China Power International Development Limited
中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 2380)

Announcement of Interim Results 2017

The board of directors (the "**Board**") of China Power International Development Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**" or "**We**") for the six months ended 30 June 2017. These financial statements prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" have been reviewed by the audit committee of the Company (the "**Audit Committee**") and Deloitte Touche Tohmatsu, the Company's auditor.

Financial Highlights

	Six months ended 30 June		
	2017	2016	Change
	RMB'000	*RMB'000*	*%*
Revenue	**9,144,490**	10,141,152	-9.83
Profit for the period	**739,999**	2,610,193	-71.65
Profit attributable to owners of the Company	**425,138**	1,926,078	-77.93
	RMB	*RMB*	*%*
Basic earnings per share	**0.06**	0.26	-76.92
	MWh	*MWh*	*%*
Total power generation	**30,880,585**	33,823,021	-8.70
Total electricity sold	**29,639,547**	32,550,127	-8.94

- The decrease in revenue was mainly due to the significant fall in electricity sales of hydropower during the period under review and the downward adjustments of tariffs for certain hydropower plants in September last year.
- The decrease in profit for the period and profit attributable to owners of the Company were mainly due to (i) the decrease in revenue from sale of hydropower electricity, and (ii) the soaring coal prices in the period under review which led to a substantial increase in the fuel costs for coal-fired power generation when comparing to the same period last year.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2017

		Unaudited Six months ended 30 June	
	Note	**2017**	2016
		RMB'000	*RMB'000*
Revenue	3	**9,144,490**	10,141,152
Other income	4	**194,047**	272,261
Fuel costs		**(4,219,730)**	(2,576,690)
Depreciation		**(1,655,933)**	(1,553,260)
Staff costs		**(814,190)**	(980,054)
Repairs and maintenance		**(267,445)**	(424,959)
Consumables		**(103,265)**	(132,654)
Other gains and losses, net	5	**37,789**	35,814
Other operating expenses		**(635,425)**	(916,348)
Operating profit	6	**1,680,338**	3,865,262
Finance income	7	**26,285**	9,386
Finance costs	7	**(943,613)**	(1,080,692)
Share of profits of associates		**136,546**	325,523
Share of profits of joint ventures		**5,955**	91,071
Profit before taxation		**905,511**	3,210,550
Income tax expense	8	**(165,512)**	(600,357)
Profit for the period		**739,999**	2,610,193
Attributable to:			
Owners of the Company		**425,138**	1,926,078
Non-controlling interests		**314,861**	684,115
		739,999	2,610,193
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
- Basic	9	**0.06**	0.26
- Diluted	9	**0.06**	0.26

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Unaudited Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Profit for the period	**739,999**	2,610,193
Other comprehensive expense that may be subsequently reclassified to profit or loss:		
- Fair value loss on available-for-sale financial assets, net of tax	**(13,623)**	(1,212,488)
Total comprehensive income for the period	**726,376**	1,397,705
Attributable to:		
Owners of the Company	**411,515**	713,590
Non-controlling interests	**314,861**	684,115
Total comprehensive income for the period	**726,376**	1,397,705

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		As at	
	Note	**30 June 2017 Unaudited** ***RMB'000***	31 December 2016 Audited *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**72,078,477**	70,886,660
Prepayments for construction of power plants		**3,746,901**	2,809,393
Prepaid lease payments		**869,999**	883,505
Goodwill		**835,165**	835,165
Interests in associates		**2,653,478**	3,029,930
Interests in joint ventures		**566,699**	560,744
Available-for-sale financial assets	11	**4,567,645**	4,585,809
Deferred income tax assets		**312,224**	244,137
Restricted deposits		**7,205**	7,200
Other non-current assets		**515,592**	501,198
		86,153,385	84,343,741
Current assets			
Inventories		**499,998**	410,692
Prepaid lease payments		**22,686**	19,736
Accounts receivable	12	**2,763,264**	2,345,994
Prepayments, deposits and other receivables		**1,301,094**	804,590
Amounts due from related parties		**785,181**	730,005
Tax recoverable		**89,605**	76,723
Derivative financial instruments	13	**-**	308,471
Restricted deposits		**338,437**	337,794
Cash and cash equivalents		**2,547,614**	1,809,415
		8,347,879	6,843,420
Total assets		**94,501,264**	91,187,161

	Note	As at **30 June 2017** **Unaudited** ***RMB'000***	 31 December 2016 Audited *RMB'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**13,534,145**	13,534,145
Reserves		**12,967,537**	13,732,848
		26,501,682	27,266,993
Non-controlling interests		**7,458,522**	7,327,841
Total equity		**33,960,204**	34,594,834
LIABILITIES			
Non-current liabilities			
Deferred income		**98,775**	82,140
Bank borrowings		**25,552,328**	24,704,030
Borrowings from related parties		**4,662,311**	4,962,711
Other borrowings	14	**998,974**	998,514
Obligations under finance leases	15	**587,191**	751,034
Deferred income tax liabilities		**1,743,392**	1,792,623
Provisions for other long-term liabilities	16	**1,057,402**	1,030,125
		34,700,373	34,321,177

	Note	As at 30 June 2017 Unaudited *RMB'000*	31 December 2016 Audited *RMB'000*
Current liabilities			
Accounts and bills payables	17	**776,087**	967,149
Construction costs payable		**3,048,279**	2,708,739
Other payables and accrued charges		**1,510,577**	1,254,293
Amounts due to related parties		**1,122,508**	844,639
Bank borrowings		**12,993,569**	8,806,380
Borrowings from related parties		**2,278,200**	500,800
Other borrowings	14	**3,537,789**	6,581,100
Current portion of obligations under finance leases	15	**388,272**	430,281
Tax payable		**185,406**	177,769
		25,840,687	22,271,150
Total liabilities		**60,541,060**	56,592,327
Total equity and liabilities		**94,501,264**	91,187,161
Net current liabilities		**17,492,808**	15,427,730
Total assets less current liabilities		**68,660,577**	68,916,011

Notes to the Condensed Consolidated Financial Statements

1 Basis of preparation

The condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016 as well as with the applicable disclosure requirements of the Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The financial information relating to the year ended 31 December 2016 that is included in this interim results announcement as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

- The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2 Accounting policies

The accounting policies applied in the preparation of the condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2016, except for the adoption of amendments to HKAS and Hong Kong Financial Reporting Standards ("HKFRSs") issued by HKICPA which are effective to the Group for accounting periods beginning on or after 1 January 2017. The adoption of the amendments to standards does not have significant impact to the results and financial position of the Group.

3 Turnover, revenue and segment information

Revenue, representing turnover net of sales related taxes, recognized during the period is as follows:

	Unaudited	
	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Sales of electricity to regional and provincial power grid companies (note (a))	**9,133,706**	10,133,389
Provision of power generation and related services (note (b))	**10,784**	7,763
	9,144,490	10,141,152

Notes:

(a) Pursuant to the power purchase agreements entered into between the Group and the respective regional and provincial power grid companies, the Group's sales of electricity were made to these power grid companies at the tariff rates agreed with the respective regional and provincial power grid companies as approved by the relevant government authorities in the People's Republic of China (the "PRC").

(b) Provision of power generation and related services represents income from the provision of power generation and related services to other power plants and power grid companies in the PRC which are calculated based on mutually agreed terms.

Segment information

The chief operating decision maker has been identified as the executive directors and certain senior management (collectively referred to as the "CODM") who make strategic decisions. The CODM reviews the internal reporting of the Company and its subsidiaries in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Currently, it is determined that the "Generation and sales of coal-fired electricity", "Generation and sales of hydropower electricity" and "Generation and sales of wind and photovoltaic power electricity" in the PRC are the reportable segments of the Group meeting the quantitative thresholds required by HKFRS 8.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from and gain on disposal of available-for-sale financial assets, if any. Other information provided to the CODM is measured in a manner consistent with that in the condensed consolidated financial statements.

