

Restricted deposits mainly represent performance bonds and frozen deposits at banks and other financial institutions with maturity of over three months.

### 17 CASH AND CASH EQUIVALENTS

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks and in hand	2,162,261	905,651
Cash at other financial institutions	6,123,750	5,592,806
	<b>8,286,011</b>	6,498,457

### 18 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 attributable to the property, plant and equipment has been 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.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 18 ASSETS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The major classes of assets classified as held for sale and liabilities associated with assets classified as held for sale as at 30 June 2021 are as follows:

	<i>RMB'000</i>
<b>Assets :</b>	
Property, plant and equipment	3,059,071
Right-of-use assets	12,628
Construction in progress	190,529
Intangible assets	126,446
Interests in associates and joint ventures	110,101
Financial assets at fair value through profit or loss	3,700
Inventories	25,911
Trade debtors and bills receivable ( <i>note 14</i> )	7,511
Deposit, other receivables and prepayments	73,135
Restricted deposits	43,648
Cash and cash equivalents	67,669
	<hr/>
Assets classified as held for sale	3,720,349
	<hr/> <hr/>
<b>Liabilities :</b>	
Bank loans	(155,000)
Trade creditors and bills payable ( <i>note 20</i> )	(509,205)
Other payables	(171,390)
Long-term payables	(333,943)
Provisions	(109,694)
Deferred income	(307)
Deferred tax liabilities	(13,721)
	<hr/>
Liabilities associated with assets classified as held for sale	(1,293,260)
	<hr/> <hr/>

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 18 ASSETS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The above liabilities did not include shareholder's loans borrowed to the Disposal Group of approximately RMB7,506 million and amounts due to group companies of approximately RMB44 million. In view of the net liabilities position of approximately RMB5,123 million arising from the Disposal Group, the Group expects the disposal will improve the quality of Group's asset. Details of the disposal arrangement are further set out in the Company's announcement dated 27 August 2021.

### 19 BORROWINGS

#### (a) Other loans

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Due within 1 year:		
– short-term other loans	<b>1,682,000</b>	2,151,000
– current portion of long-term other loans	<b>1,616,044</b>	1,094,524
	<b>3,298,044</b>	3,245,524
Due after 1 year but within 2 years	<b>1,635,983</b>	2,059,982
Due after 2 years but within 5 years	<b>2,109,701</b>	3,187,933
Due after 5 years	<b>1,517,750</b>	2,604,057
	<b>5,263,434</b>	7,851,972
	<b>8,561,478</b>	11,097,496

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 19 BORROWINGS (CONTINUED)

#### (a) Other loans (Continued)

Other loans are borrowed from China Huadian Finance Corporation Limited (“**China Huadian Finance**”), an associate of the Group, and a fellow subsidiary of the Company. Other loans bear interest rates ranging from 1.50% to 5.64% per annum as at 30 June 2021 (31 December 2020: 1.50% to 6.09% per annum), with maturities from 2021 to 2036 (31 December 2020: 2020 to 2035).

During the period, the Group had 4 newly signed sales and leaseback agreements with a fellow subsidiary of the Company (note 27) and another independent financial leasing company with contract terms ranging from 3 years to 7 years, respectively, in order to sell certain property, generator and related machinery and equipment (note 11) and at the meantime, lease back those assets.

According to the agreements, the Group has an option to buy back the equipment at a nominal price (RMB1 or 0) when the lease term expires. The substance of the transaction was to obtain financing secured by relevant assets within the leasing period and repaid them in instalment. Meanwhile, the Group has certain financing agreements with a fellow subsidiary (note 27) and another independent financial leasing company. As at 30 June 2021, the loans mentioned above bear interest rate ranging from 1.50% to 5.64% (31 December 2020: 1.50% to 5.64%) and will be due from 2022 to 2032 (31 December 2020: 2022 to 2032).

As at 30 June 2021, the other loans borrowed from China Huadian Finance totalling of approximately RMB162 million (31 December 2020: RMB171 million) are secured by the income stream in respect of the sale of electricity. As at 30 June 2021, loans borrowed from third party financial leasing company totalling of approximately RMB61 million (31 December 2020: RMB68 million) were secured by the income stream in respect of the sale of electricity.

