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 2019

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 2019. 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		
	2019	2018	Change
	RMB'000	*RMB'000*	*%*
Revenue	**13,843,958**	10,824,171	27.90
Profit for the period	**1,811,379**	908,370	99.41
Profit attributable to owners of the Company	**976,735**	606,389	61.07
	RMB	*RMB*	*%*
Basic earnings per share	**0.10**	0.06	66.67
	MWh	*MWh*	*%*
Total power generation	**43,949,665**	34,511,594	27.35
Total electricity sold	**42,261,760**	33,095,069	27.70

- The main reasons for the increase in revenue and profit during the period as compared to the corresponding period last year were (i) the significant increase in the electricity sales of hydropower, and (ii) the profits contributed by the new clean energy project companies through acquisitions and self-construction.
- As at 30 June 2019, the Group increased its clean energy installed capacity in hydropower, wind power and photovoltaic power by 32MW, 152MW and 703.9MW (i.e. 0.59%, 10.40% and 38.18%) respectively as compared with that of 31 December 2018.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2019

	Note	**Unaudited Six months ended 30 June 2019** *RMB'000*	2018 *RMB'000*
Revenue	3	**13,843,958**	10,824,171
Other income	4	**177,872**	149,706
Fuel costs		**(5,477,394)**	(5,034,203)
Depreciation		**(2,367,208)**	(1,891,553)
Staff costs		**(1,135,567)**	(835,546)
Repairs and maintenance		**(320,970)**	(298,372)
Consumables		**(151,110)**	(139,532)
Other gains and losses, net	5	**92,460**	61,058
Other operating expenses		**(947,455)**	(703,231)
Operating profit	6	**3,714,586**	2,132,498
Finance income	7	**68,854**	65,291
Finance costs	7	**(1,543,906)**	(1,157,616)
Share of results of associates		**125,335**	65,168
Share of results of joint ventures		**(1,683)**	(5,038)
Profit before taxation		**2,363,186**	1,100,303
Income tax expense	8	**(551,807)**	(191,933)
Profit for the period		**1,811,379**	908,370
Attributable to:			
Owners of the Company		**976,735**	606,389
Non-controlling interests		**834,644**	301,981
		1,811,379	908,370
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
- Basic	9	**0.10**	0.06
- Diluted	9	**N/A**	0.06

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Unaudited Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Profit for the period	**1,811,379**	908,370
Other comprehensive income/(expense):		
Item that will not be reclassified to profit or loss:		
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax	**150,353**	(699,983)
Item that may be reclassified subsequently to profit or loss:		
Fair value loss on debt instruments at FVTOCI, net of tax	**(1,615)**	(840)
Other comprehensive income/(expense) for the period, net of tax	**148,738**	(700,823)
Total comprehensive income for the period	**1,960,117**	207,547
Attributable to:		
Owners of the Company	**1,129,440**	(77,904)
Non-controlling interests	**830,677**	285,451
Total comprehensive income for the period	**1,960,117**	207,547

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	**As at** **30 June 2019 Unaudited** ***RMB'000***	31 December 2018 Restated *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	18	**92,993,831**	95,539,610
Right-of-use assets		**7,388,070**	-
Prepayments for construction of power plants		**2,800,417**	2,388,715
Prepaid lease payments		**-**	1,106,126
Goodwill	18	**997,422**	951,231
Other intangible assets	18	**874,335**	897,014
Interests in associates		**2,653,771**	2,661,367
Interests in joint ventures		**464,977**	467,792
Equity instruments at FVTOCI		**3,281,934**	3,083,174
Deferred income tax assets		**391,514**	376,672
Other non-current assets		**5,393,083**	4,252,263
		117,239,354	111,723,964
Current assets			
Inventories		**798,611**	712,551
Prepaid lease payments		**-**	23,916
Accounts receivable	11	**3,356,266**	2,784,743
Prepayments, deposits and other receivables		**1,940,023**	2,035,965
Amounts due from related parties		**883,025**	1,061,935
Tax recoverable		**16,047**	60,496
Debt instruments at FVTOCI		**372,776**	237,299
Restricted deposits		**14,061**	23,692
Cash and cash equivalents		**2,300,608**	1,853,044
		9,681,417	8,793,641
Assets classified as held for sale	12	**5,170,490**	4,439,122
Total assets		**132,091,261**	124,956,727

	Note	As at 30 June 2019 Unaudited *RMB'000*	31 December 2018 Restated *RMB'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**17,268,192**	17,268,192
Reserves		**12,859,758**	12,681,726
		30,127,950	29,949,918
Non-controlling interests	18	**14,109,539**	12,899,114
Total equity		**44,237,489**	42,849,032
LIABILITIES			
Non-current liabilities			
Deferred income		**73,363**	75,341
Bank borrowings		**22,288,425**	24,551,579
Borrowings from related parties	13	**23,836,393**	19,044,910
Other borrowings	14	**2,000,000**	2,000,000
Lease liabilities/obligations under finance leases	15	**4,047,918**	3,986,005
Deferred income tax liabilities		**1,764,121**	1,674,188
Provisions for other long-term liabilities	16	**1,044,447**	1,054,538
		55,054,667	52,386,561

	Note	**As at 30 June 2019 Unaudited** *RMB'000*	31 December 2018 Restated *RMB'000*
Current liabilities			
Accounts and bills payables	17	**842,044**	776,577
Construction costs payable		**7,161,667**	5,996,791
Other payables and accrued charges		**1,938,605**	1,202,118
Amounts due to related parties		**2,202,060**	2,535,264
Bank borrowings		**8,034,462**	6,557,141
Borrowings from related parties	13	**7,504,073**	6,547,385
Other borrowings	14	**28,000**	1,024,959
Lease liabilities/obligations under finance leases	15	**1,035,807**	1,205,997
Tax payable		**378,927**	165,906
		29,125,645	26,012,138
Liabilities associated with disposal group classified as held for sale	12	**3,673,460**	3,708,996
Total liabilities		**87,853,772**	82,107,695
Total equity and liabilities		**132,091,261**	124,956,727
Net current liabilities		**17,947,198**	16,488,371
Total assets less current liabilities		**99,292,156**	95,235,593

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 2019 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 "HKICPA"). These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018 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 2018 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 except those comparative figures restated as set out in Note 18. 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 2018, except for the changes in accounting policies resulting from application of below new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

(a) Application of new and amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to HKFRSs which are mandatorily effective for accounting periods beginning on or after 1 January 2019:

HKFRS 16	Leases
Hong Kong (International Financial Reporting Interpretations Committee) Interpretation ("HK(IFRIC)-Int") 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as disclosed below, the application of the above new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

(b) Impacts on application of HKFRS 16 "Leases"

The Group has applied HKFRS 16 "Leases" for the first time in the current period. HKFRS 16 superseded HKAS 17 "Leases" and the related interpretations.

Transition and summary of effects arising from initial application of HKFRS 16:

<u>Definition of a lease</u>

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

<u>As a lessee</u>

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognized at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognized in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

1. relied on the assessment of whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review;

2. elected not to recognize right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

3. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

4. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of leasehold land and buildings in the People's Republic of China (the “PRC” or “China”) was determined on a portfolio basis; and

5. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The analysis below covered those included in a disposal group classified as held for sale (Note 12(a)).

The Group recognized lease liabilities of RMB5,612,637,000 and right-of-use assets of RMB7,263,504,000 at 1 January 2019.

