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 2016

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 2016. 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 auditor.

Financial Highlights

	Six months ended 30 June		
	2016	2015	Change
	RMB'000	*RMB'000*	*%*
Revenue	**10,141,152**	9,622,288	5.39
Profit for the period	**2,610,193**	3,187,652	-18.12
Profit attributable to owners of the Company	**1,926,078**	2,728,260	-29.40
Profit attributable to owners of the Company (excluding the one-off after tax gain on disposal of Shanghai Power shares)	**1,926,078**	1,901,053	1.32
	RMB	*RMB*	*%*
Basic earnings per share	**0.26**	0.39	-33.33
	MWh	*MWh*	*%*
Total power generation	**33,823,021**	29,419,054	14.97
Total electricity sold	**32,550,127**	28,219,065	15.35

- The increase in revenue was mainly due to the surge in electricity sales of hydropower and the upward adjustments of tariffs for certain hydropower plants during the period under review.
- The decrease in profit for the period and profit attributable to owners were mainly due to an one-off after tax gain on disposal of part of the Company's interest in Shanghai Power of approximately RMB827,207,000 in corresponding period last year. Excluding this one-off after tax gain, the profit attributable to owners increased by 1.32% as compared to the corresponding period last year.
- During the period under review, the electricity sales of clean energy continued to rise, representing approximately 37.16% of the total electricity sold.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2016

		Unaudited	
		Six months ended 30 June	
	Note	**2016**	2015
		RMB'000	*RMB'000*
Revenue	3	**10,141,152**	9,622,288
Other income	4	**272,261**	193,029
Fuel costs		**(2,576,690)**	(3,054,845)
Depreciation		**(1,553,260)**	(1,443,131)
Staff costs		**(980,054)**	(826,206)
Repairs and maintenance		**(424,959)**	(279,367)
Consumables		**(132,654)**	(111,922)
Other gains and losses, net	5	**35,814**	1,242,219
Other operating expenses		**(916,348)**	(763,787)
Operating profit	6	**3,865,262**	4,578,278
Finance income	7	**9,386**	35,113
Finance costs	7	**(1,080,692)**	(1,230,892)
Share of profits of associates		**325,523**	433,382
Share of profits of joint ventures		**91,071**	50,319
Profit before taxation		**3,210,550**	3,866,200
Income tax expense	8	**(600,357)**	(678,548)
Profit for the period		**2,610,193**	3,187,652
Attributable to:			
Owners of the Company		**1,926,078**	2,728,260
Non-controlling interests		**684,115**	459,392
		2,610,193	3,187,652
Earnings per share for profit attributable to owners of the Company during the period (expressed in RMB per share)			
- Basic	9	**0.26**	0.39
- Diluted	9	**0.26**	0.37

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	Unaudited Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Profit for the period	**2,610,193**	3,187,652
Other comprehensive (expense)/income that may be subsequently reclassified to profit or loss:		
- Fair value (loss)/gain on available-for-sale financial assets, net of tax	**(1,212,488)**	4,386,840
- Release on disposal of available-for-sale financial assets, net of tax	**-**	(881,395)
Total comprehensive income for the period, net of tax	**1,397,705**	6,693,097
Attributable to:		
Owners of the Company	**713,590**	6,233,705
Non-controlling interests	**684,115**	459,392
Total comprehensive income for the period	**1,397,705**	6,693,097

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		As at	
	Note	**30 June 2016 Unaudited** ***RMB'000***	31 December 2015 Audited *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**68,803,371**	68,130,725
Prepayments for construction of power plants		**2,168,156**	1,412,492
Prepaid lease payments		**706,860**	714,870
Goodwill		**835,165**	835,165
Interests in associates		**2,548,548**	2,950,049
Interests in joint ventures		**646,324**	555,253
Available-for-sale financial assets	11	**3,906,453**	5,502,373
Other non-current assets		**320,130**	241,548
Deferred income tax assets		**166,840**	158,213
Restricted deposits		**326,059**	330,032
Derivative financial instruments	12	**-**	202,840
		80,427,906	81,033,560
Current assets			
Inventories		**340,226**	319,101
Prepaid lease payments		**16,043**	16,053
Accounts receivable	13	**2,491,905**	2,637,936
Prepayments, deposits and other receivables		**735,081**	620,202
Amounts due from related parties		**703,425**	77,525
Tax recoverable		**5,521**	3,909
Restricted deposits		**11,468**	6,809
Derivative financial instruments	12	**195,116**	-
Cash and cash equivalents		**2,425,212**	1,528,017
		6,923,997	5,209,552
Total assets		**87,351,903**	86,243,112

	Note	As at 30 June 2016 Unaudited *RMB'000*	31 December 2015 Audited *RMB'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**13,534,145**	13,534,145
Reserves		**12,793,575**	13,786,383
		26,327,720	27,320,528
Non-controlling interests		**7,006,542**	6,905,271
Total equity		**33,334,262**	34,225,799
LIABILITIES			
Non-current liabilities			
Deferred income		**45,530**	42,889
Bank borrowings		**25,250,488**	25,979,727
Borrowings from related parties		**3,503,111**	2,303,511
Other borrowings	14	**998,003**	2,997,530
Obligations under finance leases	15	**963,530**	1,180,095
Deferred income tax liabilities		**1,585,214**	1,968,569
Provisions for other long-term liabilities	16	**893,725**	906,339
		33,239,601	35,378,660

	Note	As at 30 June 2016 Unaudited *RMB'000*	31 December 2015 Audited *RMB'000*
Current liabilities			
Accounts and bills payables	17	**516,034**	619,245
Construction costs payable		**2,944,618**	3,409,170
Other payables and accrued charges		**2,065,877**	1,253,340
Amounts due to related parties		**1,085,279**	692,782
Bank borrowings		**7,543,048**	6,862,469
Borrowings from related parties		**878,800**	713,800
Other borrowings	14	**4,989,360**	2,448,080
Current portion of obligations under finance leases	15	**350,919**	202,573
Taxation payable		**404,105**	437,194
		20,778,040	16,638,653
Total liabilities		**54,017,641**	52,017,313
Total equity and liabilities		**87,351,903**	86,243,112
Net current liabilities		**13,854,043**	11,429,101
Total assets less current liabilities		**66,573,863**	69,604,459

Notes to the Condensed Consolidated Financial Statements

1 Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2016 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. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015 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 financial information relating to the year ended 31 December 2015 that is included in this 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 2015 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.