Segment assets exclude available-for-sale financial assets, deferred income tax assets, derivative financial instruments and corporate assets, which are managed on a central basis.

Segment liabilities exclude deferred income tax liabilities, tax payable and corporate liabilities, which are managed on a central basis.

	Unaudited				
	Six months ended 30 June 2017				
	Coal-fired electricity *RMB'000*	**Hydropower electricity** *RMB'000*	**Wind and photovoltaic power electricity** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment revenue					
Sales of electricity	**6,129,276**	**2,601,797**	**402,633**	**-**	**9,133,706**
Provision of power generation and related services	**9,956**	**-**	**828**	**-**	**10,784**
	6,139,232	**2,601,797**	**403,461**	**-**	**9,144,490**
Segment results	**(28,975)**	**1,651,396**	**195,143**	**-**	**1,817,564**
Unallocated income	**-**	**-**	**-**	**113,237**	**113,237**
Unallocated expenses	**-**	**-**	**-**	**(250,463)**	**(250,463)**
Operating (loss)/profit	**(28,975)**	**1,651,396**	**195,143**	**(137,226)**	**1,680,338**
Finance income	**15,890**	**718**	**4,374**	**5,303**	**26,285**
Finance costs	**(360,138)**	**(507,893)**	**(81,575)**	**5,993**	**(943,613)**
Share of profits of associates	**117,682**	**-**	**2,648**	**16,216**	**136,546**
Share of profits/(losses) of joint ventures	**8,242**	**-**	**-**	**(2,287)**	**5,955**
(Loss)/profit before taxation	**(247,299)**	**1,144,221**	**120,590**	**(112,001)**	**905,511**
Income tax credit/(expense)	**53,598**	**(253,911)**	**799**	**34,002**	**(165,512)**
(Loss)/profit for the period	**(193,701)**	**890,310**	**121,389**	**(77,999)**	**739,999**
Other segment information					
Amounts included in the measure of segment profit or loss or segment assets:					
Capital expenditure					
- Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	**1,592,231**	**201,733**	**1,958,939**	**40,905**	**3,793,808**
Depreciation of property, plant and equipment	**891,202**	**612,529**	**147,097**	**5,105**	**1,655,933**
Amortization of prepaid lease payments	**5,713**	**4,059**	**591**	**974**	**11,337**
Loss on disposal of property, plant and equipment, net	**-**	**125**	**-**	**-**	**125**

	Unaudited As at 30 June 2017				
	Coal-fired electricity	**Hydropower electricity**	**Wind and photovoltaic power electricity**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets					
Other segment assets	**37,904,815**	**35,613,354**	**9,991,550**	**-**	**83,509,719**
Goodwill	**67,712**	**767,453**	**-**	**-**	**835,165**
Interests in associates	**2,250,372**	**-**	**4,875**	**398,231**	**2,653,478**
Interests in joint ventures	**498,499**	**-**	**-**	**68,200**	**566,699**
	40,721,398	**36,380,807**	**9,996,425**	**466,431**	**87,565,061**
Available-for-sale financial assets					**4,567,645**
Deferred income tax assets					**312,224**
Other unallocated assets					**2,056,334**
Total assets per condensed consolidated statement of financial position					**94,501,264**
Segment liabilities					
Other segment liabilities	**(4,647,306)**	**(2,537,103)**	**(994,996)**	**-**	**(8,179,405)**
Borrowings	**(19,950,064)**	**(21,407,543)**	**(5,367,795)**	**(3,297,769)**	**(50,023,171)**
	(24,597,370)	**(23,944,646)**	**(6,362,791)**	**(3,297,769)**	**(58,202,576)**
Deferred income tax liabilities					**(1,743,392)**
Tax payable					**(185,406)**
Other unallocated liabilities					**(409,686)**
Total liabilities per condensed consolidated statement of financial position					**(60,541,060)**

	Unaudited Six months ended 30 June 2016				
	Coal-fired electricity	Hydropower electricity	Wind and photovoltaic power electricity	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue					
Sales of electricity	6,366,172	3,636,637	130,580	-	10,133,389
Provision of power generation and related services	7,060	-	703	-	7,763
	6,373,232	3,636,637	131,283	-	10,141,152
Segment results	1,540,067	2,287,557	39,998	-	3,867,622
Unallocated income	-	-	-	123,714	123,714
Unallocated expenses	-	-	-	(126,074)	(126,074)
Operating profit/(loss)	1,540,067	2,287,557	39,998	(2,360)	3,865,262
Finance income	1,856	1,212	245	6,073	9,386
Finance costs	(236,275)	(622,484)	(18,818)	(203,115)	(1,080,692)
Share of profits of associates	323,266	-	-	2,257	325,523
Share of profits/(losses) of joint ventures	95,413	-	-	(4,342)	91,071
Profit/(loss) before taxation	1,724,327	1,666,285	21,425	(201,487)	3,210,550
Income tax (expense)/credit	(266,613)	(348,213)	5,271	9,198	(600,357)
Profit/(loss) for the period	1,457,714	1,318,072	26,696	(192,289)	2,610,193
Other segment information					
Amounts included in the measure of segment profit or loss or segment assets:					
Capital expenditure					
- Property, plant and equipment and prepayments for construction of power plants	854,990	84,838	1,994,634	16,691	2,951,153
Depreciation of property, plant and equipment	922,558	575,918	50,040	4,744	1,553,260
Amortization of prepaid lease payments	4,598	2,702	19	701	8,020
Loss on disposal of property, plant and equipment, net	1,909	6,817	-	-	8,726

	Audited As at 31 December 2016				
	Coal-fired electricity	**Hydropower electricity**	**Wind and photovoltaic power electricity**	**Unallocated**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets					
Other segment assets	37,111,227	35,496,057	7,597,493	-	80,204,777
Goodwill	67,712	767,453	-	-	835,165
Interests in associates	2,641,697	-	2,227	386,006	3,029,930
Interests in joint ventures	490,257	-	-	70,487	560,744
	40,310,893	36,263,510	7,599,720	456,493	84,630,616
Available-for-sale financial assets					4,585,809
Deferred income tax assets					244,137
Derivative financial instruments					308,471
Other unallocated assets					1,418,128
Total assets per condensed consolidated statement of financial position					91,187,161
Segment liabilities					
Other segment liabilities	(4,556,939)	(2,321,165)	(662,838)	-	(7,540,942)
Borrowings	(18,632,782)	(21,962,678)	(3,336,475)	(2,621,600)	(46,553,535)
	(23,189,721)	(24,283,843)	(3,999,313)	(2,621,600)	(54,094,477)
Deferred income tax liabilities					(1,792,623)
Tax payable					(177,769)
Other unallocated liabilities					(527,458)
Total liabilities per condensed consolidated statement of financial position					(56,592,327)

4 Other income

	Unaudited Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Rental income	**28,279**	29,550
Hotel operations income	**14,727**	14,521
Income from the provision of repairs and maintenance services	**25,524**	11,004
Dividend income	**71,133**	95,543
Management fee income	**-**	5,888
Income from provision of IT and other services	**9,282**	9,758
Value-added tax ("VAT") refund (note)	**45,102**	105,997
	194,047	272,261

Note:

To support the development of the hydropower industry and standardize the VAT policies applicable to large-scale hydropower companies, in February 2014, the Ministry of Finance and State Administration of Taxation jointly released Caishui [2014] No. 10 ("Circular 10"). Circular 10 specifies that hydropower plants with installed capacity over 1 million kilowatt and selling self-produced electricity products could apply for VAT preferential policies. In respect of the period from 1 January 2016 to 31 December 2017, eligible enterprises are entitled to a refund of the portion of actual VAT paid which exceeds 12% of the relevant revenue.