When recognizing the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied was 5.49%.

	Note	As at 1 January 2019 *RMB'000*
Operating lease commitments disclosed at 31 December 2018		617,534
Lease liabilities discounted at relevant incremental borrowing rates		402,447
Add: Extension options reasonably certain to be exercised		18,236
Less: Recognition exemption – short-term leases		(48)
Lease liabilities relating to operating leases recognized upon application of HKFRS 16		420,635
Add: Obligations under finance leases recognized at 31 December 2018	(i)	5,192,002
Lease liabilities as at 1 January 2019		5,612,637
Analyzed for reporting purpose as:		
- Non-current		4,347,809
- Current		1,264,828
		5,612,637

The carrying amount of right-of-use assets as at 1 January 2019 comprised the following:

	Note	As at 1 January 2019 *RMB'000*
Right-of-use assets relating to operating leases recognized upon application of HKFRS 16		420,635
Assets previously under finance leases included in property, plant and equipment under HKAS 17	(i)	5,448,206
Reclassified from prepaid lease payments	(ii)	1,266,137
Reclassified from prepaid rent for leasehold land		128,526
		7,263,504

The analysis of carrying amounts of right-of-use assets by class as at 30 June and 1 January 2019 are as follows:

	As at	
	30 June 2019 ***RMB'000***	1 January 2019 *RMB'000*
Leasehold land	**1,694,064**	1,615,053
Buildings	**200,800**	200,245
Equipment	**3,496,731**	3,527,792
Construction in progress	**2,111,414**	1,920,414
	7,503,009	7,263,504
Analyzed for reporting purpose as:		
- Non-current	**7,388,070**	7,127,409
- Current (Included in assets classified as held for sale)	**114,939**	136,095
	7,503,009	7,263,504

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Sales and leaseback transactions

The Group acts as a seller-lessee

In accordance with the transition provisions of HKFRS 16, sale and leaseback transactions entered into before the date of initial application were not reassessed. Upon application of HKFRS 16, the Group applies the requirements of HKFRS 15 “Revenue from Contracts with Customers” to assess whether sales and leaseback transaction constitutes a sale. During the six months ended 30 June 2019, the Group did not enter into any sale and leaseback transactions.

The following adjustments were made to the amounts recognized in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Note	Carrying amounts previously reported as at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 as at 1 January 2019
		RMB’000	*RMB’000*	*RMB’000*
Non-current assets				
Property, plant and equipment (restated)	(i)	95,539,610	(5,448,206)	90,091,404
Prepaid lease payments	(ii)	1,106,126	(1,106,126)	-
Right-of-use assets		-	7,127,409	7,127,409
Other non-current asset				
- Prepaid rent for leasehold land		127,735	(127,735)	-
Current assets				
Prepayments, deposits and other receivables		2,035,965	(791)	2,035,174
Prepaid lease payments	(ii)	23,916	(23,916)	-
Assets classified as held for sale				
Prepaid lease payments	(ii)	136,095	(136,095)	-
Right-of-use assets		-	136,095	136,095
Non-current liabilities				
Lease liabilities	(i)	-	4,347,809	4,347,809
Obligations under finance leases	(i)	3,986,005	(3,986,005)	-
Current liabilities				
Lease liabilities	(i)	-	1,264,828	1,264,828
Obligations under finance leases	(i)	1,205,997	(1,205,997)	-

Notes:

(i) For assets previously under finance leases, the Group recategorized the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to RMB5,448,206,000 as right-of-use assets. In addition, the Group reclassified the total obligations under finance leases of RMB5,192,002,000 to lease liabilities under non-current liabilities of RMB3,986,005,000 and under current liabilities of RMB1,205,997,000 on 1 January 2019.

(ii) Upfront payments for leasehold land in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the prepaid lease payments under non-current assets, current assets and assets classified as held for sale of RMB1,106,126,000, RMB23,916,000 and RMB136,095,000 respectively, totaling RMB1,266,137,000 were reclassified to right-of-use assets on 1 January 2019.

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	
	2019	2018
	RMB'000	*RMB'000*
Types of goods:		
Sales of electricity to regional and provincial power grid companies (note (a))	**13,828,543**	10,809,125
Provision of power generation (note (b))	**15,415**	15,046
	13,843,958	10,824,171
Timing of revenue recognition:		
At a point in time	**13,843,958**	10,824,171

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 PRC.

(b) Provision of power generation represents income from the provision of power generation to other 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.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from equity instruments at FVTOCI. Other information provided to the CODM is measured in a manner consistent with that in these condensed consolidated financial statements.

Segment assets exclude equity instruments at FVTOCI, deferred income tax assets 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.

Comparative figures on 31 December 2018 of certain assets included in the "Generation and sales of photovoltaic power electricity" segment have been restated in relation to the acquisition of a subsidiary stated in Note 18.

	Unaudited					
	Six months ended 30 June 2019					
	Coal-fired electricity	**Hydropower electricity**	**Wind power electricity**	**Photovoltaic power electricity**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue						
Sales of electricity	**8,470,163**	**3,675,395**	**763,026**	**919,959**	**-**	**13,828,543**
Provision of power generation	**11,663**	**-**	**-**	**3,752**	**-**	**15,415**
	8,481,826	**3,675,395**	**763,026**	**923,711**	**-**	**13,843,958**
Segment results	**739,102**	**2,156,320**	**400,836**	**506,206**	**-**	**3,802,464**
Unallocated income	**-**	**-**	**-**	**-**	**154,793**	**154,793**
Unallocated expenses	**-**	**-**	**-**	**-**	**(242,671)**	**(242,671)**
Operating profit/(loss)	**739,102**	**2,156,320**	**400,836**	**506,206**	**(87,878)**	**3,714,586**
Finance income	**6,904**	**7,104**	**9,908**	**28,888**	**16,050**	**68,854**
Finance costs	**(579,370)**	**(496,767)**	**(141,855)**	**(253,514)**	**(72,400)**	**(1,543,906)**
Share of results of associates	**94,968**	**-**	**-**	**7,882**	**22,485**	**125,335**
Share of results of joint ventures	**(2,553)**	**-**	**-**	**(122)**	**992**	**(1,683)**
Profit/(loss) before taxation	**259,051**	**1,666,657**	**268,889**	**289,340**	**(120,751)**	**2,363,186**
Income tax (expense)/credit	**(171,027)**	**(368,796)**	**(5,735)**	**1,504**	**(7,753)**	**(551,807)**
Profit/(loss) for the period	**88,024**	**1,297,861**	**263,154**	**290,844**	**(128,504)**	**1,811,379**
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure						
- Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	**2,776,051**	**111,863**	**1,550,314**	**698,514**	**56,405**	**5,193,147**
Depreciation of property, plant and equipment	**914,954**	**736,121**	**261,445**	**275,729**	**8,716**	**2,196,965**
Depreciation of right-of-use assets	**71,305**	**3,242**	**16,138**	**65,303**	**14,255**	**170,243**
Amortization of other intangible assets	**-**	**-**	**-**	**22,679**	**-**	**22,679**
(Gain)/loss on disposal of property, plant and equipment, net	**(9,740)**	**1,398**	**-**	**-**	**(4)**	**(8,346)**
Impairment (reversed)/recognized:						
- Other receivables	**(5,016)**	**7,696**	**1,550**	**196**	**21,846**	**26,272**
- Property, plant and equipment	**-**	**-**	**13,676**	**-**	**-**	**13,676**
- Assets classified as held for sale	**-**	**80,920**	**-**	**-**	**-**	**80,920**