As at 30 June 2016, the Group had net current liabilities of RMB13,854,043,000. In preparing the condensed consolidated financial statements, the directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As at 30 June 2016, the Group had unutilized banking facilities available amounting to RMB25,358,002,000 and will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable. Under these circumstances, the directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and therefore have prepared the condensed consolidated financial statements on a going concern basis.

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 2015, except for the adoption of amendments to HKAS and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1 January 2016. The adoption of the amendments to standards does not have any material impact on the Group's results and financial position for the current or prior periods.

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	
	2016	2015
	RMB'000	*RMB'000*
Sales of electricity to regional and provincial power grid companies (note (a))	**10,133,389**	9,599,556
Provision for power generation and related services (note (b))	**7,763**	22,732
	10,141,152	9,622,288

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 for power generation and related services represents income from the provision for 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" and "Generation and sales of hydropower electricity" in the PRC are the reportable segments of the Group meeting the quantitative thresholds required by HKFRS 8.

During the six months ended 30 June 2016, the management has concluded since 2016, "Generation and sales of photovoltaic power electricity" should also be reported together with "Generation and sales of wind power electricity" in a new segment, namely "Generation and sales of wind and photovoltaic power electricity", which is closely monitored by the CODM as a potential growth business and is expected to gradually increase its contribution to the Group's results in the future. The comparative figures have been restated to reflect such change.

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, derivative financial instruments, deferred income tax assets and corporate assets, which are managed on a central basis.

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

	Unaudited Six months ended 30 June 2016				
	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	**6,366,172**	**3,636,637**	**130,580**	**-**	**10,133,389**
Provision for 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**

	Unaudited As at 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 assets					
Other segment assets	**34,160,231**	**36,485,617**	**6,110,443**	**-**	**76,756,291**
Goodwill	**67,712**	**767,453**	**-**	**-**	**835,165**
Interests in associates	**2,449,566**	**-**	**-**	**98,982**	**2,548,548**
Interests in joint ventures	**580,107**	**-**	**-**	**66,217**	**646,324**
	37,257,616	**37,253,070**	**6,110,443**	**165,199**	**80,786,328**
Available-for-sale financial assets					**3,906,453**
Derivative financial instruments					**195,116**
Deferred income tax assets					**166,840**
Other unallocated assets					**2,297,166**
Total assets per condensed consolidated statement of financial position					**87,351,903**
Segment liabilities					
Other segment liabilities	**(4,144,513)**	**(3,354,381)**	**(797,613)**	**-**	**(8,296,507)**
Borrowings	**(10,920,422)**	**(22,372,583)**	**(2,104,195)**	**(7,765,610)**	**(43,162,810)**
	(15,064,935)	**(25,726,964)**	**(2,901,808)**	**(7,765,610)**	**(51,459,317)**
Taxation payable					**(404,105)**
Deferred income tax liabilities					**(1,585,214)**
Other unallocated liabilities					**(569,005)**
Total liabilities per condensed consolidated statement of financial position					**(54,017,641)**

	Unaudited Six months ended 30 June 2015				
	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	6,811,710	2,713,361	74,485	-	9,599,556
Provision for power generation and related services	22,732	-	-	-	22,732
	6,834,442	2,713,361	74,485	-	9,622,288
Segment results	1,781,296	1,677,572	25,418	-	3,484,286
Unallocated income	-	-	-	1,304,942	1,304,942
Unallocated expenses	-	-	-	(210,950)	(210,950)
Operating profit	1,781,296	1,677,572	25,418	1,093,992	4,578,278
Finance income	3,639	11,420	231	19,823	35,113
Finance costs	(377,948)	(828,241)	(8,318)	(16,385)	(1,230,892)
Share of profits of associates	427,464	-	-	5,918	433,382
Share of profits/(losses) of joint ventures	53,965	-	-	(3,646)	50,319
Profit before taxation	1,888,416	860,751	17,331	1,099,702	3,866,200
Income tax expense	(267,731)	(136,596)	(1,197)	(273,024)	(678,548)
Profit for the period	1,620,685	724,155	16,134	826,678	3,187,652
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	1,265,960	221,794	273,353	129	1,761,236
Depreciation of property, plant and equipment	780,362	631,329	27,160	4,280	1,443,131
Amortization of prepaid lease payments	4,577	2,282	-	408	7,267
Loss on disposal of property, plant and equipment, net	9,304	6,891	-	-	16,195

	Audited				
	As at 31 December 2015 (Restated)				
	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	34,637,561	36,536,296	3,645,344	-	74,819,201
Goodwill	67,712	767,453	-	-	835,165
Interests in associates	2,851,030	-	-	99,019	2,950,049
Interests in joint ventures	484,693	-	-	70,560	555,253
	38,040,996	37,303,749	3,645,344	169,579	79,159,668
Available-for-sale financial assets					5,502,373
Derivative financial instruments					202,840
Deferred income tax assets					158,213
Other unallocated assets					1,220,018
Total assets per condensed consolidated statement of financial position					86,243,112
Segment liabilities					
Other segment liabilities	(4,522,162)	(2,910,072)	(443,797)	-	(7,876,031)
Borrowings	(11,818,350)	(22,546,892)	(1,209,795)	(5,730,080)	(41,305,117)
	(16,340,512)	(25,456,964)	(1,653,592)	(5,730,080)	(49,181,148)
Taxation payable					(437,194)
Deferred income tax liabilities					(1,968,569)
Other unallocated liabilities					(430,402)
Total liabilities per condensed consolidated statement of financial position					(52,017,313)

4 Other income

	Unaudited Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Rental income	**29,550**	34,267
Hotel operations income	**14,521**	17,178
Income from the provision for repairs and maintenance services	**11,004**	13,076
Dividend income	**95,543**	95,343
Management fee income	**15,646**	19,301
Value-added tax refund (note)	**105,997**	13,864
	272,261	193,029

Note:

To support the development of the hydropower industry and standardize the value-added tax ("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. Eligible enterprises are entitled to a refund of the portion of actual VAT paid which exceeds 8% and 12% of the relevant revenue for the period from 1 January 2013 to 31 December 2015 and the period from 1 January 2016 to 31 December 2017, respectively.