Apart from the aforementioned secured loans, all of the other loans are unsecured.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 19 BORROWINGS (CONTINUED)

#### (b) Long-term debentures payable

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
First tranche of medium-term notes for the year of 2016	<b>1,999,174</b>	1,996,838
First tranche of medium-term notes for the year of 2017	<b>3,498,612</b>	3,497,794
First tranche of medium-term notes for the year of 2019	<b>2,998,441</b>	2,998,161
First tranche of company debentures for the year of 2019	<b>1,999,919</b>	1,999,888
Third tranche of medium-term notes for the year of 2020	<b>1,999,648</b>	1,999,554
	<b>12,495,794</b>	12,492,235
Less: Long-term debentures due within one year	<b>(5,497,786)</b>	(1,996,838)
	<b>6,998,008</b>	10,495,397

As at 30 June 2021, the effective interest rates of the long-term debentures are ranged from 2.54% to 4.90% (31 December 2020: from 2.54% to 4.97%) per annum after considering the effect of issue costs.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 20 TRADE CREDITORS AND BILLS PAYABLE

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
– Trade creditors and bills payable	12,619,219	17,490,945
– Trade creditors and bills payable included in liabilities associated with assets classified as held for sale ( <i>note 18</i> )	509,205	–
	<b>13,128,424</b>	17,490,945

The analysis below covered those included in liabilities associated with assets classified as held for sale.

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	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
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
	<b>13,128,424</b>	17,490,945



## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 21 OTHER PAYABLES

	At 30 June 2021	At 31 December 2020
	RMB'000	RMB'000
Financial liabilities		
– Construction deposits	1,342,704	1,560,738
– Consideration payables on acquisitions (Note (i))	2,617,861	344,577
– Interest payables	274,996	428,793
– Wages payables	404,232	231,515
– Payables for installed capacity quota	263,530	263,530
– Payables for sewage charges	15,525	20,214
– Dividend payables to non-controlling interests	274,599	644,756
– Dividend payables to ordinary shareholders	2,418,042	–
– Distribution payables to holders of perpetual capital securities	646,253	229,065
– Current portion of long-term payables	–	63,065
– Others (Note (ii))	2,552,099	1,919,895
	<b>10,809,841</b>	5,706,148
Other tax payables	1,006,072	1,187,943
Contract liabilities	326,484	1,939,642
	<b>12,142,397</b>	8,833,733

Notes:

- (i) As at 30 June 2021, consideration payables on acquisitions mainly include the consideration payable for acquisition of Fuxin Development amounting to RMB2,342,671,000 as set out in note 29.
- (ii) Others mainly include payables on service fees, water charges and other miscellaneous items.
- (iii) All of the other payables of the Group are expected to be settled or recognised as income within one year or are repayable on demand.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 22 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.

### 23 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).

### 24 PERPETUAL CAPITAL SECURITIES

During the year ended 31 December 2020, the Company issued 6 tranches of public perpetual capital securities, which included (1) 1st Tranche of medium-term note of 2020 (Type 1); (2) 1st Tranche of medium-term note of 2020 (Type 2); (3) 2nd Tranche of medium-term note of 2020 (Type 1); (4) 2nd Tranche of medium-term note of 2020 (Type 2); (5) 4th Tranche of medium-term note of 2020; (6) 5th Tranche of medium-term note of 2020, to third parties with an aggregate principal amount of RMB8.5 billion. No additional perpetual capital securities were issued by the Company during the current interim period.

The perpetual capital securities are issued at par value with a range of initial distribution rate from 3.36% to 5.20%. The interests of perpetual capital securities are recorded as distributions, which are payable annually after the approval of the directors of the Company and may be deferred at the discretion of the Company unless compulsory distribution payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occurred.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 24 PERPETUAL CAPITAL SECURITIES (CONTINUED)

The perpetual capital securities have no fixed maturity date and are redeemable at the Company's discretion in whole in July 2021, July 2023, August 2021, August 2023, October 2021, November 2021, June 2022, June 2024, September 2022, September 2024, November 2022, November 2024, January 2023, January 2025, February 2023, February 2025, October 2023 and November 2022 respectively, the payment of the principal may be deferred for each renewable period as 2, 3 or 5 years.

The applicable distribution rate will be reset on first call date and each renewal period after first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

The directors of the Company are of the opinion that the Group has no contractual obligation to repay the principal or to pay any distribution for the perpetual capital securities. Therefore, the perpetual capital securities are classified as equity instrument and recorded in equity in the condensed consolidated statement of financial position. During the six months ended 30 June 2021, the profit attributable to holders of perpetual capital securities, based on the applicable distribution rate, was approximately RMB527 million (six months ended 30 June 2020: RMB437 million).