	Unaudited					
	As at 30 June 2019					
	Coal-fired electricity	**Hydropower electricity**	**Wind power electricity**	**Photovoltaic power electricity**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets						
Other segment assets	**39,171,939**	**39,181,205**	**17,569,479**	**20,600,800**	**-**	**116,523,423**
Assets classified as held for sale	**4,738,010**	**432,480**	**-**	**-**	**-**	**5,170,490**
Goodwill	**67,712**	**872,865**	**-**	**56,845**	**-**	**997,422**
Interests in associates	**2,102,884**	**12,000**	**-**	**131,798**	**407,089**	**2,653,771**
Interests in joint ventures	**392,517**	**-**	**-**	**-**	**72,460**	**464,977**
	46,473,062	**40,498,550**	**17,569,479**	**20,789,443**	**479,549**	**125,810,083**
Equity instruments at FVTOCI						**3,281,934**
Deferred income tax assets						**391,514**
Other unallocated assets						**2,607,730**
Total assets per condensed consolidated statement of financial position						**132,091,261**
Segment liabilities						
Other segment liabilities	**(6,249,200)**	**(2,858,638)**	**(3,683,664)**	**(4,469,470)**	**-**	**(17,260,972)**
Liabilities associated with disposal group classified as held for sale	**(3,673,460)**	**-**	**-**	**-**	**-**	**(3,673,460)**
Borrowings	**(21,930,542)**	**(21,274,594)**	**(8,396,667)**	**(7,683,922)**	**(4,405,628)**	**(63,691,353)**
	(31,853,202)	**(24,133,232)**	**(12,080,331)**	**(12,153,392)**	**(4,405,628)**	**(84,625,785)**
Deferred income tax liabilities						**(1,764,121)**
Tax payable						**(378,927)**
Other unallocated liabilities						**(1,084,939)**
Total liabilities per condensed consolidated statement of financial position						**(87,853,772)**

	Unaudited Six months ended 30 June 2018					
	Coal-fired electricity	Hydropower electricity	Wind power electricity	Photovoltaic power electricity	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue						
Sales of electricity	7,509,076	2,356,793	364,932	578,324	-	10,809,125
Provision of power generation	10,233	-	-	4,813	-	15,046
	7,519,309	2,356,793	364,932	583,137	-	10,824,171
Segment results	467,187	1,205,059	178,920	334,210	-	2,185,376
Unallocated income	-	-	-	-	122,301	122,301
Unallocated expenses	-	-	-	-	(175,179)	(175,179)
Operating profit/(loss)	467,187	1,205,059	178,920	334,210	(52,878)	2,132,498
Finance income	732	1,892	319	675	61,673	65,291
Finance costs	(379,804)	(536,889)	(81,260)	(67,369)	(92,294)	(1,157,616)
Share of results of associates	37,039	-	-	9,864	18,265	65,168
Share of results of joint ventures	(2,163)	-	-	-	(2,875)	(5,038)
Profit/(loss) before taxation	122,991	670,062	97,979	277,380	(68,109)	1,100,303
Income tax (expense)/credit	(28,864)	(154,029)	(5,164)	1,609	(5,485)	(191,933)
Profit/(loss) for the period	94,127	516,033	92,815	278,989	(73,594)	908,370
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	1,456,318	303,099	1,085,515	359,424	70,916	3,275,272
Depreciation of property, plant and equipment	843,660	688,667	157,658	196,342	5,226	1,891,553
Amortization of prepaid lease payments	7,085	3,109	511	1,043	832	12,580
Loss on disposal of property, plant and equipment, net	29	-	-	-	-	29

	Restated					
	As at 31 December 2018					
	Coal-fired electricity	**Hydropower electricity**	**Wind power electricity**	**Photovoltaic power electricity**	**Unallocated**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets						
Other segment assets	37,577,087	39,816,482	16,031,583	17,347,875	-	110,773,027
Assets associated with disposal group classified as held for sale	4,439,122	-	-	-	-	4,439,122
Goodwill	67,712	872,865	-	10,654	-	951,231
Interests in associates	2,117,915	2,000	-	140,675	400,777	2,661,367
Interests in joint ventures	395,070	-	-	1,254	71,468	467,792
	44,596,906	40,691,347	16,031,583	17,500,458	472,245	119,292,539
Equity instruments at FVTOCI						3,083,174
Deferred income tax assets						376,672
Other unallocated assets						2,204,342
Total assets per condensed consolidated statement of financial position						124,956,727
Segment liabilities						
Other segment liabilities	(4,882,605)	(2,452,959)	(3,702,247)	(4,906,376)	-	(15,944,187)
Liabilities associated with disposal group classified as held for sale	(3,708,996)	-	-	-	-	(3,708,996)
Borrowings	(20,771,233)	(21,188,207)	(7,116,410)	(6,818,620)	(3,831,504)	(59,725,974)
	(29,362,834)	(23,641,166)	(10,818,657)	(11,724,996)	(3,831,504)	(79,379,157)
Deferred income tax liabilities						(1,674,188)
Tax payable						(165,906)
Other unallocated liabilities						(888,444)
Total liabilities per condensed consolidated statement of financial position						(82,107,695)

4 Other income

	Unaudited	
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Rental income	**1,697**	28,869
Hotel operations income	**10,739**	13,793
Income from provision of repairs and maintenance services	**30,507**	28,246
Dividend income	**119,885**	72,658
Income from provision of IT and other services	**15,044**	4,176
Value-added tax refund	**-**	1,964
	177,872	149,706

5 Other gains and losses, net

	Unaudited	
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Amortization of deferred income	**2,563**	2,005
Government subsidies	**4,033**	12,428
Gain/(loss) on disposal of property, plant and equipment, net	**8,346**	(29)
Sales of unused power production quota	**96,588**	28,128
Profits on sales of heat, trading of coal, coal by-products, spare parts and others	**69,971**	21,629
Impairment of property, plant and equipment	**(13,676)**	-
Impairment of assets classified as held for sale (Note 12(b))	**(80,920)**	-
Others	**5,555**	(3,103)
	92,460	61,058

6 Operating profit

Operating profit is stated after charging the following:

	Unaudited Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Amortization of prepaid lease payments	**-**	12,580
Amortization of other intangible assets	**22,679**	-
Depreciation:		
- owned property, plant and equipment	**2,196,965**	1,858,744
- property, plant and equipment under finance leases	**-**	32,809
- right-of-use assets	**170,243**	-
Lease rental expenses:		
- equipment	**946**	1,307
- leasehold land and buildings	**14,376**	37,752
Impairment of other receivables	**26,272**	-

7 Finance income and finance costs

	Unaudited Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**3,901**	61,558
Interest income from related parties	**16,577**	3,733
Interest income on discounting effect on clean energy power price premium receivable (Note 11(b))	**48,376**	-
	68,854	65,291
Finance costs		
Interest expense on		
- bank borrowings	**727,786**	996,070
- long-term borrowings from related parties	**580,029**	167,270
- short-term borrowings from related parties	**82,139**	54,807
- long-term other borrowings	**55,785**	23,255
- short-term other borrowings	**607**	8,218
- amounts due to related parties	**43,376**	1,504
- lease liabilities/obligations under finance leases	**173,423**	37,391
- provisions for other long-term liabilities (Note 16)	**44,696**	40,395
	1,707,841	1,328,910
Less: amounts capitalized	**(197,230)**	(212,277)
	1,510,611	1,116,633
Exchange losses, net	**33,295**	40,983
	1,543,906	1,157,616

The weighted average interest rate on capitalized borrowings is approximately 4.48% (2018: 4.72%) 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 2019 (2018: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (2018: 25%) on the estimated assessable profits for the six months ended 30 June 2019 except that certain subsidiaries were either exempted from PRC Enterprise Income Tax or entitled to the preferential tax rate of 7.5%, 10%, 12.5% or 15% (2018: 7.5%, 12.5% or 15%).