5 Other gains and losses, net

	Unaudited Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Amortization of deferred income	**1,794**	1,059
Government subsidies	**2,324**	2,620
Loss on disposal of property, plant and equipment, net	**(125)**	(8,726)
Fair value change on derivative financial instruments (Note 13)	**(110,547)**	(7,724)
Sales of unused power production quota	**107,882**	16,320
Profits on trading of coal, coal by-products and spare parts	**30,760**	28,177
Others	**5,701**	4,088
	37,789	35,814

6 Operating profit

Operating profit is stated after charging the following:

	Unaudited Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Amortization of prepaid lease payments	**11,337**	8,020
Depreciation:		
- owned property, plant and equipment	**1,612,927**	1,510,254
- property, plant and equipment under finance leases	**43,006**	43,006
Operating lease rental expenses:		
- equipment	**1,099**	1,239
- leasehold land and buildings	**28,419**	24,550

7 Finance income and finance costs

	Unaudited Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**15,965**	8,727
Interest income from CPI Financial Company Limited* ("CPIF")	**851**	172
Interest income from a fellow subsidiary	**1,577**	-
Interest income from an associate	**7,892**	487
	26,285	9,386
Finance costs		
Interest expense on		
- bank borrowings	**772,883**	746,368
- long-term borrowings from related parties	**114,960**	83,332
- short-term borrowings from related parties	**15,448**	8,941
- long-term other borrowings	**55,023**	68,350
- short-term other borrowings	**45,456**	26,076
- amounts due to related parties	**1,785**	947
- obligations under finance leases	**27,248**	37,918
- provisions for other long-term liabilities (Note 16)	**43,584**	45,436
	1,076,387	1,017,368
Less: amounts capitalized	**(91,548)**	(72,538)
	984,839	944,830
Exchange (gains)/losses, net	**(41,226)**	135,862
	943,613	1,080,692

The weighted average interest rate on capitalized borrowings is approximately 4.44% (2016: 4.87%) per annum.

8 Income tax expense

No Hong Kong profits tax has been provided for as the Group did not have any estimated assessable profit in Hong Kong for the six months ended 30 June 2017 (2016: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (2016: 25%) on the estimated assessable income for the six months ended 30 June 2017 except as disclosed below.

The amount of income tax recognized in the condensed consolidated income statement represents:

	Unaudited	
	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
PRC current income tax		
Charge for the period	**278,104**	590,544
Under/(over) provision in prior year	**185**	(2,367)
	278,289	588,177
Deferred income tax		
(Credit)/charge for the period	**(112,777)**	12,180
	165,512	600,357

Share of income tax charge attributable to associates and joint ventures for the six months ended 30 June 2017 of RMB43,702,000 (2016: RMB110,726,000) and RMB1,975,000 (2016: RMB33,381,000) respectively were included in the Group's share of profits of associates/joint ventures for the period.

For the six months ended 30 June 2017 and 2016, certain subsidiaries of the Group were either exempted from PRC Enterprise Income Tax or entitled to the preferential tax rate of 7.5%, 12.5% or 15%.

As at 30 June 2017, two subsidiaries of the Group had investment tax credits ("Tax Credits") with an accumulated amount of RMB189,308,000 (31 December 2016: RMB189,308,000) of which RMB103,983,000 (31 December 2016: RMB103,983,000) were utilized against their income tax charges since the granting of such Tax Credits. The Tax Credits are calculated based on 10% of the purchase price of specific environmental friendly, water- and energy-saving, safety enhanced facilities used in the Group's coal-fired power business. The Tax Credits are recognized as a reduction of current income tax when they are realized. The portion of Tax Credits that has not been utilized can be carried forward over a period of no more than five years.

9 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of shares in issue during the period.

	Unaudited Six months ended 30 June	
	2017	2016
Profit attributable to owners of the Company (RMB'000)	**425,138**	1,926,078
Weighted average number of shares in issue (shares in thousands)	**7,355,165**	7,355,165
Basic earnings per share (RMB)	**0.06**	0.26

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume exercise of all dilutive potential ordinary shares arising from the Company's share options.

For the six months ended 30 June 2017 and 2016, the Company has share options that are dilutive potential ordinary shares, and a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Unaudited Six months ended 30 June	
	2017	2016
Profit attributable to owners of the Company (RMB'000)	**425,138**	1,926,078
Weighted average number of shares in issue (shares in thousands)	**7,355,165**	7,355,165
Adjustment for share options (shares in thousands)	**2,765**	5,532
Weighted average number of shares for the purpose of calculating diluted earnings per share (shares in thousands)	**7,357,930**	7,360,697
Diluted earnings per share (RMB)	**0.06**	0.26

10 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (2016: Nil).

11 Available-for-sale financial assets

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Unlisted equity investments in the PRC - at cost	**175,442**	175,442
Equity securities listed in the PRC - at fair value		
- Shanghai Electric Power Co., Ltd.* ("Shanghai Power")	**4,392,203**	4,410,367
	4,567,645	4,585,809
Market value of equity securities listed in the PRC	**4,392,203**	4,410,367

12 Accounts receivable

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts receivable from regional and provincial power grid companies (note (a))	**2,458,412**	2,119,135
Accounts receivable from other companies (note (a))	**2,603**	14,047
	2,461,015	2,133,182
Notes receivable (note (c))	**302,249**	212,812
	2,763,264	2,345,994

Notes:

(a) The ageing analysis of the accounts receivable presented based on invoice date is as follows:

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 3 months	**2,207,405**	1,983,371
4 to 6 months	**126,833**	95,590
Over 6 months	**126,777**	54,221
	2,461,015	2,133,182

The credit quality of accounts receivable that are neither past due nor impaired has been assessed by reference to the historical information about counterparty default rates. The existing counterparties did not have significant default in the past.

(b) As at 30 June 2017, accounts receivable that were past due but not impaired amounted to RMB253,610,000 (31 December 2016: RMB149,811,000), which mainly represented the wind and photovoltaic power price premium. The directors consider that there has not been a significant change in credit quality and there was no impairment in view of the creditability of the debtors and the continuing repayment from these debtors.

(c) As at 30 June 2017, notes receivable were bank acceptance notes issued by third parties and were normally with maturity period of 180 days (31 December 2016: 180 days).

(d) As at 30 June 2017, certain bank borrowings and long-term borrowings from CPIF were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings as at 30 June 2017 amounted to RMB1,144,449,000 (31 December 2016: RMB1,125,880,000).

13 Derivative financial instruments

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Derivative financial instruments – current assets	**-**	308,471

These derivative financial instruments were not designated as hedging instruments in accordance with HKAS 39. For the six months ended 30 June 2017, a fair value change on termination of the derivative financial instruments of RMB110,547,000 (2016: a fair value change of RMB7,724,000) was recognized in the condensed consolidated income statement as other losses (Note 5).

Derivative financial instruments represent the two option contracts which the Company entered into in 2015 to hedge against the foreign exchange currency risk for the short-term USD commercial notes issued by the Company in July 2014. Upon termination of the derivative financial instruments in June 2017, the Group had realized an accumulated pre-tax gain of RMB56,167,000 when comparing the proceeds receivables of RMB197,924,000 on termination with the acquisition cost of RMB141,757,000 for the two option contracts.