Movement of the perpetual capital securities is as follows:

	<b>Principal</b>	<b>Distribution</b>	<b>Total</b>
	<i>RMB' 000</i>	<i>RMB' 000</i>	<i>RMB' 000</i>
As at 1 January 2021	<b>24,444,020</b>	<b>201,155</b>	<b>24,645,175</b>
Profit attributable to holders of perpetual capital securities ( <i>note 10(a)</i> )	–	<b>526,633</b>	<b>526,633</b>
Distributions payable to holders of perpetual capital securities	–	<b>(727,788)</b>	<b>(727,788)</b>
As at 30 June 2021	<b>24,444,020</b>	–	<b>24,444,020</b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 25 CAPITAL COMMITMENTS

Capital commitments as at 30 June 2021 and 31 December 2020 are as follows:

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted for but not provided in the condensed consolidated financial statements		
– Development of power plants	<b>4,107,880</b>	8,414,195
– Improvement projects and others	<b>1,061,132</b>	924,424
	<b>5,169,012</b>	9,338,619

For commitment with related parties, please refer to note 27(e) for details.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 26 NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<b>Investing activities</b>		
Payment for the purchase of property, plant and equipment, construction in progress and intangible assets	(5,559,543)	(6,353,843)
Proceeds from disposal of property, plant and equipment	67,259	53,434
Proceeds on disposal of associates	–	10,293
Proceeds from disposal of financial assets at fair value through profit or loss	4,169	–
Payment for the purchase of financial assets at fair value through profit or loss	(82,365)	(12,731)
Payment for acquiring additional equity interests in subsidiaries	(2,500,000)	–
Payment of investments in associates (Note)	(5,343,390)	–
Interest received	47,826	55,732
Withdrawal of restricted deposits	47,809	21,102
Placement of restricted deposits	(18,761)	(6,061)
Dividends received	315,973	229,554
Cash inflow from disposal of subsidiaries, net	4,673,081	–
Other investing activities	156,531	(188,923)
Net cash used in investing activities	(8,191,411)	(6,191,443)
<b>Financing activities</b>		
Debentures		
– Net proceeds from debentures	–	2,300,000
– Repayment of debentures	–	(5,500,000)
Loans		
– Proceeds from loans	34,247,356	35,218,050
– Repayment of loans	(27,390,654)	(42,078,706)
Lease liabilities		
– Payment for principal portion of lease liabilities	(1,130,505)	(585,586)
Bills financing		
– Proceeds from bank acceptance bills discounted	1,218,206	346,085
– Repayment of bank acceptance bills	(796,582)	(404,648)
Issue of perpetual capital securities	–	5,000,000
Capital injection from non-controlling interests	309,677	3,066,720
Dividends paid to non-controlling interests	(330,789)	(207,418)
Dividends on perpetual capital securities	(310,600)	(132,750)
Other financing activities	(12,861)	(22,312)
Net cash generated from/(used in) financing activities	5,803,248	(3,000,565)

Note: Payment for investments in associates represents (i) cash payment of RMB5,339,600,000 to acquire 37.19% equity interest in Fuxin Development as set out in note 29 and (ii) additional capital injection in Jinshajiang Hydropower Company amounting to RMB3,790,000.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS

#### (a) Transactions with shareholders, fellow subsidiaries and associates

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows:

Name of related parties	Nature of relationship
China Huadian Corporation Limited ("China Huadian")	Parent and ultimate holding company of the Company
China Huadian Engineering Corporation and its subsidiaries	Fellow subsidiaries of the Company
Guodian Nanjing Automation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
CHD Power Plant Operation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Group Science And Technology Research Institutes Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Xinjiang Power Generation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Materials Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Capital Holdings Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Clean Energy Company Limited	A fellow subsidiary of the Company
Huadian Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Shanxi Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
Huadian Jiangsu Energy Limited Company and its subsidiaries	Fellow subsidiaries of the Company
Huadian Shaanxi Energy Company Limited	A fellow subsidiary of the Company
Huadian Sichuan Power Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Electrical Construction Technical and Economic Consulting Centre	A fellow subsidiary of the Company
Huadian Inner Mongolia Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Anhui Huadian Lu'an Power Generation Company Limited	A fellow subsidiary of the Company
China Huadian Advanced Training Centre	A fellow subsidiary of the Company
Hunan Huadian Changsha Power Generation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Hunan Huadian Changde Power Generation Company Limited	A fellow subsidiary of the Company
Huadian Fuxin Energy Limited Company and its subsidiaries	Fellow subsidiaries of the Company