The amount of income tax recognized represents:

	Unaudited Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
PRC current income tax		
Charge for the period	**504,787**	244,089
Under provision in prior years	**10,994**	5,652
	515,781	249,741
Deferred income tax		
Charge/(credit) for the period	**36,026**	(57,808)
	551,807	191,933

Share of income tax charge attributable to associates and joint ventures for the six months ended 30 June 2019 of RMB44,014,000 (2018: RMB20,459,000) and RMB2,326,000 (2018: RMB91,000) respectively were included in the Group's share of results of associates/joint ventures.

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	
	2019	2018
Profit attributable to owners of the Company (RMB'000)	**976,735**	606,389
Weighted average number of shares in issue (shares in thousands)	**9,806,886**	9,806,886
Basic earnings per share (RMB)	**0.10**	0.06

(b) Diluted

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the six months ended 30 June 2019.

For the six months ended 30 June 2018, the computation of diluted earnings per share did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market share price of the Company's shares for the six months ended 30 June 2018 therefore, diluted earnings per share was same as basic earnings per share.

10 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (2018: Nil).

11 Accounts receivable

	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts receivable from regional and provincial power grid companies (notes (a) and (b))	**6,341,241**	4,798,696
Accounts receivable from other companies (note (a))	**20,421**	9,481
	6,361,662	4,808,177
Notes receivable (note (c))	**13,528**	13,473
	6,375,190	4,821,650
Analyzed for reporting purpose as:		
- Non-current (included in other non-current assets) (note (b))	**3,018,924**	2,036,907
- Current	**3,356,266**	2,784,743
	6,375,190	4,821,650

Notes:

The analysis below covered those included in a disposal group classified as held for sale (Note 12(a)) of RMB190,293,000 (31 December 2018: RMB146,009,000).

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

	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Unbilled (note (b))	**3,409,921**	2,335,601
1 to 3 months	**3,142,034**	2,618,585
	6,551,955	4,954,186

The accounts receivable that were neither past due nor impaired had 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 2019, accounts receivable from regional and provincial power grid companies included clean energy power price premium receivable of RMB3,409,921,000 (31 December 2018: RMB2,335,601,000), which was unbilled and stated after discounting.

The clean energy power price premium, which was a component of the government-approved on-grid tariff for wind and photovoltaic power generation, was recognized as revenue from sales of electricity in the condensed consolidated income statement of the Group for its wind and photovoltaic power projects.

The financial resource for the clean energy power price premium was the national renewable energy fund that accumulated through a special levy on the consumption of electricity. Pursuant to Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, the standardized application and approval procedures on a project by project basis for the settlement of the tariff premium came into force since 2012, and such applications are accepted and approved batch by batch at intervals.

Based on the above, the Directors estimated that there were no foreseeable obstacles that would lead to the application not being approved. It was expected that the approval of the Group's certain wind and photovoltaic power projects would be obtained after 30 June 2020 (31 December 2018: obtained after 31 December 2019) and the corresponding premium receivables were estimated to be recovered after twelve months from the reporting date. Therefore, the Directors considered the electricity sales contract contains a significant financing component. During the six months ended 30 June 2019, the respective clean energy power price premium was adjusted for this financing component based on an effective interest rate of 4.75% (2018: 4.75%) per annum. During the current period, the Group's revenue was adjusted by RMB192,455,000 (2018: RMB29,352,000) and interest income amounting to RMB48,376,000 (2018: Nil) (Note 7) was recognized.

(c) As at 30 June 2019, notes receivable were bank acceptance notes issued by third parties and were normally with maturity period within 360 days (31 December 2018: 360 days).

(d) As at 30 June 2019, certain bank borrowings, long-term borrowings from related parties (including SPIC Financial Company Limited* (國家電投集團財務有限公司) ("SPIC Financial"), Industrial and Commercial Bank of China Limited ("ICBC") and Agricultural Bank of China Limited ("ABC")) , and certain lease liabilities (31 December 2018: obligations under finance leases) (Notes 13(b), 13(c) and 15) were secured by the rights on accounts receivable of certain subsidiaries. The accounts receivable secured under these debts as at 30 June 2019 amounted to RMB1,815,486,000 (31 December 2018: RMB1,580,203,000).

12 Assets and liabilities classified as held for sale

(a) Disposal group classified as held for sale

During the year ended 31 December 2018, Shanxi Shentou Power Generating Company Limited* (山西神頭發電有限責任公司), a wholly-owned subsidiary of the Company, entered into a joint venture agreement to form Sujin Energy Holding Company Limited* (蘇晉能源控股有限公司) ("Sujin Energy"), an associate of the Group, in Shanxi Province of the PRC. And the Company will use its 80% interest in China Power Shentou Power Generating Company Limited* (中電神頭發電有限責任公司) ("CP Shentou") as part of the capital contribution to Sujin Energy.

As at 30 June 2019, as relevant valuation, audit and other formalities related to such transactions were in progress, the abovementioned capital contribution has not completed yet. As the Group commits to the sale of CP Shentou and such transaction is highly probable to complete within one year, the assets and liabilities attributable to CP Shentou were continue to be classified as a disposal group held for sale and were separately presented in the condensed consolidated statement of financial position. The operation of CP Shentou was included in the Group's "Generation and sales of coal-fired electricity" segment for segment reporting.

The sales proceeds are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognized.

(b) Electricity transmission assets classified as held for sale

During the six months ended 30 June 2019, the Group has entered into certain agreements with Hunan Provincial Power Company to sell certain electricity transmission assets with total carrying amounts of approximately RMB513,400,000 for a total consideration of approximately RMB432,480,000. These assets were written down to their fair values less costs of disposal and have been reclassified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". An impairment of RMB80,920,000 (Note 5) was recognized in the condensed consolidated income statement for the six months ended 30 June 2019. These disposals are expected to be completed by 30 June 2020.