5 Other gains and losses, net

	Unaudited Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Amortization of deferred income	**1,059**	775
Government subsidies (note (a))	**2,620**	94,373
Loss on disposal of property, plant and equipment, net	**(8,726)**	(16,195)
Gain on disposal of available-for-sale financial assets (note (b))	**-**	1,175,193
Fair value loss on derivative financial instruments (Note 12)	**(7,724)**	(41,989)
Sales of unused power production quota	**16,320**	4,971
Profits on trading of coal, coal by-products and spare parts	**28,177**	17,855
Others	**4,088**	7,236
	35,814	1,242,219

Notes:

(a) During the six months ended 30 June 2015, the government subsidies mainly comprised of government grants of RMB90,000,000 in relation to the Group's effort in shutting down its outdated power generators in 2013. Such government grants were unconditional and all the related costs for which such grants were intended to compensate had been charged to the profit or loss in previous years, therefore the grants received during the six months ended 30 June 2015 was recognized directly in the condensed consolidated income statement as other gains.

(b) During the six months ended 30 June 2015, the Company disposed of 40,173,628 shares of Shanghai Electric Power Co., Ltd.* ("Shanghai Power") and the cumulative gain recognized in other comprehensive income in relation to the shares disposed of was RMB1,175,193,000, which was reclassified from other comprehensive income to profit or loss.

6 Operating profit

Operating profit is stated after charging the following:

	Unaudited	
	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Amortization of prepaid lease payments	**8,020**	7,267
Depreciation of property, plant and equipment	**1,553,260**	1,443,131
Operating lease rental expenses in respect of		
- equipment	**1,239**	2,903
- leasehold land and buildings	**24,550**	22,326
Staff costs including directors' emoluments	**980,054**	826,206
Write-off of pre-operating expenses	**-**	33,684

7 Finance income and finance costs

	Unaudited Six months ended 30 June 2016 *RMB'000*	2015 *RMB'000*
Finance income		
Interest income from bank deposits	**8,727**	32,484
Interest income from an associate	**487**	2,580
Interest income from a related party	**172**	49
	9,386	35,113
Finance costs		
Interest expense on		
- bank borrowings	**746,368**	1,087,347
- long-term borrowings from related parties	**83,332**	81,753
- short-term borrowings from related parties	**8,941**	14,258
- long-term other borrowings	**68,350**	106,431
- short-term other borrowings	**26,076**	5,225
- amount due to intermediate holding company	**947**	1,614
- obligations under finance leases	**37,918**	38,302
- provisions for other long-term liabilities (Note 16)	**45,436**	40,993
	1,017,368	1,375,923
Less: amounts capitalized	**(72,538)**	(138,585)
	944,830	1,237,338
Net foreign exchange losses/(gains)	**135,862**	(6,446)
	1,080,692	1,230,892

The weighted average interest rate on capitalized borrowings is approximately 4.87% (2015: 5.42%) 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 period (2015: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (2015: 25%) on the estimated assessable income for the period except as disclosed below.

The amount of income tax charged to the condensed consolidated income statement represents:

	Unaudited	
	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
PRC current income tax		
Charge for the period	**590,544**	665,417
Over provision in prior year	**(2,367)**	-
	588,177	665,417
Deferred income tax		
Charge for the period	**12,180**	13,131
	600,357	678,548

Share of taxation charge attributable to associates and joint ventures for the period of RMB110,726,000 (2015: RMB136,266,000) and RMB33,381,000 (2015: RMB16,854,000) respectively were included in the Group's share of profits of associates/joint ventures for the period.

During the period, 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% (2015: 12.5%).

As at 30 June 2016, two subsidiaries of the Group had investment tax credits ("Tax Credits") with an accumulated amount of RMB189,308,000 (31 December 2015: RMB189,308,000) of which RMB106,716,000 (31 December 2015: RMB102,573,000) 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.

During the six months ended 30 June 2015, the PRC current income tax charge included the related taxation charge arising from the gain on disposal of shares of Shanghai Power of RMB279,964,000.

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	
	2016	2015
Profit attributable to owners of the Company (RMB'000)	**1,926,078**	2,728,260
Weighted average number of shares in issue (shares in thousands)	**7,355,165**	7,071,279
Basic earnings per share (RMB)	**0.26**	0.39

(b) Diluted

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

For the six months ended 30 June 2016 and 2015, 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.

For the six months ended 30 June 2015, the Company had convertible bonds that were dilutive potential ordinary shares. The convertible bonds were assumed to have been converted into ordinary shares, and the profit attributable to owners of the Company was adjusted to eliminate the interest expense less the tax effect.

	Unaudited	
	Six months ended 30 June	
	2016	2015
Profit attributable to owners of the Company (RMB'000)	**1,926,078**	2,728,260
Adjustment for finance costs on convertible bonds (after tax) (RMB'000)	**-**	8,526
Profit used to determine diluted earnings per share (RMB'000)	**1,926,078**	2,736,786
Weighted average number of shares in issue (shares in thousands)	**7,355,165**	7,071,279
Adjustment for share options (shares in thousands)	**5,532**	11,619
Adjustment for convertible bonds (shares in thousands)	**-**	278,792
Weighted average number of shares for the purpose of calculating diluted earnings per share (shares in thousands)	**7,360,697**	7,361,690
Diluted earnings per share (RMB)	**0.26**	0.37

10 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (2015: Nil).