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
China Huadian Hong Kong Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Guizhou Wujiang Hydroelectric Development Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Zhejiang Huadian Wuxijiang Hydropower Company Limited	A fellow subsidiary of the Company
Huadian Electric Power Research Institute Company Limited	A fellow subsidiary of the Company
Huadian Jinshan Energy Company Limited	A fellow subsidiary of the Company
Huadian Tibet Energy Company Limited	A fellow subsidiary of the Company
Hangzhou Huadian Zhakou Power Generation Limited	A fellow subsidiary of the Company
Hunan Huadian Yongzhou Wind Power Company Limited	A fellow subsidiary of the Company
Huadian Asset Management (Tianjin) Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Finance Corporation Limited	An associate of the Group



## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
Huadian Coal Industry Group Company Limited	An associate of the Group
Inner Mongolia Fucheng Mining Company Limited	An associate of the Group
Ningxia Yinxing Coal Company Limited	An associate of the Group
Sichuan Huayingshan Longtan Coal Company Limited	An associate of the Group
CNNP CHD Hebei Nuclear Power Company Limited	An associate of the Group
Shuozhou Tong-coal Wantongyuan Coal Transportation and Sales Company Limited	An associate of the Group
Otog Front Banner Changcheng No.3 Mining Company Limited	An associate of the Group
Otog Front Banner Changcheng No.5 Mining Company Limited	An associate of the Group
Otog Front Banner Changcheng Mine Company Limited	An associate of the Group

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
Lu'an Municipal Thermal Power Generation Company Limited	An associate of the Group
Huadian Jinshajiang Hydropower Company	An associate of the Group
Hebei Huadian Guyuan Wind Power Company Limited	An associate of the Group
Hebei Huadian Yuzhou Wind Power Company Limited	An associate of the Group
Huadian Power International Ningxia New Energy Power Company Limited	An associate of the Group
Huadian Fuxin Energy Development Company Limited	An associate of the Group
Beijing Huabin Investment Company Limited	A subsidiary of an associate of the Group
Beijing Huabin Property Management Company Limited	A subsidiary of an associate of the Group
Ningxia Ningdong Railway Corporation Limited	A subsidiary of an associate of the Group

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
Yanzhou Coal Mining Company Limited (" <b>Yanzhou Coal</b> ") (Note(i))	A connected person of the Group
Shaanxi Coal Transportation and Marketing (Group) Company Limited (" <b>Shaanxi Coal Transportation and Marketing</b> ") (Note(ii))	A connected person of the Group
Shandong Development Investment Holding Group Co., Ltd (" <b>Shandong Development</b> ") (Note(iii))	A connected person of the Group

Notes:

- (i) Yanzhou Coal is a substantial minority shareholder of a non-wholly owned subsidiary of the Company.
- (ii) Shaanxi Coal Transportation and Marketing is a company of a substantial minority shareholder of a non-wholly owned subsidiary of the Company.
- (iii) Shandong Development is a substantial minority shareholder of the Company.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The Group had the following material transactions with shareholders, fellow subsidiaries and associates during the six months ended 30 June 2021 and 2020:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<i>Sale of electricity to</i>		
Fellow subsidiaries	<b>20,933</b>	12,217
<i>Purchase of electricity from</i>		
A fellow subsidiary	<b>44,000</b>	1,650
<i>Sale of coal to</i>		
An associate	–	3,533
Fellow subsidiaries	<b>8,643,449</b>	4,878,526
<i>Purchase of coal from</i>		
Associates	<b>2,515,161</b>	2,116,378
Fellow subsidiaries	<b>749,349</b>	344,871
A connected person	<b>1,613,169</b>	1,048,165
<i>Purchase of natural gas from</i>		
A fellow subsidiary	<b>140,468</b>	260,795
<i>Sale of construction service and</i>		
<i>equipment to</i>		
A fellow subsidiary	–	6,856

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The Group had the following material transactions with shareholders, fellow subsidiaries and associates during the six months ended 30 June 2021 and 2020:  
(Continued)

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Purchase of construction service and equipment from</i>		
An associate	1,315	16,627
Fellow subsidiaries	405,329	747,516
<i>Loans proceeds obtained from</i>		
China Huadian	3,100,000	4,630,000
An associate	7,836,100	9,479,967
A fellow subsidiary	212,618	292,620
<i>Loans repaid to</i>		
China Huadian	400,000	800,000
An associate	6,889,800	10,068,000
A fellow subsidiary	–	2,500
<i>Bills receivable discounted to</i>		
Associates	433,490	110,000
<i>Derecognised bills receivable collected by</i>		
Associates	217,911	–
<i>Lease payment to</i>		
A fellow subsidiary	1,004,637	465,737

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The Group had the following material transactions with shareholders, fellow subsidiaries and associates during the six months ended 30 June 2021 and 2020:  
(Continued)