13 Borrowings from related parties

	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current		
Long-term borrowings from SPIC (note (a))	**5,080,000**	1,930,000
Long-term borrowings from SPIC Financial (note (b))	**3,448,400**	2,013,800
Long-term borrowings from ICBC and ABC (note (c))	**18,046,937**	17,617,419
Long-term borrowing from other related party (note (d))	**50,000**	-
	26,625,337	21,561,219
Less: Current portion of long-term borrowings from SPIC	**(1,000,000)**	(1,100,000)
Less: Current portion of long-term borrowings from SPIC Financial	**(120,800)**	(20,800)
Less: Current portion of long-term borrowings from ICBC and ABC	**(1,668,144)**	(1,395,509)
	23,836,393	19,044,910
Current		
Short-term borrowings from SPIC (note (e))	**1,570,295**	970,296
Short-term borrowings from CPI Holding (note (f))	**850,000**	1,720,000
Short-term borrowings from SPIC Financial (note (g))	**420,000**	140,000
Short-term borrowings from ICBC and ABC (note (h))	**1,640,000**	970,000
Short-term borrowings from other related parties (note (i))	**234,834**	230,780
Current portion of long-term borrowings from SPIC (note (a))	**1,000,000**	1,100,000
Current portion of long-term borrowings from SPIC Financial (note (b))	**120,800**	20,800
Current portion of long-term borrowings from ICBC and ABC (note (c))	**1,668,144**	1,395,509
	7,504,073	6,547,385
	31,340,466	25,592,295

Notes:

The analysis below covered those included in a disposal group classified as held for sale (Note 12(a)) of RMB1,793,000,000 (31 December 2018: RMB1,794,000,000).

(a) The long-term borrowings from SPIC were unsecured, interest bearing from 2.50% to 5.15% (31 December 2018: 2.88% to 5.58%) per annum and were wholly repayable within five years.

(b) The long-term borrowings from SPIC Financial of RMB7,400,000 (31 December 2018: RMB7,800,000) were secured against the rights on accounts receivable of a subsidiary (Note 11(d)), interest bearing at 4.41% (31 December 2018: 4.41%) per annum. The remaining balances were unsecured and interest bearing from 4.28% to 5.23% (31 December 2018: 3.92% to 5.50%) per annum.

(c) The long-term borrowings from ICBC and ABC of RMB5,697,214,000 (31 December 2018: RMB5,991,160,000) were secured against the rights on accounts receivable of certain subsidiaries (Note 11(d)), interest bearing from 4.41% to 4.90% (31 December 2018: 4.41% to 4.90%) per annum. The balance of RMB217,200,000 (31 December 2018: RMB228,000,000) was guaranteed by a non-controlling shareholder of a subsidiary, interest bearing at 5.15% (31 December 2018: 5.15%) per annum and the balance of RMB212,370,000 (31 December 2018: RMB227,820,000) was secured against property, plant and equipment and right-of-use assets (31 December 2018: property, plant and equipment and prepaid lease payments) of certain subsidiaries, interest bearing from 4.41% to 4.90% (31 December 2018: 4.41% to 4.90%) per annum. The remaining balances were unsecured and interest bearing from 4.28% to 5.15% (31 December 2018: 4.28% to 5.15%) per annum.

(d) The long-term borrowing from other related party as at 30 June 2019 was unsecured, interest bearing at 4.75% per annum and repayable within two years.

(e) The short-term borrowings from SPIC as at 30 June 2019 were unsecured, interest bearing from 2.50% to 5.25% (31 December 2018: 2.94% to 4.45%) per annum and repayable within one year.

(f) The short-term borrowings from CPI Holding as at 30 June 2019 were unsecured, interest bearing from 3.92% to 4.35% (31 December 2018: at 4.35%) per annum and repayable within one year.

(g) The short-term borrowings from SPIC Financial as at 30 June 2019 were unsecured, interest bearing at 4.35% (31 December 2018: 3.92%) per annum and repayable within one year.

(h) The short-term borrowings from ICBC and ABC as at 30 June 2019 were unsecured, interest bearing from 3.92% to 4.48% (31 December 2018: 4.35% to 4.57%) per annum and repayable within one year.

(i) The short-term borrowings from other related parties as at 30 June 2019 were unsecured, interest bearing from 4.35% to 4.55% (31 December 2018: 4.35% to 4.55%) per annum and repayable within one year.

14 Other borrowings

	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current		
Corporate bonds issued by:		
- the Company (note (a))	**2,000,000**	2,000,000
- a subsidiary (note (b))	**-**	999,959
	2,000,000	2,999,959
Less: Amounts reclassified as current (note (b))	**-**	(999,959)
	2,000,000	2,000,000
Current		
Corporate bonds issued by a subsidiary reclassified as current (note (b))	**-**	999,959
Short-term other borrowing from a third party (note (c))	**28,000**	25,000
	28,000	1,024,959
	2,028,000	3,024,959

Notes:

(a) The balance represented the unsecured RMB denominated medium-term note of RMB2,000,000,000 issued by the Company in October 2018 for a term of three years, which was interest bearing at 4.15% per annum.

(b) The balance as at 31 December 2018 represented certain long-term corporate bonds issued by Wu Ling Power Corporation* (五凌電力有限公司) ("Wu Ling Power"), a subsidiary of the Group, for a term of ten years from April 2009 which were interest bearing at 4.60% per annum and were guaranteed by SPIC. These bonds were repaid during the current period.

(c) The balance was unsecured, interest bearing at 4.35% (31 December 2018: 4.35%) per annum and denominated in RMB.

15 Lease liabilities/obligations under finance leases

	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Lease liabilities/obligations under finance leases	**5,083,725**	5,192,002
Less: Current portion of lease liabilities/obligations under finance leases	**(1,035,807)**	(1,205,997)
Non-current portion of lease liabilities/obligations under finance leases	**4,047,918**	3,986,005

16 Provisions for other long-term liabilities

Provisions for other long-term liabilities represent the provisions for inundation compensations caused by the construction of certain 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 these 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 provisions due to the passage of time is recognized as interest expense.

Analysis of the provisions for inundation compensations as at 30 June 2019 is as follows:

	As at	
	30 June	31 December
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current liabilities	**1,044,447**	1,054,538
Current liabilities (included in other payables and accrued charges)	**113,528**	87,363
	1,157,975	1,141,901

The movements of the provisions for inundation compensations for the six months ended 30 June 2019 are as follows:

	Unaudited	
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
At 1 January	**1,141,901**	1,048,325
Acquired on acquisition of a subsidiary (note)	**-**	234,055
Interest expense (Note 7)	**44,696**	40,395
Payment	**(28,622)**	(25,892)
At 30 June	**1,157,975**	1,296,883

Note: The amount for 2018 represented provisions for other long-term liabilities of SPIC Guangxi Changzhou Hydropower Development Co., Ltd, a subsidiary of SPIC Guangxi Electric Power Co., Ltd.

17 Accounts and bills payables

	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts payable (note (a))	**765,762**	666,699
Bills payable (note (b))	**76,282**	109,878
	842,044	776,577

Notes:

The analysis below covered those included in a disposal group classified as held for sale (Note 12(a)) of RMB213,904,000 (31 December 2018: RMB94,344,000).

(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 2019	31 December 2018
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 6 months	**932,647**	708,304
7 to 12 months	**4,671**	4,265
Over 1 year	**42,348**	48,474
	979,666	761,043

(b) As at 30 June 2019, bills payable are bills of exchange with maturity period ranged from 3 to 12 months (31 December 2018: ranged from 3 to 12 months).

18 Restated comparative figures

In 2018, Wu Ling Power acquired 70% interest in Zhongning Longji Photovoltaic New Energy Company Limited ("Zhongning Longji") and the acquisition has been accounted for using the acquisition method.

As of 31 December 2018, the initial accounting for the acquisitions was determined on a provisional basis as the allocation of fair value to the identifiable assets and liabilities of the acquisition was still progressing.