14 Other borrowings

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current		
Corporate bonds issued by:		
- the Company (note (a))	**-**	2,000,000
- a subsidiary (note (b))	**998,974**	998,514
	998,974	2,998,514
Less: Current portion of corporate bonds issued by the Company (note (a))	**-**	(2,000,000)
	998,974	998,514

Current		
Corporate bonds issued by the Company reclassified as current (note (a))	**-**	2,000,000
Short-term other borrowings :		
- Short-term debentures issued by a subsidiary	**-**	500,000
- Commercial notes (note (c))	**1,537,789**	2,081,100
- Short-term commercial paper issued by the Company (note (d))	**2,000,000**	2,000,000
	3,537,789	6,581,100
	4,536,763	7,579,614

Notes:

(a) Balance as at 31 December 2016 represented an unsecured RMB denominated corporate bonds of RMB2,000,000,000, which were issued by the Company in May 2014 for a term of 3 years at an interest rate of 4.50% per annum. The amount was fully redeemed and settled upon maturity on 9 May 2017.

(b) Balance represents certain long-term corporate bonds issued by Wu Ling Power Corporation* ("Wu Ling Power") for a term of 10 years from April 2009 which are interest bearing at 4.60% per annum. These bonds are guaranteed by State Power Investment Corporation* ("SPIC").

(c) Pursuant to the Commercial Paper Dealer Agreement entered into by the Company on 8 July 2014, the Company may issue USD denominated commercial notes to institutional accredited investors in the United States with an aggregate amount of not more than USD300,000,000 for a 3-year period starting 8 July 2014. The term of each commercial note is not more than 270 days. As at 30 June 2017, commercial notes of USD227,000,000 (approximately RMB1,537,789,000) (31 December 2016: USD300,000,000 (approximately RMB2,081,100,000)) issued by the Company were outstanding. The commercial notes do not bear nominal interest rates but were issued at discount rates ranging from 1.35% to 1.42% (2016: 0.42% to 0.50%) for the six months ended 30 June 2017.

The incidental costs arising from issue of the commercial notes for the six months ended 30 June 2017 amounted to RMB7,369,000 (2016: RMB11,085,000).

(d) Balance represents 2016 first tranche of the short-term commercial paper of RMB2,000,000,000 issued by the Company in October 2016 for a term of 1 year at an interest rate of 2.80% per annum. The short-term commercial paper was unsecured and denominated in RMB.

As at 30 June 2017, the Company had available unutilized short-term commercial paper facilities amounting to RMB3,000,000,000 (31 December 2016: RMB3,000,000,000).

15 Obligations under finance leases

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Obligations under finance leases	**975,463**	1,181,315
Less: Current portion of obligations under finance leases	**(388,272)**	(430,281)
Non-current portion of obligations under finance leases	**587,191**	751,034

16 Provisions for other long-term liabilities

Provisions for other long-term liabilities represent the provisions in relation to compensations for inundation caused by the construction of two hydropower plants of the Group.

The provision is measured at the present value of the expenditures expected to be required to settle the compensations, based on the latest rules and regulations as set out by the relevant local government authorities in the PRC and the expected useful lives of the two hydropower plants, using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provision due to the passage of time is recognized as interest expense.

Analysis of the provision for compensations for inundation as at 30 June 2017 is as follows:

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current liabilities (included in provisions for other long-term liabilities)	**1,057,402**	1,030,125
Current liabilities (included in other payables and accrued charges)	**135,294**	134,230
	1,192,696	1,164,355

The movement of the provision for compensations for inundation for the six months ended 30 June 2017 is as follows:

	Unaudited	
	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
As at 1 January	**1,164,355**	1,024,921
Recognized during the period	**-**	3,464
Interest expense (Note 7)	**43,584**	45,436
Payment	**(15,243)**	(49,380)
As at 30 June	**1,192,696**	1,024,441

17 Accounts and bills payables

	As at	
	30 June	31 December
	2017	2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts payable (note (a))	**510,155**	590,222
Bills payable (note (b))	**265,932**	376,927
	776,087	967,149

Notes:

(a) The normal credit period for accounts payable generally ranges from 60 to 180 days. The ageing analysis of the accounts payable presented based on invoice date is as follows:

	As at	
	30 June	31 December
	2017	2016
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 6 months	**449,515**	539,937
7 to 12 months	**20,585**	5,599
Over 1 year	**40,055**	44,686
	510,155	590,222

(b) As at 30 June 2017, bills payable are bills of exchange with maturity period ranging from 3 to 12 months (31 December 2016: ranged from 3 to 12 months).

Business Review

The Group is principally engaged in generation and sales of electricity in Mainland China, including investment, development, operation and management of coal-fired power, hydropower, wind power and photovoltaic power plants. Its businesses are located in the major power grid regions of China.

In the first half of 2017, the national total electricity consumption rose by 6.30% when compared with the corresponding period last year, extending the trend of accelerated growth arisen since the second half of 2016. As the reform on power industry deepened in progress, the electricity market for direct trades between power generation enterprises and large-volume electricity end-users ("direct power supply") is opening and competing in an orderly manner.

In the first half of 2017, the Group's total electricity sold was 29,639,547MWh, representing a decrease of 8.94% when compared with the corresponding period last year, and profit attributable to owners of the Company was RMB425,138,000, representing a decrease of 77.93% when compared with the corresponding period last year. Basic earnings per share was RMB0.06, representing a decrease of 76.92% when compared with the corresponding period last year. As at 30 June 2017, net assets per share, excluding non-controlling interest, was RMB3.60.

During the period under review, the Group continued to accelerate corporate transformation in various aspects:

- Continued to develop clean energy – The Group's total installed capacity of clean energy increased by 155MW during the period under review, and the share of installed capacity of clean energy expanded further. Development of wind power and photovoltaic power projects achieved satisfactory progress during the first half of the year. The Group is constructing a photovoltaic power station integrated with agricultural facilities in Shandong Province of the PRC and has established a joint venture to develop offshore wind power business. Coal-fired power generating units have been comprehensively upgraded and renovated on a continual basis with notable effects in the reduction of pollutant emissions.

- Accelerated the development of integrated energy – The Group has been developing the heat supply market actively and continuing to increase the production capacity for heat supply. During the period under review, total heat sold increased by 8.14% (including an associate and a joint venture) when compared with the corresponding period last year and the sources of revenue expanded. Significant efforts were devoted to develop integrated energy (i.e. to supply power, heat, cold energy and industrial water simultaneously to users). The integrated energy projects in Guangdong Jiangmen and Sichuan Chengdu Hi-Tech Industrial Development Zone have obtained approvals from their respective local government and have been preparing for construction works, while the integrated energy project in Anhui Hefei has also been progressing smoothly.

- Strived to increase income and curb expenditures – During the period under review, the power generation volume of new wind power plants and photovoltaic power stations increased significantly compared with the corresponding period last year which narrowed the reduction in the overall electricity sales in the first half of the year. As of 30 June 2017, the Group had seventeen coal-fired power generating units (including an associate) which were granted tariff subsidies for ultra-low emissions, the income from the coal-fired power segment was positively enhanced. To control fuel costs, the Group strived to deepen the cooperative relationship with major coal suppliers and ensure full delivery of medium to long term coal contracts to stabilize coal supply and prices.