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<i>Interest paid to</i>		
China Huadian	<b>133,313</b>	95,542
An associate	<b>177,849</b>	186,374
A fellow subsidiary	<b>43,161</b>	16,295
<i>Interest received from</i>		
Associates	<b>41,651</b>	50,276
<i>Rental and property management service expenses paid to</i>		
Associates	<b>29,543</b>	29,167
Fellow subsidiaries	<b>7,247</b>	10,307
<i>Other services expenses paid to</i>		
China Huadian	<b>52,800</b>	46,402
Associates	–	23,084
Fellow subsidiaries	<b>82,057</b>	61,050

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The balances due from/(to) shareholders, fellow subsidiaries and associates are as follows:

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Construction in progress</i>		
Fellow subsidiaries	<b>108,023</b>	168,612
<i>Trade debtors and bills receivable</i>		
Fellow subsidiaries	<b>1,629,628</b>	1,268,463
<i>Deposits, other receivables and prepayments</i>		
Associates	<b>174,699</b>	158,037
Fellow subsidiaries	<b>667,457</b>	102,812
A connected person	–	228,243
<i>Other long-term receivables</i>		
An associate (note 13)	<b>155,024</b>	170,066
<i>Cash and cash equivalents and restricted deposits</i>		
An associate	<b>6,125,118</b>	5,707,813
<i>Loans from a shareholder</i>		
China Huadian	<b>(8,900,000)</b>	(6,700,000)
<i>Other loans</i>		
An associate	<b>(6,944,702)</b>	(8,702,202)
A fellow subsidiary	<b>(1,145,620)</b>	(1,889,663)

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The balances due from/(to) shareholders, fellow subsidiaries and associates are as follows: (Continued)

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Trade creditors and bills payable</i>		
China Huadian	<b>(9,432)</b>	(10,390)
Associates	<b>(616,712)</b>	(184,724)
Fellow subsidiaries	<b>(1,422,499)</b>	(2,708,674)
Connected persons	<b>(61,313)</b>	(88,105)
<i>Other payables</i>		
China Huadian	<b>(148,918)</b>	(31,947)
Associates	<b>(16,589)</b>	(16,433)
Fellow subsidiaries	<b>(2,704,420)</b>	(381,224)
Connected persons	<b>(97)</b>	(298)
<i>Contract liabilities</i>		
A fellow subsidiary	<b>(2,533)</b>	(10,969)
<i>Lease liabilities</i>		
A fellow subsidiary	<b>(101,802)</b>	(1,025,914)

Notes:

- (i) 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 granted to Sichuan Huayingshan Longtan Coal Company Limited, an associate of Guang'an Company, amounting to approximately RMB43.58 million. The loans have been fully repaid as at 30 June 2021.
- (ii) At 30 June 2021, China Huadian provided guarantee to banks for loans granted to the Group amounting to approximately RMB6.25 million (31 December 2020: RMB552 million).



## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Transactions with key management personnel

Remuneration for key management personnel, including amounts paid to the Company's directors and supervisors is as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Salaries and other emoluments	2,397	99
Retirement benefits	290	190
Bonuses	—	1,215
	<b>2,687</b>	<b>1,504</b>

#### (c) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and China Huadian for its staff. As at 30 June 2021 and 31 December 2020, there was no material outstanding contribution to the post-employment benefit plans.

#### (d) Transactions with other government-related entities in the PRC

China Huadian is a PRC state-owned enterprise. Government-related entities, other than entities under China Huadian, over which the PRC government has control, joint control or significant influence are also considered as related parties of the Group ("**other government-related entities**"). The majority of the business activities of the Group are conducted with other government-related entities.

The transactions between the Group and other government-related entities are conducted in the ordinary course of the Group's business within normal business operations. The Group has established its approval process for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (d) Transactions with other government-related entities in the PRC (Continued)

Having considered the potential for transactions to be impacted by related party relationships, the Group's approval processes and financing policy, and information that would be necessary for an understanding of the potential effect of the relationship on the condensed consolidated financial statements, the directors believe that the following transactions are collectively significant for disclosure purpose:

- sale of electricity to the grid

The Group sells substantially all its electricity to local government-related power grid companies, and the tariff of electricity is regulated by relevant government. For the six months ended 30 June 2021, management estimates that the aggregate amount of the Group's significant transactions with other government-related entities are at least 99% of its sale of electricity.

- depositing and borrowing

The Group deposits most of its cash in government-related financial institutions, and also obtains most of short-term and long-term loans from these financial institutions in the ordinary course of business. The interest rates of the bank deposits and loans are regulated by the People's Bank of China.