11 Available-for-sale financial assets

	As at	
	30 June 2016	31 December 2015
	Unaudited	Audited
	RMB'000	*RMB'000*
Unlisted equity investments in the PRC		
- at cost	**175,442**	154,712
Equity securities listed in the PRC		
- at fair value (note)	**3,731,011**	5,347,661
	3,906,453	5,502,373
Market value of equity securities listed in the PRC	**3,731,011**	5,347,661

Note:

Details of the equity securities listed in the PRC as at 30 June 2016 are as follows:

Name of company	Place of establishment and operation	Registered and paid up capital	Equity interest attributable to the Group	Type of legal entity	Principal activity
Interests held directly by the Company:					
Shanghai Power#	The PRC	RMB2,139,739,000	16.98%	Joint stock company with limited liability with its A-shares listed on the Shanghai Stock Exchange	Investment holdings and the generation and sales of electricity

Shanghai Power is a subsidiary of State Power Investment Corporation* ("SPIC").

12 Derivative financial instruments

	As at	
	30 June	31 December
	2016	2015
	Unaudited	Audited
	RMB'000	*RMB'000*
Derivative financial instruments - assets		
- Non-current	**-**	202,840
- Current	**195,116**	-
	195,116	202,840

In 2015, the Company entered into two derivative financial instruments to hedge foreign currency risk for the short-term USD commercial note issued by the Company in July 2014.

Such two derivative financial instruments are European style USD call options with expiration date on 28 June 2017. Under the contracts, the Company is entitled to buy USD190,649,000 and USD106,129,000 with RMB at the strike price of 6.1225 and 6.1375 respectively. The premium at the date of acquisition in both contracts amounted to RMB91,862,000 and RMB49,895,000 respectively.

These derivative financial instruments were categorized as financial assets at fair value through profit or loss which were expected to be settled within 12 months. They were not designated as hedging instruments in accordance with HKAS 39. The change in fair value of the derivative financial instruments during the six months ended 30 June 2016 of a loss of RMB7,724,000 (2015: a loss of RMB41,989,000) was recognized in the condensed consolidated income statement as other losses (Note 5).

13 Accounts receivable

	As at	
	30 June 2016	31 December 2015
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts receivable from regional and provincial power grid companies (note (a))	**2,098,264**	2,415,646
Accounts receivable from other companies (note (a))	**11,842**	5,320
	2,110,106	2,420,966
Notes receivable (note (c))	**381,799**	216,970
	2,491,905	2,637,936

Notes:

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

	As at	
	30 June 2016	31 December 2015
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 3 months	**2,060,201**	2,401,027
4 to 6 months	**9,851**	10,404
Over 6 months	**40,054**	9,535
	2,110,106	2,420,966

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 2016, accounts receivable that were past due but not impaired amounted to RMB49,905,000 (2015: RMB19,939,000), which mainly represented the wind power price premium. The directors consider that there has not been a significant change in credit quality and is no impairment in view of the creditability of the debtors and the continuing repayment from these debtors.

(c) Notes receivable are bank acceptance notes issued by third parties and are normally with maturity period of 180 days (2015: 180 days).

(d) As at 30 June 2016, certain bank borrowings and long-term borrowings from a related party 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 2016 amounted to RMB1,681,206,000 (2015: RMB1,769,988,000).

(e) The fair values of accounts and notes receivables approximate their carrying amounts as the impact of discounting is not significant. All accounts and notes receivables are denominated in RMB.

14 Other borrowings

	As at 30 June 2016 Unaudited *RMB'000*	As at 31 December 2015 Audited *RMB'000*
Non-current		
Corporate bonds issued by:		
- the Company (note (a))	**2,000,000**	2,000,000
- a subsidiary (note (b))	**998,003**	997,530
	2,998,003	2,997,530
Less:		
Current portion of corporate bonds issued by the Company (note (a))	**(2,000,000)**	-
	998,003	2,997,530
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	**1,000,000**	500,000
- Commercial notes (note (c))	**1,989,360**	1,948,080
	4,989,360	2,448,080
	5,987,363	5,445,610

Notes:

(a) Unsecured RMB denominated corporate bonds of RMB2,000,000,000 (2015: RMB2,000,000,000) were issued by the Company in May 2014 for a term of 3 years at an interest rate of 4.50% (2015: 4.50%) per annum.

(b) Long-term corporate bonds issued by a subsidiary include certain bonds of RMB998,003,000 (2015: RMB997,530,000) issued by Wu Ling Power Corporation* ("Wu Ling Power") which are bearing interest at 4.60% (2015: 4.60%) per annum for a term of 10 years from April 2009. These bonds are guaranteed by 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 2016, commercial notes of USD300,000,000 (approximately RMB1,989,360,000) (2015: USD300,000,000 (approximately RMB1,948,080,000)) issued by the Company were outstanding. The commercial notes do not bear nominal interest rates but were issued at discount rates ranging from 0.42% to 0.50%.

15 Obligations under finance leases

	As at	
	30 June 2016	31 December 2015
	Unaudited	Audited
	RMB'000	*RMB'000*
Obligations under finance leases	**1,314,449**	1,382,668
Current portion of obligations under finance leases	**(350,919)**	(202,573)
Non-current portion of obligations under finance leases	**963,530**	1,180,095

16 Provisions for other long-term liabilities

Provisions for other long-term liabilities as at 30 June 2016 represent provision of RMB1,024,441,000 (2015: RMB1,024,921,000) 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 PRC local government authorities 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 other long-term liabilities as at 30 June 2016 is as follows:

	As at	
	30 June 2016	31 December 2015
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current liabilities (included in provisions for other long-term liabilities)	**893,725**	906,339
Current liabilities (included in other payables and accrued charges)	**130,716**	118,582
	1,024,441	1,024,921

The movement of the provision for other long-term liabilities during the six months ended 30 June 2016 is as follows:

	Unaudited	
	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Opening balance as at 1 January	**1,024,921**	982,452
Recognized during the period	**3,464**	-
Interest expense (Note 7)	**45,436**	40,993
Payment	**(49,380)**	(15,735)
Closing balance as at 30 June	**1,024,441**	1,007,710

17 Accounts and bills payables

	As at	
	30 June 2016	31 December 2015
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts payable (note (a))	**476,034**	412,241
Bills payable (note (b))	**40,000**	207,004
	516,034	619,245

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 2016	31 December 2015
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 6 months	**424,196**	376,456
7 to 12 months	**20,669**	3,228
Over 1 year	**31,169**	32,557
	476,034	412,241

(b) As at 30 June 2016, bills payable is bills of exchange with maturity period of 6 months (2015: ranged from 3 to 12 months).