During the six months ended 30 June 2019, the initial accounting for the acquisition was completed. As a results, adjustments to the provisional values of identifiable assets and liabilities of Zhongning Longji was recognized and have comparatives figures on property, plant and equipment, goodwill, other intangible assets and non-controlling interests adjusted and restated accordingly. Property, plant and equipment and non-controlling interests of the Group were adjusted downwards by RMB152,000,000 to RMB95,539,610,000 (previously reported at 31 December 2018: RMB95,691,610,000) and RMB2,130,000 to RMB12,899,114,000 (previously reported at 31 December 2018: RMB12,901,244,000) respectively. Besides, goodwill and other intangible assets of the Group were adjusted upwards by RMB4,970,000 to RMB951,231,000 (previously reported at 31 December 2018: RMB946,261,000) and RMB144,900,000 to RMB897,014,000 (previously reported at 31 December 2018: RMB752,114,000) respectively.

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 2019, the total national electricity consumption rose by 5.0%, while the growth rate decreased by 4.4 percentage points as compared with the corresponding period last year. The national power generation recorded an increase of 3.3%, while the growth rate decreased by 5.0 percentage points as compared with the corresponding period last year. Among which, hydropower increased by 11.8%, wind power increased by 11.5%, photovoltaic power increased by 29.1% and coal-fired power increased by 0.2%, reflecting an increasing proportion of power generated from non-fossil energy. According to China Electricity Council (中國電力企業聯合會), the national electricity production remained stable in the first half of the year and the supply and demand of electricity remained balanced in general.

In the first half of 2019, the Group recorded continuous growth in its operating results with its total electricity sold amounted to 42,261,760MWh, representing an increase of 27.70% as compared with the corresponding period last year. The profit attributable to owners of the Company was RMB976,735,000, representing an increase of 61.07% as compared with the corresponding period last year, which was mainly due to the significant increase in the electricity sales of hydropower during the period and the profits contributed by the new clean energy project companies through acquisitions and self-construction. Basic earnings per share was approximately RMB0.10. Net asset per share (excluding non-controlling interests) was approximately RMB3.07 as at 30 June 2019.

During the period under review, the development of the Group's principal businesses was as follows:

The Group continued to implement its development strategy to transform towards clean energy with a focus on the development of quality clean energy projects and the optimization of its shareholding structure in coal-fired power enterprises. In the first half of 2019, the Company, through self-construction and acquisitions, recorded an aggregated increase in attributable installed capacity of 608.5MW in clean energy.

The Group completed the acquisitions of Guangxi Company and Shandong Company in May 2018, and successively completed the acquisitions of Anhui Company and Hubei Company in November 2018, all of which are principally engaged in the business of clean energy power generation. In the first half of 2019, the four companies contributed approximately RMB1,175 million and RMB294 million to the Group's revenue and profit for the period, respectively.

In April 2019, Wu Ling Power (a 63%-owned subsidiary of the Company) completed the acquisitions of 55% equity interests in each of Jiangling GCL, Xin'an GCL and Ruzhou GCL and obtained the control over the three companies, all of which are principally engaged in the business of photovoltaic power generation. From April to June 2019, the three companies contributed approximately RMB64 million and RMB16 million to the Group's revenue and profit for the period, respectively.

The Group gradually reduced the proportion of its shareholding in coal-fired power enterprises in an effort to actively promote the optimization of shareholding structure of its coal-fired projects. In April 2019, the Group disposed of part of its interests in two coal-fired power plants, namely Pingwei I and Pingwei II, and introduced Huainan Mining as a strategic investor. The equity transfer was officially completed in May 2019. Huainan Mining is one of the main coal suppliers of the Group's coal-fired power plants. The transaction would help to deepen the cooperation between the Group's coal-fired power business and the coal enterprise, and promote the integration of upstream and downstream industries of coal mining and power generation. It would also facilitate the building of a collaboration mechanism for sharing benefits and risks and hence enhance the counter-risk ability of our coal-fired power segment.

As of 30 June 2019, the four "Top Runner" photovoltaic power projects of Datong Phase II with an installed capacity of 100MW each in Shanxi Province, the PRC, which were acquired by the Group through tendering process last year, have commenced commercial operation successively. It is expected the construction of the remaining power generating units of 55MW will also be completed and commence production within the year.

In January 2019, the National Development and Reform Commission and the National Energy Administration issued the "Notice on Active Promotion of the Work on Grid Parity of Wind Power and Photovoltaic Power without Subsidies (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》)". Capitalizing on the opportunities arising from the national policy of grid parity of photovoltaic power, the Group successfully obtained approval for the "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project", which is the first and single largest scale of photovoltaic grid parity demonstration project in China in terms of installed capacity. The project not only helped promoting the Group's development in the clean energy sector, but also guaranteed the Group's revenue in the long run as the policy ensured the project's priority in power generation and protective buyouts of all the power generated.

Electricity Sold

For the first half of 2019, the details of electricity sold of the Group are set out as follows:

	First half of 2019 *MWh*	First half of 2018 *MWh*	Changes %
Total electricity sold	**42,261,760**	33,095,069	27.70
- Coal-fired power	**25,896,898**	23,257,792	11.35
- Hydropower	**13,204,537**	8,250,470	60.05
- Wind power	**1,627,093**	761,072	113.79
- Photovoltaic power	**1,533,232**	825,735	85.68

In the first half of 2019, the total electricity sold of the Group amounted to 42,261,760MWh, representing an increase of 27.70% as compared with the corresponding period last year. The changes in electricity sold by each power segment as compared with the corresponding period last year are as follows:

- coal-fired power – the electricity sold increased by 11.35% as a result of the commencement of commercial operation of two new large-scale coal-fired power generating units in Pu'an Power Plant and Shangqiu Power Plant during the period.

- hydropower – a substantial increase of 59.70% in power generation due to the abundant rainfall in the river basins where most of the Group's hydropower plants are located during the period, coupled with the positive impact of the full consolidation of hydropower generation from Guangxi Company.

- wind power and photovoltaic power – benefiting from the consolidation of newly acquired project companies and the commencement of commercial operation of numerous new power generating units during the period, the electricity sales of wind power and photovoltaic power recorded a significant year-on-year increase of 113.79% and 85.68%, respectively.

For the first half of 2019, the Group also performed satisfactorily in gaining incentive electricity from local governments. In recognition of the fulfilment of certain specific targets of the government in respect of environmental protection, heat supply capacity and productivity of certain power generating units, the amount of various incentive electricity available for production accumulatively obtained by the Group during the period increased by 8.22% as compared with the corresponding period last year.

For the first half of 2019, the details of electricity sold of the Group's main associates and joint venture are set out as follows:

	First half of 2019 ***MWh***	First half of 2018 *MWh*	Changes *%*
Total electricity sold	**9,201,867**	8,835,965	4.14
Associates			
- Coal-fired power	**7,527,411**	7,028,985	7.09
- Photovoltaic power	**49,466**	47,571	3.98
Joint venture			
- Coal-fired power	**1,624,990**	1,759,409	-7.64

Heat Sold

In order to strongly support the existing environmental policies promulgated by the PRC government, the Group has carried out in-depth exploration in the heat supply potentials in various regions, strengthened the development of heat user base and promoted the construction of centralized heating pipe networks in recent years, thereby achieving positive results in terms of energy efficiency upgrade and development of heat supply market. For the first half of 2019, the total heat sold by the Group (including an associate and two joint ventures) was 11,182,786GJ, representing an increase of 3,530,435GJ or 46.14% as compared with the corresponding period last year.