- other transactions

Other collectively significant transactions with other government-related entities include a large portion of fuel purchases, and property, plant and equipment construction. The pricing and the selection of suppliers and service providers are not dependent on whether the counterparties are government-related entities or not.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (e) Commitment with related parties

Commitment with related parties is as follows:

	At 30 June 2021	At 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Consideration payable for acquisition of subsidiaries ( <i>note 33(a)</i> )	<b>3,475,675</b>	–
Capital commitment	<b>404,992</b>	621,240
Commitment on properties rental and management fees	<b>18,897</b>	150,594

### 28 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.

Apart from the above guarantees disclosed in Note (i) of note 27(a), the Group has no other material contingent liabilities as at 30 June 2021 (31 December 2020: Nil).

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 29 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN FUXIN DEVELOPMENT

On 24 May 2021, the Company entered into a Capital Increase Agreement (“**Agreement**”) with Huadian Fuxin Energy Corporation Limited (“**Huadian Fuxin**”), a fellow subsidiary of the Group, and Huadian Fuxin’s subsidiary, 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 (i) a transfer of the equity interests held by the Company in 27 subsidiaries (together the “**New Energy Companies**”) to Fuxin Development, representing an amount of not more than approximately RMB13,609 million; and (ii) a cash payment of not lower than approximately RMB7,628 million by the Company to Fuxin Development. Details of the transaction are set out in the circular issued by the Company dated 15 June 2021.

The transaction has been approved by shareholders in the annual general meeting on 30 June 2021 and the directors considered the date of completion of transaction to be 30 June 2021. Upon the completion of transaction, the Group holds 37.19% interest in Fuxin Development in the amount of approximately RMB21,542 million, which becomes an associate of the Group, and the New Energy Companies cease to be subsidiaries of the Company on the same date.

The Group’s equity interests in the New Energy Companies disposed of are as follows:

	Equity interests
Huadian Huzhou New Energy Power Generation Company Limited	100%
Huadian Ningbo New Energy Power Generation Company Limited	100%
Huadian Henan New Energy Power Generation Company Limited	100%
Huadian Taiqian Photovoltaic Power Generation Company Limited	50%
Huadian Laizhou Wind Power Company Limited	55%
Huadian Laizhou Wind Power Generation Company Limited	55%
Huadian Laizhou Wind Energy Power Company Limited	55%
Huadian Longkou Wind Power Company Limited	65%
Longkou Dongyi Wind Power Company Limited	55%
Huadian Shandong New Energy Company Limited	100%
Huadian Xuwen Wind Power Company Limited	100%
Huadian Xiaxian Wind Power Company Limited	100%
Shanxi Huadian Pinglu New Energy Company Limited	100%
Shanxi Huadian Ying County New Energy Company Limited	100%

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 29 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN FUXIN DEVELOPMENT (CONTINUED)

The Group's equity interests in the New Energy Companies disposed of are as follows:  
(Continued)

	Equity interests
Zezhou County Huadian Wind Power Company Limited	100%
Shaanxi Huadian Xunyi Wind Power Company Limited	100%
Huadian Chongqing New Energy Power Generation Company Limited	100%
Hebei Huadian Guyuan Wind Power Company Limited (Note (i))	61.87%
Hebei Huadian Kangbao Wind Power Company Limited	100%
Huadian Tangshan Wind Power Company Limited	100%
Huadian Zhangjiakou Saibei New Energy Generation Company Limited	100%
Huadian Power International Ningxia New Energy Power Company Limited (Note (ii))	63.93%
Huadian Ningxia Ningdong Shangde Solar Power Generation Company Limited	60%
Huadian Kezuozhongqi Wind Power Company Limited	100%
Huadian Wengniuteqi Wind Power Company Limited	100%
Huadian Fengzhen City Fengdi Wind Power Generation Company Limited	100%
Huadian (Zhengxiangbai Banner) New Energy Company Limited	100%

Notes:

- (i) The Group retained 38.13% in Hebei Huadian Guyuan Wind Power Company Limited. Hence, it becomes an associate of the Group on the same date upon completion of the disposal.
- (ii) The Group retained 36.07% in Huadian Power International Ningxia New Energy Power Company Limited. Hence, it becomes an associate of the Group on the same date upon completion of the disposal.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 29 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN FUXIN DEVELOPMENT (CONTINUED)