Power Generation and Electricity Sold

For the first half of 2017, the details of power generation and electricity sold of the Group are set out as follows:

	First half of 2017 *MWh*	First half of 2016 *MWh*	Changes *%*
Total power generation	**30,880,585**	33,823,021	-8.70
- Coal-fired power	**20,956,322**	21,551,323	-2.76
- Hydropower	**9,208,391**	12,021,612	-23.40
- Wind power	**427,902**	206,419	107.30
- Photovoltaic power	**287,970**	43,667	559.47
Total electricity sold	**29,639,547**	32,550,127	-8.94
- Coal-fired power	**19,849,770**	20,453,916	-2.95
- Hydropower	**9,093,726**	11,853,473	-23.28
- Wind power	**412,507**	199,718	106.54
- Photovoltaic power	**283,544**	43,020	559.10

For the first half of 2017, the details of electricity sold of the Group's main associate and joint venture are set out as follows:

	First half of 2017 *MWh*	First half of 2016 *MWh*	Changes *%*
Total electricity sold	**10,243,782**	9,412,846	8.83
Changshu Power Plant			
- Coal-fired power	**8,624,901**	7,734,628	11.51
- Photovoltaic power	**17,286**	1,086	1,491.71
Xintang Power Plant			
- Coal-fired power	**1,601,595**	1,677,132	-4.50

For the first half of 2017, total electricity sold of the Group dropped by 8.94% compared with the corresponding period last year. In respect of the coal-fired power in the first half of this year, the Group arranged suspension of several coal-fired power generating units with large capacities for ultra-low-emission improvement works and routine check-up and repairs, and the electricity sales of the coal-fired power decreased by 2.95% year-on-year. In respect of hydropower, due to the exceptional ample rainfall along the river basins where the Group's hydropower plants are located in the same period last year, the electricity sales in the first half of this year dropped by 23.28% when comparing with the high base figure in same period last year. However, the total electricity sold of the hydropower in first half of this year was within the normal range compared to the historical average level recorded in the same period. Electricity sales of wind power and photovoltaic power were significantly up by 106.54% and 559.10% respectively year-on-year in the Group's vigorous effort on promoting the development of clean energy.

Heat Sold

For the first half of 2017, total heat sold by the Group (including an associate and a joint venture) was 7,063,845GJ, representing an increase of 531,911GJ or 8.14% compared to the corresponding period last year.

In recent years, the Group has started to develop heat supply projects and to carry out transformation of existing coal-fired power generating units suitable for heat supply. The use of residual heat as a new source to secure profit growth helped enhancing the utilization of energy integration as well as aligning with the direction of government emphasis on environmental protection and achieving the goal on energy saving and consumption reduction. As of 30 June 2017, ten power generating units of the Group (including an associate) have completed the heat supply renovation and another two power generating units are expected to be completed the same within 2017.

Direct Power Supply

The Group actively participated in the national power industrial reform and closely tracked the relevant policy changes with the parties concerned to establish a more standardized and more orderly competitive mechanism for direct power supply trading. For the first half of 2017, a number of coal-fired power plants of the Group participated in the direct power supply transactions, the electricity sold through direct power supply transactions was 6,779,703MWh, accounting for approximately 22.87% of the Group's total electricity sales.

Direct power supply is a kind of electricity market trading behavior, the tariffs will vary with the market supply and demand situation and thus the average on-grid tariffs will fluctuate more than in the past. For the first half of 2017, the average post-tax tariffs for those power plants of the Group which participated in direct power supply transactions was at a discount of approximately 7.75% as compared with the average post-tax benchmark on-grid tariffs.

On-Grid Tariff

For the first half of 2017, the Group's average on-grid tariffs compared to the corresponding period last year:

- coal-fired power was RMB309.28/MWh, representing a decrease of RMB2.31/MWh;
- hydropower was RMB286.11/MWh, representing a decrease of RMB20.69/MWh;
- wind power was RMB446.89/MWh, representing a decrease of RMB36.34/MWh; and
- photovoltaic power was RMB800.37/MWh, representing a decrease of RMB7.86/MWh.

The decrease in the average on-grid tariff of hydropower was mainly due to the downward adjustments of on-grid tariffs for hydropower plants located in Hunan Province since 1 September 2016. The decrease in the average on-grid tariff of wind power was mainly due to some wind power plants in certain regions charged at lower on-grid tariffs in place of the power generation from coal-fired power plants.

The Group will continue to closely monitor the development of the environmental protection policies of the PRC government and strengthen the research on the green energy tariff policies in order to actively seek for more green energy subsidies and to increase revenue.

Unit Fuel Cost

For the first half of 2017, the average unit fuel cost of the Group's coal-fired power business was approximately RMB212.58/MWh, representing an increase of approximately 68.74% from that of RMB125.98/MWh of the corresponding period last year. Since the second half of last year, market coal prices rose rapidly, coal prices continued to hover at high levels in the first half of this year resulted in a surge in fuel costs year-on-year. During the period under review, in order to keep the increment of fuel costs under control, the Group strengthened the management over coal procurement by enlarging the scale of centralized procurement, optimizing the coal inventory level with instant response to the rapid market changes, and seeking new coal supply channels to enhance our bargaining power.

Coal Consumption

For the first half of 2017, the net coal consumption rate of the Group was 303.03g/KWh, representing an increase of 0.12g/KWh as compared with the corresponding period last year, which was mainly due to several coal-fired power generating units suspended during the period under review for the ultra-low-emission improvement works which reduced the power generation, and the new environmental friendly facilities increased the house consumption of the power plants which affected the coal consumption slightly.

In recent years, some of the Group's environmental friendly power generating units with large capacity and high parameter have commenced operation successively which has achieved substantial effect on energy saving and emission reduction, and also has helped to maintain the net coal consumption rate at low level.

Utilization Hours of Power Generating Units

For the first half of 2017, the average utilization hours of coal-fired power generating units of the Group was 1,745 hours, representing a decrease of 49 hours as compared with the corresponding period last year. Followed by the series of measures launched by the PRC government to control the pace of coal-fired power development, the national growth rate of newly-installed coal-fired power generating capacity fell year on year, and thus the fall in the average utilization rate of the Group's coal-fired power generating units has also slowed down. The average utilization hours of hydropower generating units was 1,917 hours, representing a decrease of 597 hours as compared with the corresponding period last year, mainly impacted by the relatively high base figure in the same period last year. The average utilization hours of wind power generating units was 936 hours, representing an increase of 105 hours as compared with the corresponding period last year.

Operating Results of the First Half of 2017

For the first half of 2017, the net profit of the Group amounted to RMB739,999,000, representing a decrease of RMB1,870,194,000 as compared with the corresponding period last year. During the period under review, clean energy business (hydropower, wind power and photovoltaic power) kept making significant profit contribution to the Group, while coal-fired power business reported an operating loss as a result of the substantial rise in fuel costs. For the first half of 2017, the net profits and losses from the principal business segments and their respective ratio of contribution to the total net profit are as follows:

- net profit from hydropower was RMB890,310,000 (120.3%, 2016: 50.5%);

- net profit from wind power and photovoltaic power was RMB121,389,000 (16.4%, 2016: 1.0%); and

- net loss from coal-fired power was RMB271,700,000 (-36.7%, 2016: 48.5%).

As compared with the first half of 2016, the decrease in net profit was mainly due to the following factors:

- an increase in fuel costs of RMB1,643,040,000 due to the sustained high coal prices during the period which resulted in the surge in unit fuel cost of electricity sold by RMB86.60/MWh or 68.74%;

- as a result of electricity sold for both hydropower and coal-fired power reported a decrease, and the decrease in average on-grid tariff of hydropower; the revenue of hydropower and coal-fired power reduced by RMB1,034,840,000 and RMB234,000,000 respectively; and

- the decrease in the share of profits of associates and joint ventures by RMB274,093,000 .

However, part of the net profit decrease for the period under review was offset by the following key factor:

- operating costs (apart from fuel costs and depreciation) reduced by RMB633,690,000 with the Group's effort over cost control.

Revenue

The revenue of the Group was mainly derived from the sales of electricity. For the first half of 2017, the Group recorded a revenue of RMB9,144,490,000, representing a decrease of 9.83% as compared with RMB10,141,152,000 of the corresponding period last year. The decrease in revenue was mainly attributable to the fall in hydropower revenue by RMB1,034,840,000 which was the combined result of decreased electricity sales and reduced average on-grid tariff of hydropower by 23.28% and 6.74% respectively compared with the corresponding period last year.