(c) The fair values of accounts and bills payables approximate their carrying amounts as the impact of discounting is not significant. All accounts and bills payables are denominated in RMB.

Business Review

The Group is principally engaged in generating 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 2016, the overall economic performance of China is stable and the economic restructuring and transformation upgrade is steadily underway. The national total electricity consumption rose by 2.7%, representing an increase of 1.4 percentage points in growth rate, as compared with the corresponding period last year. The comparable growth rate in additional new power generation installed capacity in the first half of this year reached a historical high; the market competition among the power generation enterprises is still keen.

The performance of the Group in the first half of 2016 remained stable. The total electricity sales was 32,550,127MWh, representing an increase of 15.35% as compared with the corresponding period last year. The profit attributable to owners of the Company was approximately RMB1,926,078,000, representing an increase of approximately 1.32% (excluding the one-off after tax gain on disposal of partial interest in Shanghai Power in the first half of last year) as compared to the corresponding period last year. The basic earnings per share was approximately RMB0.26. Net assets per share, excluding non-controlling interests, was approximately RMB3.58, representing a decrease of approximately 3.50% as compared with 31 December 2015, which was mainly resulted from the decrease in fair value of available-for-sale financial assets during the period.

During the period under review, the Group performed satisfactorily in the following aspects:

- The performance of the hydropower business was particularly prominent, benefited from the abundant rainfall and taking full advantage of optimizing the highly effective cascade watershed management to increase power generation, coupled with some new large capacity coal-fired power generating units commenced operation, the electricity sold in the first half of the year recorded a substantial growth as compared with the corresponding period last year.

- With full implementation of energy saving and environmental protection initiatives, the Group's net coal consumption rate reached a leading level in the industry. The ultra-low-emission improvement plans for the coal-fired power generating units have also been undergoing smoothly in progress.

- By accelerating the pace of developing renewable energy projects, the Group's first batch of photovoltaic power stations has commenced production, among which, Datong Power Station is the first "Top Runner" photovoltaic power project in operation under the "13th Five-year Plan" of China.

- The addition of distributed natural gas projects to our development project reserves brought a breakthrough in the Group's development in the field of integrated energy services business.

- In active response to the power industry reform and electricity market liberalization policies launched by the PRC government in recent years, the Group's direct power distribution and sales of electricity business also achieved new development. During the period, the Company participated to invest in Guian New District Power Distribution and Sales Company Limited* (貴安新區配售電有限公司), one of the national comprehensive power reform pilots (國家綜合電改試點) in Guizhou Province, making us the largest investor of the pilot project after the local government and the power grid company.

Attributable Installed Capacity

As a result of new generating units commenced operation during the period, the attributable installed capacity of the Group's power plants reached 16,492MW as at 30 June 2016, representing an increase of approximately 900MW as compared with the corresponding period last year. Among which, the attributable installed capacity of coal-fired power was 13,187MW, representing approximately 79.96% of the total attributable installed capacity, and the attributable installed capacity of renewable energy including hydropower, wind power and photovoltaic power was 3,305MW, representing approximately 20.04% of the total attributable installed capacity.

For the first half of 2016, the Group efficiently boosted the construction of renewable energy plants. The first batch of a total of 176MW of photovoltaic power stations commenced commercial operation, among which, Datong Power Station with 100MW of photovoltaic power is the feature "Top Runner" project. The Group will actively participate in the "Top Runner" photovoltaic programs supported by the government.

The new power generating units that commenced operation during 1 July 2015 to 30 June 2016 included:

Power Plant	**Type of Power Plant**	**Installed Capacity** (MW)	**Interest** (%)	**Attributable Installed Capacity** (MW)	**Timeline for Commercial Operation**
Pingwei Power Plant III	Coal-fired power	1,000	60	600	September 2015
Donggangling Power Plant	Wind power	50	63	31.5	December 2015
Datong Power Station	Photovoltaic power	100	100	100	June 2016
Shuocheng District Power Station	Photovoltaic power	50	100	50	May 2016
Jiaoganghu Power Station	Photovoltaic power	20	100	20	January to June 2016
Luoyang Yituo Power Station	Photovoltaic power	6	100	6	March 2016
Total		**1,226**		**807.5**	

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 900MW 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.

Power Generation, Electricity Sold and Utilization Hours

For the first half of 2016, the details of power generation and electricity sold of the Group are set out as follows:

	First half of 2016	First half of 2015	Changes
	MWh	*MWh*	*%*
Total power generation	**33,823,021**	29,419,054	14.97
- Coal-fired power	**21,551,323**	20,231,352	6.52
- Hydropower	**12,021,612**	9,033,773	33.07
- Wind power	**206,419**	153,929	34.10
- Photovoltaic power	**43,667**	N/A	N/A
Total electricity sold	**32,550,127**	28,219,065	15.35
- Coal-fired power	**20,453,916**	19,156,225	6.77
- Hydropower	**11,853,473**	8,915,019	32.96
- Wind power	**199,718**	147,821	35.11
- Photovoltaic power	**43,020**	N/A	N/A

For the first half of 2016, the average utilization hours of coal-fired power generating units of the Group was 1,794 hours, representing a decrease of 191 hours as compared with the corresponding period last year, mainly affected by the national electricity supply growth exceeds the demand growth and the surge in hydropower generation that squeezed the space for coal-fired power generation in certain regions where the Group’s coal-fired power plants are located. The average utilization hours of hydropower generating units was 2,514 hours, representing an increase of 615 hours as compared with the corresponding period last year, mainly benefited from the abundant rainfall where the Group’s hydropower plants are located and the further optimization of cascade watershed management in the first half of the year. The average utilization hours of wind power generating units was 831 hours, representing a slight decrease of 24 hours as compared with the corresponding period last year.

On-Grid Tariff

For the first half of 2016, the Group's average on-grid tariffs compared to the corresponding period last year:

- coal-fired power was RMB311.59/MWh, representing a decrease of RMB45.18/MWh;
- hydropower was RMB306.80/MWh, representing an increase of RMB2.44/MWh;
- wind power was RMB483.23/MWh, representing a decrease of RMB20.63/MWh; and
- photovoltaic power was RMB808.23/MWh.