	RMB'000
<b>Gain on disposal of New Energy Companies</b>	
Net assets of New Energy Companies disposed of ( <i>Note (i)</i> )	16,302,975
Less: Fair value of investment retained (determined on a provisional basis)	(2,336,237)
Less: Non-controlling interests	(3,111,183)
	<hr/>
Net assets attributable to equity holders of the Company	10,855,555
Add: Cash consideration ( <i>Note (ii)</i> )	7,682,271
Less: Share of 37.19% of net assets of Fuxin Development (determined on a provisional basis) ( <i>Note (iii)</i> )	(21,541,700)
	<hr/>
Gain on disposal of subsidiaries	(3,003,874)
	<hr/> <hr/>
<b>Cash outflow arising from disposal of New Energy Companies:</b>	
Cash and cash equivalents disposed of	(553,985)
	<hr/> <hr/>
<b>Cash outflow arising from acquisition of Fuxin Development:</b>	
Cash consideration	(7,682,271)
Less: Consideration payable ( <i>note 21(i)</i> )	2,342,671
	<hr/>
	(5,339,600)
	<hr/> <hr/>

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 29 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN FUXIN DEVELOPMENT (CONTINUED)

Notes:

- (i) The major classes of assets and liabilities of New Energy Companies at the date of disposal upon the completion of the Agreement as described above was as follows:

	RMB' 000
<b>Assets:</b>	
Property, plant and equipment	25,183,956
Right-of-use assets	567,162
Construction in progress	1,110,295
Intangible assets	847,616
Inventories	69,496
Trade debtors and bills receivable	4,962,198
Cash and cash equivalents	553,985
Other assets	1,408,233
	34,702,941
	34,702,941
<b>Liabilities:</b>	
Bank loans	(13,525,836)
Trade creditors and bills payable	(2,927,066)
Other liabilities	(1,947,064)
	(18,399,966)
	(18,399,966)
<b>Net assets of New Energy Companies</b>	<b>16,302,975</b>

- (ii) Pursuant to the Agreement, the cash consideration is adjusted for the value of the transferred assets and capital contribution from Huadian Fuxin and the contributed amount for all the dividends received and change in capital of the New Energy Companies by the Company to Fuxin Development during the transitional period (i.e. the period from 1 January to 30 June 2021).
- (iii) Since the initial accounting for the acquisition of Fuxin Development, the fair value measurement is still incomplete at the end of the reporting period, the Group has reported the above amounts on a provisional basis. At the moment, the recognised amounts of interests in Fuxin Development at the date of acquisition is the respective carrying amounts recognised in the Fuxin Development's financial statements, after adjusting the potential amounts of fair value adjustments identified.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 30 LOSS OF CONTROL IN OTHER SUBSIDIARIES

#### (a) Disposal of subsidiaries to China Huadian

On 26 February 2021, the Company entered into 2 sales and purchase agreements with China Huadian, pursuant to which, the Company agreed to sell and China Huadian agreed to purchase (i) 65% equity interest in Huadian Ningxia Lingwu Power Generation Company Limited ("**Ningxia Lingwu**") and the dividends receivable from Ningxia Lingwu; and (ii) 53% equity interest in Ningxia Huadian Heating Corporation Limited ("**Ningxia Heating**"). Details of the transaction are set out in the circular issued by the Company dated 31 March 2021.

In May 2021, the Group completed the above disposal for a total consideration of RMB4,335,986,000 and recorded a gain on disposal of RMB881,820,000.

The Group's equity interests in the subsidiaries disposed of are as follows:

	<b>Equity interests</b>
Ningxia Lingwu	<b>65%</b>
Ningxia Heating	<b>53%</b>

Upon loss of control over these subsidiaries, the Group derecognised non-controlling interests of RMB1,621,871,000 and the disposed cash and cash equivalents amounting to RMB211,851,000, which resulted in net cash inflows of RMB4,124,135,000 during the period ended 30 June 2021.



## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 30 LOSS OF CONTROL IN OTHER SUBSIDIARIES (CONTINUED)

#### (b) Disposal of subsidiaries and assets group to Fuxin Development and its subsidiaries

On 24 May 2021, certain subsidiaries of the Company entered into 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 of the Company agreed to sell 4 subsidiaries and certain assets group. Details of the transaction are set out in the circular issued by the Company dated 15 June 2021.

On 30 June 2021, except Lechang Branch assets group, the Group completed the above disposal for a total consideration of RMB1,776,338,000 and recorded a loss on disposal of approximately RMB51,252,000.