Segment Information

The reportable segments identified by the Group meeting the quantitative thresholds required by HKFRS 8 are now the "generation and sales of coal-fired electricity", "generation and sales of hydropower electricity" and "generation and sales of wind and photovoltaic power electricity".

Operating Costs

Operating costs of the Group mainly consist of fuel costs for coal-fired power generation, repairs and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, consumables and other operating expenses.

For the first half of 2017, the operating costs of the Group amounted to RMB7,695,988,000, representing a rise of 16.89% as compared with RMB6,583,965,000 of the corresponding period last year. The increase in operating costs was mainly driven by the significant surge in fuel costs which was the result of rapidly rising coal prices as compared to the corresponding period last year. In the Group's efforts to control costs, operating costs other than fuel costs and depreciation fell substantially, partly offsetting some negative effects of the increase in fuel costs.

Operating Profit

For the first half of 2017, the Group's operating profit was RMB1,680,338,000, representing a decrease of 56.53% as compared with RMB3,865,262,000 of the corresponding period last year. The decrease in operating profit was the aggregated results of the surge in fuel costs, and the fall in electricity sales and the reduced average on-grid tariff of hydropower.

Finance Costs

For the first half of 2017, the finance costs of the Group amounted to RMB943,613,000, representing a decrease of 12.68% as compared with RMB1,080,692,000 of the corresponding period last year. The Group's continuous efforts to replace high-interest rate debts and monitor over the debt's interest rates level, the finance costs decreased notwithstanding the average debts level increased over the same period last year.

Share of Profits of Associates

For the first half of 2017, the share of profits of associates was RMB136,546,000, representing a decrease in profits of RMB188,977,000 or 58.05% as compared with RMB325,523,000 of the corresponding period last year. The decrease in profits was mainly attributable to the decrease in profit contribution from an associate, Changshu Power Plant (principally engaged in coal-fired power generation and heat supply).

Share of Profits of Joint Ventures

For the first half of 2017, the share of profits of joint ventures was RMB5,955,000, representing a significant decrease in profits of RMB85,116,000 or 93.46% as compared with RMB91,071,000 of the corresponding period last year. The decrease in profits was mainly attributable to the significant decrease in profit contribution from a joint venture, Xintang Power Plant (principally engaged in cogeneration of heat and power).

Income Tax Expense

For the first half of 2017, income tax expense of the Group was RMB165,512,000, representing a decrease of RMB434,845,000 as compared with RMB600,357,000 of the corresponding period last year. The decrease was mainly due to the decline in operating profit.

Earnings per Share and Interim Dividend

For the first half of 2017, the basic and diluted earnings per share attributable to owners of the Company were RMB0.06 (2016: RMB0.26) and RMB0.06 (2016: RMB0.26) respectively.

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2017.

Attributable Installed Capacity

As at 30 June 2017, the attributable installed capacity of the Group's power plant reached 16,843.8MW, representing an increase of approximately 351.8MW year-on-year. Among which, the attributable installed capacity of coal-fired power was 12,633.6MW, representing approximately 75% of the total attributable installed capacity, and the attributable installed capacity of clean energy including hydropower, wind power, photovoltaic power and natural gas power was 4,210.2MW, accounting for approximately 25% of the total attributable installed capacity, representing an increase of 1.60 percentage points as compared with the same period last year. The attributable installed capacity of the Group's existing natural gas power is all from Shanghai Power.

In the first half of 2017, the Group continued to vigorously promote the construction of clean energy plants, the proportion of clean energy in our assets portfolio has gradually increased and is approaching further towards the goal of a resource-saving and environment friendly enterprise.

The Group's new power generating units that commenced commercial operation from 1 July 2016 to 30 June 2017 included:

Power Plant	**Type of Power Plant**	**Installed Capacity** (MW)	**Interest** (%)	**Attributable Installed Capacity** (MW)	**Timeline for Commercial Operation**
Jiesigou Power Plant	Hydropower	24	44.1	10.6	February 2017
Shanshan Power Plant	Wind power	49.5	63	31.2	August 2016
Gulang Power Plant	Wind power	100	44.1	44.1	October 2016
Daqingshan Power Plant	Wind power	50	63	31.5	March 2017
Xinshao Longshan Power Plant	Wind power	50	63	31.5	April 2017
Tieling Power Station	Photovoltaic power	25	100	25	July 2016
Jiaoganghu Power Station	Photovoltaic power	20	100	20	August 2016
Tiemengang Power Station	Photovoltaic power	50	100	50	August 2016
CP Jiangmen#	Photovoltaic power	14	100	14	August 2016
Qinggil Power Station	Photovoltaic power	20	63	12.6	August 2016
New Barag Left Banner Power Station	Photovoltaic power	10	63	6.3	August 2016
Huangnitan Power Station	Photovoltaic power	20	100	20	October 2016
Yiyang Power Station	Photovoltaic power	20	44.1	8.8	April 2017
Xiangtan Power Station	Photovoltaic power	11	44.1	4.9	May 2017
Total		**463.5**		**310.5**	

CP (Jiangmen) Integrated Energy Company Limited* ("CP Jiangmen") included two photovoltaic power projects.

*Note: Apart from the above additional power generating units, as compared to the corresponding period last year, the Group recorded a net increase in attributable installed capacity of approximately 351.8MW when accounted for commercial operation of a photovoltaic power station of an associate, Changshu Power Plant and the changes in the installed capacity of Shanghai Power and Sichuan Energy Investment Development Co., Ltd.**

Projects under Construction

As at 30 June 2017, the Group's projects under construction included various projects of coal-fired power, hydropower, wind power and photovoltaic power, of which the attributable installed capacity of clean energy accounted for 21.62% of the total. The Group's projects under construction are as follows:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Expected Timeline for Commercial Operation
CP Pu'an Power Plant	Coal-fired power	1,320	100	1,320	2018
Dabieshan Power Plant	Coal-fired power	1,320	51	673.2	2019
Shangqiu Power Plant	Co-generation	700	100	700	2018
Luoshuidong Power Plant	Hydropower	35	63	22.1	2018
Mawo Power Plant	Hydropower	32	63	20.2	2018
Xinping Power Plant	Wind power	49.5	32.1	15.9	2017
Lianyuan Longshan Power Plant	Wind power	49.9	44.1	22.0	2017
Jingzhushan Power Plant	Wind power	50	63	31.5	2017
Weishan Power Plant	Wind power	70	63	44.1	2018
Songmutang Power Plant	Wind power	50	63	31.5	2018
Taihexian Power Plant	Wind power	50.5	63	31.8	2018
Ziyunshan Power Plant	Wind power	50	44.1	22.1	2018
Shangjiangxu Power Plant	Wind power	70	44.1	30.9	2018
Shiziling Power Plant	Wind power	50	63	31.5	2018
Jinzixian Power Plant	Wind power	50	63	31.5	2018
Xintai Power Station	Photovoltaic power	100	100	100	2017
Ruicheng Power Station	Photovoltaic power	80	100	80	2017
New Barag Left Banner Power Station^	Photovoltaic power	10	63	6.3	2017
Maojiaxiang Power Station	Photovoltaic power	20	63	12.6	2017
Wangjiachong Power Station	Photovoltaic power	20	63	12.6	2017
Xiejiaji Power Station	Photovoltaic power	70	100	70	2017
Xindian Power Station	Photovoltaic power	50	100	50	2017
Qingshan Power Station	Photovoltaic power	50	100	50	2017
Gaotang Power Station	Photovoltaic power	20	44.1	8.8	2017
Yuhan Power Station	Photovoltaic power	20	44.1	8.8	2017
Liannan Power Station	Photovoltaic power	20	44.1	8.8	2017
Total		**4,406.9**		**3,436.2**	

^ The total installed capacity of New Barag Left Banner Power Station was 20MW, among which 10MW have commenced operation in 2016.