Direct Power Supply

The Group has actively participated in the market-oriented reform of national power system, analyzed the opportunities therein and participated in direct power supply transactions (including competitive bidding for on-grid electricity sales) with a view to securing market share. For the first half of 2019, a number of coal-fired power plants and clean energy power plants of the Group participated in direct power supply transactions, the electricity sold through direct power supply transactions amounted to 14,491,033MWh and 3,242,501MWh respectively, together accounting for approximately 41.96% of the Group's total electricity sold.

As direct power supply is a way of open market trading of electricity, the tariffs will therefore vary with supply and demand in the electricity market. In the first half of 2019, for those coal-fired power and hydropower plants of the Group which participated in direct power supply transactions, their average post-tax tariffs were at a discount of approximately 7.78% and 7.13% respectively compared with the respective average post-tax on-grid tariffs approved by the PRC government (including ultra-low emission tariff). The direct power supply tariff discount for coal-fired power further decreased as compared with corresponding period last year, hence narrowing the price spread against the on-grid benchmark tariff.

On-Grid Tariff

For the first half of 2019, the Group's average on-grid tariffs compared to the corresponding period last year were as follows:

- coal-fired power was RMB327.52/MWh, representing an increase of RMB4.22/MWh. It was mainly attributable to the increase in average post-tax tariff of coal-fired power due to the downward adjustment of value-added tax rate, as well as the decrease in tariff discount of direct power supply as compared with the corresponding period last year.

- hydropower was RMB278.34/MWh, representing a decrease of RMB7.32/MWh. It was mainly attributable to the reduction of on-grid tariff of hydropower in Hunan Province since 1 September 2018 as promulgated by the Development and Reform Commission of Hunan Province, as well as the decrease in average tariff of direct power supply as compared with the corresponding period last year.

- wind power was RMB468.95/MWh, representing a decrease of RMB10.54/MWh. Due to the impact of discounting the delayed government's subsidies for new energy to their present values, the average on-grid tariff of wind power recorded a slight year-on-year decrease despite the consolidation of new wind power project companies and some newly operating wind power plants of the Group with relatively higher average on-grid tariffs during the period.

- photovoltaic power was RMB602.46/MWh, representing a decrease of RMB103.75/MWh. It was mainly attributable to the impact of discounting the delayed government's subsidies for new energy to their present values, and the reduction of the on-grid tariff of photovoltaic power projects which commenced operation after 31 May 2018 as promulgated by the National Development and Reform Commission.

Unit Fuel Cost

For the first half of 2019, the average unit fuel cost of the Group's coal-fired power business was RMB211.51/MWh, representing a decrease of 2.28% from that of RMB216.45/MWh of the corresponding period last year.

Coal Consumption

For the first half of 2019, the net coal consumption rate of the Group was 301.47g/kWh, representing an increase of 0.02g/kWh as compared with the corresponding period last year. The existing coal-fired power generating units of the Group are mostly environmental friendly power generating units with large capacity and high parameter. These units have achieved substantial effect in energy saving and emission reduction, which have helped maintaining the net coal consumption rate at a relatively low level.

Utilization Hours of Power Generating Units

For the first half of 2019, the changes in utilization hours of power generating units of each of the Group's power segment are as follows:

- the average utilization hours of the coal-fired power generating units was 2,065 hours, representing a decrease of 32 hours as compared with the corresponding period last year, mainly attributable to the slowdown of growth rate of total national electricity consumption year-on-year and the relatively significant growth in the consumption of green energy, which squeezed the demand for coal-fired power.

- the average utilization hours of hydropower generating units was 2,445 hours, representing an increase of 781 hours as compared with the corresponding period last year, mainly attributable to the increase in power generation as a result of substantial increase in the amount of rainfall in the river basins where most of the Group's hydropower plants are located.

- the average utilization hours of wind power generating units was 1,072 hours, representing an increase of 12 hours as compared with the corresponding period last year.

- the average utilization hours of photovoltaic power stations was 696 hours, representing a decrease of 59 hours as compared with the corresponding period last year.

OPERATING RESULTS OF THE FIRST HALF OF 2019

For the first half of 2019, the net profit of the Group amounted to RMB1,811,379,000, representing an increase of RMB903,009,000 or 99.41% as compared with the corresponding period last year.

In the first half of 2019, the net profit and loss of each business segment and their respective ratio of contribution to the total net profit were as follows:

- net profit from hydropower was RMB1,297,861,000 (71.65%, 2018: 56.81%);
- net profit from wind power was RMB263,154,000 (14.53%, 2018: 10.22%);
- net profit from photovoltaic power was RMB290,844,000 (16.06%, 2018: 30.71%);
- net profit from coal-fired power was RMB88,024,000 (4.86%, 2018: 10.36% (restated)); and
- unallocated net loss was RMB128,504,000 (-7.10%, 2018: -8.10% (restated)).

As compared with the first half of 2018, the changes in net profit were mainly due to the following factors:

- revenue from hydropower increased by RMB1,318,602,000 as a result of the significant increase in electricity sales of hydropower;
- revenue from wind power and photovoltaic power increased by RMB738,668,000 in aggregate due to the commencement of commercial operation of numerous new power generating units and the consolidation of newly acquired project companies;
- revenue from coal-fired power increased by RMB962,517,000, which is attributable to the increase in electricity sold and rise of the average on-grid tariff of coal-fired power as compared with the corresponding period last year;
- fuel costs increased by RMB443,191,000 as a result of the increase in fuel consumption attributable to the growth in sales of coal-fired power;
- depreciation of property, plant and equipment and the right-of-use assets and staff cost increased by RMB775,676,000 in aggregate as a result of business expansion, newly acquired project companies and addition of power generating units;
- finance costs increased by RMB386,290,000 as a result of the increase in total debts level; and
- income tax expense increased by RMB359,874,000 due to increase in operating profit.

Revenue

The revenue of the Group was mainly derived from the sales of electricity to regional and provincial power grid companies and provision of power generation, while the Group recognized its revenue when its performance obligations have been satisfied. For the first half of 2019, the Group recorded a revenue of RMB13,843,958,000, representing an increase of 27.90% as compared with RMB10,824,171,000 of the corresponding period last year.

The significant increase in revenue was mainly attributable to the year-on-year increase of a total of RMB2,281,119,000 in revenue from hydropower and coal-fired power, with their electricity sold increased by 60.05% and 11.35% respectively. Meanwhile, the revenue from wind power and photovoltaic power also increased due to the commencement of commercial operation of numerous new power generating units and the consolidation of newly acquired project companies.

Segment Information

The reportable segments identified by the Group are now the "Generation and sales of coal-fired electricity", "Generation and sales of hydropower electricity", "Generation and sales of wind power electricity" and "Generation and sales of 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 2019, the operating costs of the Group amounted to RMB10,399,704,000, representing a rise of 16.82% as compared with RMB8,902,437,000 of the corresponding period last year. Operating costs increased mainly due to the rising fuel cost as a result of the increase in electricity sales of coal-fired power, and the increase in depreciation and staff costs resulting from the commencement of operation of numerous new power generating units and the consolidation of newly acquired project companies.