The Group's equity interests in the subsidiaries and assets disposed of are as follows:

	Equity interests
Hubei Huadian Wuxue New Energy Co., Ltd.	100%
Hubei Huadian Suixian Yindian Photovoltaic Power Generation Co., Ltd.	100%
Hubei Huadian Zaoyang Photovoltaic Power Generation Co., Ltd.	100%
Hebei Huadian Yuzhou Wind Power Co., Ltd. (Note (i))	60.38%
Hangzhou assets group	n/a
Longyou assets group	n/a
Weifang assets group	n/a
Laizhou assets group	n/a
Wuhan Branch assets group	n/a
Huangshi Branch assets group	n/a
Zanhuang Branch assets group	n/a

Note:

- (i) The Group retained 39.62% in Hebei Huadian Yuzhou Wind Power Co., Ltd. Hence, it becomes an associate of the Group upon completion of the disposal.

Upon loss of control over these subsidiaries, the Group derecognised non-controlling interests of RMB232,958,000 and disposed cash and cash equivalents amounting to RMB47,068,000. As at 30 June 2021, consideration of RMB626,339,000 remains receivable from Fuxin Development and its subsidiaries set out in Note (i) of note 15, which resulted in net cash inflows of RMB1,102,931,000 during the period ended 30 June 2021.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 31 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT

#### (a) Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	At 30 June 2021	At 31 December 2020		
	RMB'000	RMB'000		
Bills receivable measured at FVOCI (included in trade debtors and bills receivable) (note 14)	1,306,747	1,581,942	Level 2	Future cash flows are estimated based on discount rate observed in the available market. The fair value of bills receivable was close to their carrying amounts given all bills receivable will mature within 1 year.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 31 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT (CONTINUED)

#### (a) Fair value of the Group's financial assets that are measured at fair value on recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	At 30 June 2021	At 31 December 2020		
	RMB'000	RMB'000		
Financial assets at FVPL – unlisted equity securities in the condensed consolidated statement of financial position	336,307	307,890	Level 3	The financial assets at FVPL are unlisted equity securities. The fair value is estimated by the management. The fair value is measured by applying income approach and after considering the expected distributable profits of the investment discounted by a range of discount rate from 9.40% to 13.51%

During the reporting period there is no transfer between instruments in Level 1 and Level 2 or transfer into or out of level 3.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 31 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT (CONTINUED)

#### (b) Financial instruments carried at other than fair value

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

	30 June 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed rate borrowings and debentures payable	<b>10,478,008</b>	<b>10,928,008</b>	18,569,523	18,367,351

The fair value measurements of above financial liabilities are within the level 2 category, which have been determined based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of the group entities.

### 32 LIQUIDITY RISK MANAGEMENT

The Group is exposed to liquidity risks which arising in the normal course of the Group's business. The financial risk management policies and practices used by the Group to manage the risks are described below.

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

## Notes to the Condensed Consolidated Financial Statements (Continued)

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

### 32 LIQUIDITY RISK MANAGEMENT (CONTINUED)

At the end of reporting period, the Group had net current liabilities of approximately RMB31,031 million (31 December 2020: RMB34,289 million). With regards to its future capital commitments and other financing requirements, the Group has unutilised banking facilities of approximately RMB119.6 billion as at 30 June 2021 (31 December 2020: RMB143.6 billion) and an aggregate amount of debentures of approximately RMB39.4 billion (31 December 2020: RMB39.4 billion) registered in the PRC interbank debenture market which has not been issued as at 30 June 2021.

### 33 EVENTS AFTER THE REPORTING PERIOD

#### (a) Acquisition of subsidiaries

Subsequent to 30 June 2021, the Group has completed the acquisition of the entire equity interests in Hunan Huadian Changsha Power Generation Company Limited, Hunan Huadian Changde Power Generation Company Limited and Hunan Huadian Pingjiang Power Generation Company Limited (together the “**Hunan Area Companies**”) held by China Huadian. The acquisition has been accounted for as an acquisition of business using the acquisition method. The transaction was completed in July 2021 and the consideration is RMB3,475,675,000 which is expected to be satisfied by cash. Details of the acquisition are set out in the circular issued by the Company dated 15 June 2021 and has been approved by shareholders in the annual general meeting on 30 June 2021.

Up to the date on which these condensed consolidated financial statements are issued, the Group is still in the process of assessing the impacts of the acquisition on the financial performance and position of the Group and is currently unable to estimate the quantitative impacts to the Group. The management of the Group will pay close attention to the final results of an independent valuation in relation to the property, plant and equipment, intangible assets and other net assets acquired in the transaction and perform further assessment of its financial impact.

#### (b) Issue of debentures

On 20 August 2021, the Group issued the second tranche of medium-term notes for the year of 2021. The face value is RMB100 per medium-term notes and it was issued at a total par value of RMB2.5 billion. The second tranche of medium-term note was issued at a total par value of RMB2.5 billion with a term of 3 years and bears interest at 3.07% per annum.