New Development Projects

In response to the national supply-side reform, the Group strives to develop clean energy projects, and appropriately adjusts the development and construction of coal-fired power projects and controls the relevant capital expenditure. The Group plans to slow down the construction of certain coal-fired power generating units and suspend certain development plan of coal-fired power generating units.

Currently, the total installed capacity of new projects at a preliminary development stage (including projects with applications submitted to the PRC government for approvals) is approximately 5,500MW. In recent years, the Group has been actively seeking development opportunities in areas with rich resources, regional and market advantages, and devoting efforts to expedite development of the projects in these locations. Currently, the total installed capacity of the clean energy projects (including natural gas power projects) at a preliminary development stage is approximately 3,500MW which are mainly located in Hunan, Shanxi and Xinjiang, the regions where the Group has competitive advantages.

Available-for-sale Financial Assets

The Group recognizes its shareholding in Shanghai Power as "Available-for-sale financial assets". As at 30 June 2017, the Group had interest in 16.98% of the issued share capital of Shanghai Power, whose A-shares were listed on the Shanghai Stock Exchange.

As at 30 June 2017, the fair value of the shareholding held by the Group was RMB4,392,203,000, representing a decrease of 0.41% from that of RMB4,410,367,000 as at 31 December 2016.

Material Acquisitions and Disposals

During the period under review, the Group did not have material acquisition or disposal.

Liquidity, Cashflow and Financial Resources

As at 30 June 2017, cash and cash equivalents of the Group were RMB2,547,614,000 (31 December 2016: RMB1,809,415,000). Current assets amounted to RMB8,347,879,000 (31 December 2016: RMB6,843,420,000), current liabilities amounted to RMB25,840,687,000 (31 December 2016: RMB22,271,150,000) and current ratio was 0.32 (31 December 2016: 0.31).

During the period under review, the Group recorded a net increase in cash and cash equivalents of RMB748,640,000 (2016: RMB919,538,000), working capital is sufficient. For the six months ended 30 June 2017,

- net cash generated from operating activities amounted to RMB2,119,326,000 (2016: RMB4,232,730,000).

- net cash used in investing activities amounted to RMB3,306,501,000 (2016: RMB3,162,196,000), which mainly represented the cash outflow of capital expenditure on the Group's property, plant and equipment and prepayments for construction of power plants.

- net cash generated from financing activities amounted to RMB1,935,815,000 (2016: net cash used in RMB150,996,000). The significant increase in cash inflow, as compared with the corresponding period last year, was mainly attributable to the increase in net cash inflow from total debts.

The financial resources of the Group were mainly derived from cash inflow from operating activities, borrowings from banks and related parties, project financing, bonds, short-term debentures, commercial paper and commercial notes issues.

Debts

As at 30 June 2017, total debts of the Group amounted to RMB50,998,634,000 (31 December 2016: RMB47,734,850,000). All debts of the Group are denominated in Renminbi ("RMB"), United States Dollars ("USD") and Japanese Yen ("JPY").

As at 30 June 2017, the Group's gearing ratio, calculated as net debt (being total debts less cash and cash equivalents) divided by total capital (being total equity plus net debt), was approximately 59% (31 December 2016: 57%). The Group's gearing ratio remained stable.

In May 2014, the Company issued the corporate bonds of RMB2,000,000,000 for a term of three years at an interest rate of 4.50% per annum. In May 2017, the Company had fully redeemed and settled the principal amount of the bonds and the accrued interest at maturity.

Significant Financing Activities

In October 2016, the Company was confirmed to accept the application for issue of short-term commercial paper in the PRC in an aggregate amount of RMB5 billion with an effective registration period of two years and to be issued in tranches within the effective period of the registration. The Company completed the issuance of the first tranche of the short-term commercial paper on 17 October 2016, the principal amount is RMB2 billion which bears interest at 2.80% with one year maturity. The drawdown of RMB1.54 billion were used for the repayment of bank borrowings in 2016, and the remaining balance was also used for the repayment of bank borrowings in the first half of 2017.

Capital Expenditure

For the six months ended 30 June 2017, capital expenditure of the Group was RMB3,793,808,000 (2016: RMB2,951,153,000). Among which, the capital expenditure for clean energy sector (hydropower, wind power and photovoltaic power) was RMB2,160,672,000 (2016: RMB2,079,472,000), which was mainly used for construction of new power plants and power stations; whereas the capital expenditure for coal-fired power sector was RMB1,592,231,000 (2016: RMB854,990,000), which was mainly used for construction of new coal-fired power generating units and technical upgrade for the existing power generating units. Sources of funds were mainly from project financing, issues of bonds and short-term debentures, funds generated from business operation and borrowings from related parties.

Pledge of Assets

As at 30 June 2017, the Group pledged certain property, plant and equipment with a net book value of RMB556,311,000 (31 December 2016: RMB571,146,000) to certain banks to secure bank borrowings in the amount of RMB272,370,000 (31 December 2016: RMB286,820,000). In addition, as at 30 June 2017, certain bank borrowings and borrowings from a related party in the amount of RMB12,687,516,000 (31 December 2016: RMB13,338,395,000) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings amounted to RMB1,144,449,000 (31 December 2016: RMB1,125,880,000). As at 30 June 2017, bank deposits of a subsidiary of the Group amounting to RMB300,000,000 (31 December 2016: RMB300,000,000) were pledged as security for bank borrowings in the amount of RMB300,000,000 (31 December 2016: RMB300,000,000).

Contingent Liabilities

As at 30 June 2017, the Group had no material contingent liabilities.

Risk Management

The Group has implemented all-rounded risk management and has established a systematic, comprehensive risk management mechanism and internal control system. The Group has a Risk Management Committee which is accountable and responsible to the Board and to assist the Board in providing leadership, direction and oversight with regard to the overall risk appetite and tolerance and risk management framework of the Group, including risk policies, process and controls. The Group also has an internal audit department in place for execution and implementation of risk management measures.

Foreign Exchange Rate Risks

The Group is principally operating in Mainland China, with most transactions denominating in RMB. Apart from certain bank and other borrowings as well as certain cash and cash equivalents, most of the Group's assets and liabilities were denominated in RMB. The Group held commercial notes denominated in USD and borrowings denominated in JPY and USD. The volatility of RMB, USD and JPY exchange rates increased the exchange rate risks of the Group, thus affecting its financial position and operating results.

In order to manage exchange rate risks, the Group entered into two option contracts to sell RMB for USD with Bank of America at a fixed exchange rate with an aggregate amount of USD296,778,000 in 2015, to hedge against the foreign exchange rate risk brought by USD denominated commercial notes. In June 2017, the option contracts were terminated and the Group had realized an accumulated pre-tax gain of RMB56,167,000 when comparing the proceeds receivables of RMB197,924,000 on termination with the acquisition cost of RMB141,757,000. The Group will continue to focus on the exchange rate movements and, if necessary, take appropriate measures to avoid excessive exchange rate risks.

As at 30 June 2017, the Group's borrowings denominated in foreign currencies amounted to approximately RMB3,285,402,000 (31 December 2016: RMB2,520,170,000), of which the largest amount was USD commercial notes (equivalent to RMB1,537,789,000 (31 December 2016: RMB2,081,100,000)).