The decrease in the average on-grid tariff of coal-fired power was mainly due to the downward adjustments of on-grid tariffs for coal-fired power generating companies announced by the National Development and Reform Commission with effect from April 2015 and January 2016 respectively. The adverse effect of such decrease in on-grid tariff was partly offset by the green electricity subsidies approved by the local governments to some of our coal-fired power plants during the period. The Group will continue to closely monitor the development of the environmental protection policies from the PRC government and strengthen the research on the green energy tariff policies in order to actively seek for more green energy subsidies.

The increase in the average on-grid tariff of hydropower was mainly due to the upward adjustments of tariffs for certain hydropower plants during the period under review.

Unit Fuel Cost

For the first half of 2016, the average unit fuel cost of the Group's coal-fired power business was approximately RMB125.98/MWh, representing a decrease of approximately 21.0% from that of RMB159.47/MWh of the corresponding period last year. The decline of the unit fuel cost was greater than the decline of the Bohai-Rim Steam-Coal Price Index as compared to the corresponding period last year.

During the period under review, the Group committed efforts on strengthening the coal-price management, optimizing the coal inventory in response to the market changes in a timely manner, seeking new coal suppliers to raise bargaining power for reducing procurement costs. On the other hand, the energy-saving advantages of large capacity power generating units also helped driving down the coal consumption.

Coal Consumption

For the first half of 2016, the net coal consumption rate of the Group was 302.91g/KWh, representing a decrease of 5.67g/KWh as compared with the corresponding period last year, equivalent to approximately a saving of 120,000 tons of standard coal.

In recent years, the Group's environmental friendly power generating units with large capacity and high parameter have commenced operation successively and the energy-saving advantages have further driven down the coal consumption significantly.

Operating Results of the First Half of 2016

For the first half of 2016, the net profit of the Group amounted to approximately RMB2,610,193,000, representing a decrease of approximately RMB577,459,000 as compared with the corresponding period last year. Save for the one-off after tax gain on disposal of partial interest in Shanghai Power of approximately RMB827,207,000 in the corresponding period last year, the net profit increased by approximately 10.58% as compared with the corresponding period last year. The net profits from the principal segment businesses and their respective ratio of contribution to the total net profit are as follows:

- coal-fired power was approximately RMB1,265,425,000 (48.5%, 2015: 68.6%);

- hydropower was approximately RMB1,318,072,000 (50.5%, 2015: 30.7%); and

- wind power and photovoltaic power was approximately RMB26,696,000 (1.0%, 2015: 0.7%).

As compared with the first half of 2015, the increase in net profit (save for the one-off after tax gain on disposal of partial interest in Shanghai Power last year) was mainly due to the following factors:

- the surge in hydropower generation resulted in the increase in revenue and net profit from the hydropower business by approximately RMB923,276,000 and RMB593,917,000 respectively;

- the significant fall in unit fuel cost of electricity sold by RMB33.49/MWh as a result of decreases in coal price and coal consumption, decreasing the fuel costs by approximately RMB478,155,000; and

- the finance costs reduced by approximately RMB150,200,000 as a result of lending interest-rate cut during the period.

However, part of the net profit increase for the period under review was offset by the following factors:

- the average on-grid tariff of coal-fired power declined as compared with the corresponding period last year, resulted in the decrease in revenue and net profit from the coal-fired power business by approximately RMB461,210,000 and RMB354,731,000 respectively;

- the business expansion and the increase in the number of new power generating units led to increases in depreciation of property, plant and equipment, staff costs and repairs and maintenance expenses in total of approximately RMB409,569,000; and

- the decrease in the share of profits of associates by approximately RMB107,859,000.

Revenue

The revenue of the Group was mainly derived from the sales of electricity. For the first half of 2016, the Group recorded a revenue of approximately RMB10,141,152,000, representing an increase of 5.39% as compared with approximately RMB9,622,288,000 of the corresponding period last year. The increase in revenue was mainly due to the revenue of the hydropower surged by 34.03%, which was in line with the increase in hydropower electricity sold by 32.96% during the period.

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" and "generation and sales of hydropower electricity". Although the "generation and sales of wind and photovoltaic power electricity" does not meet such quantitative thresholds required for reportable segments, as it is closely monitored by the chief operating decision maker as a potential growth business and is expected to gradually make a greater contribution to the Group's results in the future, it has been reported separately for the period under review.

Operating Costs

Operating costs of the Group mainly consist of coal and 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 2016, the operating costs of the Group amounted to approximately RMB6,583,965,000, representing an increase of 1.62% as compared with approximately RMB6,479,258,000 of the corresponding period last year. During the period under review, the fuel costs decreased by RMB478,155,000 or 15.65% as compared with the corresponding period last year. However, due to the business expansion and the increase in the number of new power generating units resulted in a slight increase in operating costs.

Operating Profit

For the first half of 2016, the Group's operating profit was approximately RMB3,865,262,000, representing a decrease of 15.57% as compared with the operating profit of approximately RMB4,578,278,000 of the corresponding period last year. However, save for the before tax one-off gain on disposal of partial interest in Shanghai Power in the corresponding period last year, the Group's operating profit increased by approximately 11.36% as compared with the corresponding period last year.

Finance Costs

For the first half of 2016, the finance costs of the Group amounted to approximately RMB1,080,692,000, representing a decrease of 12.20% as compared with approximately RMB1,230,892,000 of the corresponding period last year. During the period under review, the Group made continuous efforts to replace high-interest rate loans to lower the average interest rate.

Share of Profits of Associates

For the first half of 2016, the share of profits of associates was approximately RMB325,523,000, representing a decrease in profits of approximately RMB107,859,000 or 24.89% as compared with the share of profits of approximately RMB433,382,000 of the corresponding period last year. The decrease in profits was mainly because of the decreased contribution from an associate, Changshu Power Plant (principally engaged in coal-fired power generation).