Funding Risks

With the Group's efforts to strengthen its development of all kinds of power projects, funding adequacy is having an increasing impact on the Group's operations and development. The funding market is affected by a number of factors such as the liquidity of the lending market and the economic environment, that in turn may also affect the efficiency and costs of the Group' borrowing.

The Group has always been capable of leveraging its access to Mainland China and overseas markets to optimize its financing sources, increase the credit facilities and lower its financing costs. Cost-saving and efficiency enhancement initiatives have been adopted in our business management to lower administrative and operating expenses. Management reports annually to the Board on the working capital budget for the year at the beginning of each year and estimates the required amount of annual credit facilities and facilities reserves to ensure that the Group has obtained adequate financial resources to support the continued operation and development of projects for the foreseeable future and reviews the situation regularly to make contingency measures. As at 30 June 2017, the Group had available unutilized facilities (from banks, a related party and short-term commercial paper) amounting to RMB23,558,856,000.

Energy Saving and Emission Reduction

The Group has always been placing a great emphasis on environment protection from the perspective of sustainable development, vigorously promoting energy conservation and emission reduction, conscientiously fulfilling social responsibility and actively responding to global climate change.

In positive response to the policy of "Action Plan of the Upgrade and Renovation for Coal-fired Units to Achieve Energy Saving and Emission Reduction (2014-2020) (煤電節能減排升級與改造行動計劃(2014-2020年))" issued by the PRC government, the Group continued to strengthen the environmental protection measures to its coal-fired power generating units, actively carried out the ultra-low-emission improvement works for power generating units, adopted the domestic advanced and mature technology to implement the ultra-low-emission improvement works and effectively control the emission of pollutants. As of 30 June 2017, the Group had sixteen coal-fired power generating units completed the ultra-low-emission improvement works. For the remaining coal-fired power generating units, we will also speed up the implementation of ultra-low-emission projects.

For the first half of 2017, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2016: 100%), and the efficiency ratio of desulphurization was 97.94% (2016: 96.39%); the operational ratio of denitration facilities reached 99.95% (2016: 99.90%) and the efficiency ratio of denitration reached 92.05% (2016: 83.37%).

During the period under review, environmental protection indicators for coal-fired power generating units were further improved:

- the emission rate of sulphur dioxide (SO_2) at 0.077g/KWh, representing a decrease of 0.085g/KWh compared with the corresponding period last year;
- the emission rate of nitrogen oxide (NO_x) at 0.110g/KWh, representing a decrease of 0.084g/KWh compared with the corresponding period last year; and
- the emission rate of dusts at 0.016g/KWh, representing a decrease of 0.023g/KWh compared with the corresponding period last year.

Operational Safety

For the first half of 2017, no material safety accident in the aspects of employees, facilities and environmental protection occurred in the Group.

Employees and Remuneration Policies

As at 30 June 2017, the Group had a total of 9,688 (30 June 2016: 9,875) full-time employees.

The Group put great emphasis on the establishment of performance evaluation as well as rewarding and punishment mechanism. The Group determined the emoluments of its directors and employees based on their respective performance, working experience, duties and the prevailing market rates. The Group also implemented incentive policy linking emoluments with performance.

The Group also focused on the training of employees and communication between employees of different positions. It continued to improve the professional and technical skills and overall competence of its employees to satisfy the needs of its expanding businesses.

Outlook for the Second Half of 2017

In the first half of 2017, the national total electricity consumption extended the trend of accelerated growth arisen since the second half of 2016. According to the forecast from China Electricity Council, the national total electricity consumption for the full year will increase by about 5% when compared with last year, the growth in electricity demand for the second half of the year will be stable in general and the national electricity supply capacity is sufficient in general.

In the second half of the year, the Group will strive to increase both power generation volume and marginal revenue. For electricity sales, total electricity sold in aggregate since June and July this year recorded considerable growth when compared with the corresponding period last year, particularly for coal-fired power. The Group will continue to strengthen analysis on electricity market policies and trend, adjust the power distribution and formulate effective marketing strategies, expand the market share in direct power supply actively at reasonable prices, and increase the utilization hours of facilities.

In the aspect of on-grid tariffs, the National Development and Reform Commission issued a document in June 2017 and decided to cancel or reduce some of the governmental funds and surcharges with effect from 1 July, make reasonable adjustments to the structure of tariffs and increase the benchmark on-grid tariffs of coal-fired power plants. As at the date of this announcement, the Group has received tariff adjustment notices from a number of provinces, the benchmark on-grid tariffs of the Group’s coal-fired power plants will be adjusted upward in the second half of the year, which is favourable to enhance the Group’s profitability.

In the aspect of fuel costs, it is expected that the State will further increase policy control efforts on the coal market in the second half of 2017. National production capacity of quality coal will be further released, the overall coal supply and demand will remain in a balanced state. There will be room for further reduction in coal prices despite with fluctuations. The Group will continue to strengthen tracking changes in the coal market, to improve coal purchasing, distribution and inventory management, to ensure coal supply under medium to long term contracts, and to suppress and reduce fuel costs with full efforts.

For the second half of 2017, the Group will continue to accelerate transformation and development, devote significant efforts to develop clean energy, further proceed with the development of integrated energy projects, control and slow down coal-fired power investments and provide reasonable planning for capital expenditure.

In addition, the Group will continue to leverage on the sustained and solid support from SPIC, to accelerate and facilitate the injection of quality clean energy assets in order to enlarge the Group's assets and business coverage, and enhance its overall market competitiveness.

Review of Condensed Consolidated Financial Statements by Audit Committee

The Audit Committee, which comprises three independent non-executive Directors, has discussed and reviewed with the management and the auditor of the Company, Messrs. Deloitte Touche Tohmatsu, the condensed consolidated financial statements for the six months ended 30 June 2017.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2017.

Corporate Governance

The Company is committed to high standard of corporate governance. The Board recognizes that good corporate governance is vital to the healthy and sustainable development of the Group. Through continuing exploration and practice, the Company has formed a standardized governance structure and established an effective internal control system. The Board and the management always follow good corporate governance principles to manage the Group's business effectively, treat all the shareholders fairly and strive for the long-term, stable and growing return for the shareholders.

The Group's corporate governance has been fully disclosed in the "Corporate Governance Report" of the Company's 2016 annual report. Save for the deviation from the code provision of E.1.2, the Company has complied with all the code provisions of Corporate Governance Code and Corporate Governance Report (the "Code") as set out in the Appendix 14 to the Listing Rules for the six months ended 30 June 2017.

According to the Code provision of E.1.2, chairman of the Board should attend the annual general meeting. The ex-chairman of the Board, Mr. Wang Binghua, was unable to attend the annual general meeting of the Company held on 6 June 2017. Mr. Wang had arranged Mr. Yu Bing, the executive Director and president of the Company at that time to attend and chair the meeting on his behalf.

Securities Transactions by Directors

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors ("Code of Conduct"), the terms of which are no less than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific inquiries to all Directors, they confirmed that they have complied with the Code of Conduct throughout the six months ended 30 June 2017.

Publication of Results Announcement on the Websites of The Stock Exchange of Hong Kong Limited and the Company

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and on the Company's websites at http://www.chinapower.hk and http://www.irasia.com/listco/hk/chinapower/index.htm respectively.

The 2017 interim report will be sent to those shareholders of the Company who have selected to receive the printed version of corporate communication only, and the soft copy of the interim report will also be made available for review on the above websites in due course.

* *English or Chinese translation, as the case may be, is for identification only*

By order of the Board
China Power International Development Limited
Yu Bing
Chairman

Hong Kong, 24 August 2017

As at the date of this announcement, the directors of the Company are: executive directors Yu Bing and Tian Jun, non-executive directors Guan Qihong and Wang Xianchun, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Yau Ka Chi.