Share of Profits of Joint Ventures

For the first half of 2016, the share of profits of joint ventures was approximately RMB91,071,000, representing an increase in profits of approximately RMB40,752,000 or 80.99% as compared with the share of profits of approximately RMB50,319,000 of the corresponding period last year. The increase in profits was mainly because of the increased contribution from a joint venture, Xintang Power Plant (principally engaged in cogeneration of heat and power).

Income Tax Expense

For the first half of 2016, taxation charges of the Group were approximately RMB600,357,000, representing a decrease of approximately RMB78,191,000 as compared with approximately RMB678,548,000 of the corresponding period last year. Such decrease was mainly caused by the disposal of 40,173,628 shares of Shanghai Power in the public market by the Group in the corresponding period last year, resulted in relevant tax expense of approximately RMB279,964,000 for last year. Taking out this effect, the income tax expense increased by approximately RMB201,773,000 as compared with the corresponding period last year. The increase was mainly due to the increase in operating profit.

During the six months ended 30 June 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% (2015: 12.5%).

As at 30 June 2016, two subsidiaries of the Group had investment tax credits ("Tax Credits") with an accumulated amount of RMB189,308,000 (31 December 2015: RMB189,308,000) of which RMB106,716,000 (31 December 2015: RMB102,573,000) were utilized against their income tax charges since the granting of such Tax Credits. The Tax Credits were 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.

Earnings per Share and Interim Dividend

For the first half of 2016, the basic and diluted earnings per share attributable to owners of the Company were approximately RMB0.26 (2015: RMB0.39) and RMB0.26 (2015: RMB0.37) respectively.

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2016.

Projects under Construction

As at 30 June 2016, the Group's projects under construction included projects of coal-fired power, hydropower, wind power and photovoltaic power. 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
Jiesigou Power Plant	Hydropower	24	44.1	10.6	2016
Luoshuidong Power Plant	Hydropower	35	63	22.1	2017
Mawo Power Plant	Hydropower	32	63	20.2	2018
Longshan Power Plant	Wind power	50	63	31.5	2016
Daqingshan Power Plant	Wind power	50	63	31.5	2016
Shanshan Power Plant	Wind power	49.5	63	31.2	2016
Gulang Power Plant	Wind power	100	44.1	44.1	2016
Weishan Power Plant	Wind power	70	63	44.1	2017
Songmutang Power Plant	Wind power	50	63	31.5	2017
Taihexian Power Plant	Wind power	50	63	31.5	2017
Xinping Power Plant	Wind power	49.5	32.1	15.9	2016
Huangnitan Power Station	Photovoltaic power	20	100	20	2016
Tieling Power Station	Photovoltaic power	25	100	25	2016
Tiemengang Power Station	Photovoltaic power	50	100	50	2016
CP Jiangmen (note)	Photovoltaic power	14	100	14	2016
Jiaoganghu Power Station	Photovoltaic power	20	100	20	2016
Qinggil Power Station	Photovoltaic power	20	63	12.6	2016
New Barag Left Banner Power Station	Photovoltaic power	20	63	12.6	2016
Yiyang Power Station	Photovoltaic power	20	44.1	8.8	2016
Total		**2,069**		**1,797.2**	

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

New Development Projects

The Group has been actively seeking development opportunities for energy-saving and environmental friendly coal-fired power and clean energy projects with large capacities and high parameters in areas with rich resources as well as regional and market advantages. Currently, the total installed capacity of new projects at a preliminary development stage (including projects which the approvals from government of the PRC have been applied for) is over 7,000MW.

Among which, the installed capacity for coal-fired power projects amounts to 4,020MW. These projects include:

- the project of the two 350MW super-critical coal-fired cogenerating units of Shangqiu Power Plant#;

- the expansion project of the two 660MW ultra super-critical coal-fired power generating units of Dabieshan Power Plant; and

- the expansion project of the two 1,000MW ultra super-critical coal-fired power generating units of Shanxi Shentou Power Plant II.

In the first half of 2016, the Group completed the acquisition of 100% equity interest in Shangqiu Minsheng Thermal Power Company Limited (“Shangqiu Power Plant”), a company which owns a development project of two 350MW coal-fired cogenerating units.*

The development of the renewable energy will become a major goal for the Group in response to the national energy development strategy to promote resources conservation and environmental protection. In recent years, the Group has been actively seeking development opportunities in areas with competitive advantages, and devoting efforts to expedite the development of relevant projects. Currently, the total installed capacity of the renewable energy projects at a preliminary development stage is approximately 2,000MW and the projects are mainly located in Sichuan, Hunan, Shanxi, Xinjiang and Henan, the regions where the Group has competitive advantages. The Group will commit efforts on developing more renewable energy projects in the future.

In addition, the Group will increase its effort in the development of the natural gas projects and expand their size of reserve. Currently, the installed capacity of natural gas power projects of the Group either have been granted approval or pending approval is over 1,000MW.

Available-for-sale Financial Assets

The Group recognizes its shareholding in Shanghai Power as “Available-for-sale financial assets”. As at 30 June 2016, 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 2016, the fair value of the shareholding held by the Group was approximately RMB3,731,011,000, representing a decrease of 30.23% from that of approximately RMB5,347,661,000 at 31 December 2015.

Material Acquisitions and Disposals

On 18 January 2016, the Company entered into the letter of intent with SPIC, its ultimate holding company, whereby the Company proposed to acquire and SPIC proposed to sell 100% of the equity interest in SPIC Henan Electric Power Co., Ltd.* ("Henan Power"). Currently, the audit and evaluation on the assets and liabilities of Henan Power are progressing in an orderly manner.

Liquidity and Financial Resources

As at 30 June 2016, cash and cash equivalents of the Group were approximately RMB2,425,212,000 (31 December 2015: RMB1,528,017,000). Current assets amounted to approximately RMB6,923,997,000 (31 December 2015: RMB5,209,552,000), current liabilities amounted to approximately RMB20,778,040,000 (31 December 2015: RMB16,638,653,000) and current ratio was 0.33 (31 December 2015: 0.31).

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

Debts

As at 30 June 2016, total debts of the Group amounted to approximately RMB44,477,259,000 (31 December 2015: RMB42,687,785,000). All debts of the Group are denominated in Renminbi, United States Dollars ("USD") and Japanese Yen ("JPY"). Exchange rate for the USD commercial notes with the highest amount among foreign currency debts (equivalent to RMB1,989,360,000) was locked with the use of options in order to prevent exchange rate risks.

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), as at 30 June 2016 was approximately 56% (31 December 2015: 55%). The Group's gearing ratio remained stable.

Capital Expenditure

For the six months ended 30 June 2016, capital expenditure of the Group was approximately RMB2,951,153,000 (2015: RMB1,761,236,000). Among which, the capital expenditure for clean energy sector (hydropower, wind power and photovoltaic power) was 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 approximately 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, bonds issue and funds generated from business operation.

Pledge of Assets

As at 30 June 2016, the Group pledged certain property, plant and equipment with a net book value of approximately RMB492,754,000 (31 December 2015: RMB510,203,000) to certain banks to secure bank borrowings in the amount of RMB300,870,000 (31 December 2015: RMB314,820,000). In addition, certain bank borrowings and borrowings from a related party 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 2016 amounted to approximately RMB1,681,206,000 (31 December 2015: RMB1,769,988,000). As at 30 June 2016, bank deposits of a subsidiary of the Group amounting to RMB300,000,000 (31 December 2015: RMB300,000,000) were pledged as security for bank borrowings in the amount of RMB300,000,000 (31 December 2015: RMB300,000,000).

Contingent Liabilities

As at 30 June 2016, 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. It has an internal audit department in place for execution and implementation of risk management measures and a risk management committee in place for supervision and review of risk management policies.

Risks Relating to Funding

As the Group increases its effort in project development, funding adequacy is having an increasing impact on the Group's operations and development. The Group has always been capable of leveraging its access to the Mainland China and overseas markets to optimize its financing sources, strengthen fund management, enhance fund efficiency and lower its financing costs. Cost-saving and efficiency enhancement initiatives have been adopted in our business management to lower administrative and operating expenses.

Risks Relating to Foreign Exchange

The Group is principally operating in the Mainland China, with most transactions denominating in Renminbi. Apart from certain cash, bank balances and borrowings, most of the Group's assets and liabilities were denominated in Renminbi. The Group held commercial notes denominated in USD, and held borrowings denominated in USD and JPY. Increased fluctuation on Renminbi, USD and JPY exchange rates resulted in the increase in the Group's fluctuation in exchange gain/loss, thereby affecting its financial condition 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 in 2015, to hedge against the foreign exchange rate risks brought by the commercial notes denominated in USD. It is expected that there will be no material foreign exchange rate risk of RMB against USD upon settlement of the USD commercial notes.

As at 30 June 2016, the Group's borrowings denominated in foreign currencies amounted to approximately RMB2,475,823,000 (31 December 2015: RMB2,380,755,000).

Energy Saving and Emission Reduction

For the six months ended 30 June 2016, the renewable energy power generation amounted to 36.28% (2015: 31.23%) of the total power generation of the Group. The rise in the proportion was mainly due to the hydropower generation surged by 33.07% as compared with the corresponding period last year.

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, among others, three generating units of Yaomeng Power Plant, one generating unit of CP Shentou Power Plant and one generating unit of Pingwei Power Plant III, in total of five coal-fired power generating units had completed the ultra-low-emission improvement works up to 30 June 2016. Furthermore, an associate of the Group, Changshu Power Plant also had two coal-fired power generating units completed the ultra-low-emission improvement works.

For the first half of 2016, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2015: 100%), and the efficiency ratio of desulphurization was 96.39% (2015: 95.95%); the operational ratio of denitration facilities reached 99.90% (2015: 99.61%) and the efficiency ratio of denitration reached 83.37% (2015: 79.32%).

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 0.162g/KWh, representing a decrease of 0.068g/KWh compared with the corresponding period last year;

- the emission rate of nitrogen oxide (NO_x) at 0.194g/KWh, representing a decrease of 0.016g/KWh compared with the corresponding period last year; and

- the emission rate of dusts at 0.039g/KWh, representing a decrease of 0.011g/KWh compared with the corresponding period last year.

Operational Safety

For the first half of 2016, 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 2016, the Group had a total of 9,875 full-time employees (30 June 2015: 10,034).

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 2016

For the second half of 2016, in line with the progress of the national supply side structural reforms and the reformation of electric power industry and state-owned enterprises, the Group will continue to enhance optimization and innovation, and promote restructuring and development. Preparing for challenges and opportunities ahead, the Group will also strengthen its core competencies, actively explore and practice the new development model, with an aim to improve our operating results. The Group will focus on:

- Developing renewable energy with significant efforts, accelerating development in wind power and photovoltaic power projects, maintaining competitive advantages in hydropower, enhancing quality of coal-fired power assets by improving the ultra-low-emission technical upgrade of coal-fired power generating units.

- Advancing project construction in an timely manner, tightening control on fuel costs, striving for favorable policies regarding tariff level and fiscal subsidies, ensuring safe production process and continuously promoting the work on energy saving and environmental protection, securing additional power generation, diversifying financing channels in order to reduce the cost of capital.

- The Group has high proportion of installed capacity of hydropower relative to traditional power generation enterprises and with very competitive hydropower tariffs, and complemented with the location advantage for coal-fired power. The Group will keep on leveraging the above edges to enhance market competitiveness and continue to expand the development in diverse energy service businesses of distributed energy and direct distribution and sales of electricity.

- With sustained and solid support from the SPIC, the Group will continue to propel the injection of Henan power and to accelerate clean energy assets injection in order to increase the share of clean energy in our assets portfolios, furthering improvements on assets quality, scale and performance and thus strengthening our 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 2016.

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 2016.

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 2015 annual report. During the six months ended 30 June 2016, the Company has strictly complied with all the code provisions of Corporate Governance Code and Corporate Governance Report as set out in the Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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 2016.

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

This results announcement is published on the website of the Hong Kong Stock Exchange 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 2016 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
Executive Director

Hong Kong, 18 August 2016

As at the date of this announcement, the directors of the Company are: executive directors Yu Bing and Wang Zichao, non-executive directors Wang Binghua and Guan Qihong, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Tsui Yiu Wa, Alec.