Operating Profit

For the first half of 2019, the Group's operating profit was RMB3,714,586,000, representing an increase of 74.19% as compared with the operating profit of RMB2,132,498,000 of the corresponding period last year. The increase in operating profit was mainly due to the substantial increase in gross profit of the hydropower business resulting from the substantial increase in electricity sales of hydropower, and the profit contribution from the continuous expansion of the wind power and photovoltaic power business segments.

Finance Costs

For the first half of 2019, the finance costs of the Group amounted to RMB1,543,906,000, representing an increase of 33.37% as compared with RMB1,157,616,000 of the corresponding period last year. The increase in interest expense was mainly due to the rise of debts level.

Share of Results of Associates

For the first half of 2019, the share of results of associates was profits of RMB125,335,000, representing an increase of RMB60,167,000 or 92.33% as compared with the share of profits of RMB65,168,000 of the corresponding period last year. The significant increase in profits was mainly attributable to the steady growth in both electricity sold and heat sold of Changshu Power Plant (the principal associate of the Group engaging in coal-fired power generation and heat supply) over the corresponding period last year as well as the decrease in unit fuel cost during the period.

Share of Results of Joint Ventures

For the first half of 2019, the share of results of joint ventures was losses of RMB1,683,000, representing a decrease in losses of RMB3,355,000 or 66.59% as compared with the share of losses of RMB5,038,000 of the corresponding period last year. The decrease in losses was mainly due to the increase in net profit as a result of the reduced unit fuel cost of Xintang Power Plant (the principal joint venture of the Group engaging in coal-fired power generation and heat supply).

Income Tax Expense

For the first half of 2019, income tax expense of the Group was RMB551,807,000, representing an increase of RMB359,874,000 as compared with RMB191,933,000 of the corresponding period last year. The increase was mainly due to the increase in operating profit.

Earnings per Share and Interim Dividend

For the first half of 2019, the basic earnings per share for profit attributable to owners of the Company were RMB0.10 (2018: RMB0.06).

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2019.

ATTRIBUTABLE INSTALLED CAPACITY

As at 30 June 2019, the attributable installed capacity of the Group's power plants reached 20,642.4MW, representing a year-on-year increase of 2,158.4MW. Among which, the attributable installed capacity of clean energy including hydropower, wind power, photovoltaic power and natural gas power was 7,117.7MW in total, accounting for approximately 34.48% of the total attributable installed capacity and representing an increase of 1.33 percentage points as compared with the corresponding period last year. The attributable installed capacity of the Group's existing natural gas power was wholly held by Shanghai Power.

During the period from 1 July 2018 to 30 June 2019, the Group's attributable installed capacity from new wind power plants and photovoltaic power stations that commenced commercial operation were 315.9MW and 474.4MW respectively.

Projects under Construction

As at 30 June 2019, the attributable installed capacity of projects under construction was 4,382.4MW, among which, the attributable installed capacity of coal-fired power and clean energy segments were 2,673.2MW and 1,709.2MW respectively. The clean energy segments accounted for 39.00% in aggregate.

New Development Projects

In active response to the national supply-side reform in the power industry, the Group stepped up its efforts in developing clean energy projects, and made appropriate adjustments to the development and construction of coal-fired power projects and controlled the relevant capital expenditure. For coal-fired power projects under construction, the Group has obtained approval from the local governments in the PRC, progressed according to the government's stipulated construction schedule, and matched with the planning of electricity demand in places where the end-users are located.

The Group will continue to expedite the implementation and development of clean energy projects by seizing various development opportunities, making proper preparation and capturing quality resources. It will conduct research and development of clean energy projects, such as offshore wind power and photovoltaic power generation at parity rate, and closely monitor the development trend of natural gas power to identify and implement profitable projects steadily.

In May 2019, the Group obtained the official approval from the National Development and Reform Commission and the National Energy Administration for its "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project", which was listed as one of the first batch of national photovoltaic grid parity trial projects. Despite the lack of government subsidies, the project has received land lease incentives, and hence the operating costs is expected to be reduced significantly. Besides, pursuant to the "Notice on Active Promotion of the Work on Grid Parity of Wind Power and Photovoltaic Power without Subsidies (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》)", the power grid companies will prioritize the power generation, ensure protective buyouts of all the power generated, and guarantee a fixed tariff for the project for at least 20 years. It is expected that the project will bring stable income and sound economic benefits and play an exemplary and leading role in the market.

Currently, the total installed capacity of new projects of the Group at a preliminary development stage (including projects with applications submitted to the PRC government for approvals) is approximately 3,700MW, which are mainly clean energy projects (including natural gas power projects) primarily located in areas with development potential, including Liaoning, Shandong, Hunan and Guangxi.

EQUITY INSTRUMENTS AT FVTOCI

As at 30 June 2019, the carrying amount of equity instruments at FVTOCI was RMB3,281,934,000, accounting for 2.48% of total assets, including listed equity securities of RMB3,153,376,000 and unlisted equity investments of RMB128,558,000.

Listed equity securities represent the equity interests in Shanghai Power held by the Group. As at 30 June 2019, the Group held 13.88% equity interest in the issued share capital of Shanghai Power, the A shares of which are listed on Shanghai Stock Exchange. Fair value of such equity interests increased by 7.16% as compared with RMB2,942,667,000 as at 31 December 2018.

Unlisted equity investments represent the Group's investment in equity of some unlisted companies principally engaged in financial services, coal production, water supply and electricity trading services respectively. As at 30 June 2019, the aggregate fair value of unlisted equity investments owned by the Group was RMB149,467,000 (including an unlisted equity investment in PRC as part of a disposal group classified as held for sale), representing a decrease of 6.41% from RMB159,706,000 as at 31 December 2018.

MATERIAL ACQUISITIONS AND DISPOSALS

In March 2019, Wu Ling Power entered into three share transfer agreements with two independent third party companies respectively to acquire 55% of the equity interest in each of the three clean energy project companies. For details, please refer to the announcement of the Company dated 28 March 2019.

In April 2019, the Company disposed of part of its interests in two coal-fired power subsidiaries held by the Company, i.e. 40% equity interest in Pingwei I and 15% equity interest in Pingwei II, through the Shanghai United Assets and Equity Exchange, pursuant to which the Company has agreed to sell and Huainan Mining has agreed to purchase the above equity interests. For details, please refer to the announcement of the Company dated 11 April 2019.

Save as disclosed above, the Group did not have any other material acquisition or disposal during the period under review.

LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

As at 30 June 2019, cash and cash equivalents of the Group were RMB2,300,608,000 (31 December 2018: RMB1,853,044,000). Current assets amounted to RMB9,681,417,000 (31 December 2018: RMB8,793,641,000), current liabilities amounted to RMB29,125,645,000 (31 December 2018: RMB26,012,138,000) and current ratio was 0.33 (31 December 2018: 0.34).

In April 2019, the Company renewed the Financial Services Framework Agreement with SPIC Financial for a term of three years, pursuant to which SPIC Financial has agreed to continue to provide the Group with deposit services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis upon expiry of the Previous Framework Agreement. The Annual Cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial shall not exceed RMB4.2 billion during the term of this Framework Agreement. For details, please refer to the announcement of the Company dated 30 April 2019. This Framework Agreement has officially come into effect on 7 June 2019. For the six months ended 30 June 2019, the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial was approximately RMB2.91 billion.

During the period under review, the Group recorded a net increase in cash and cash equivalents (including cash and cash equivalents as part of a disposal group classified as held for sale) of RMB464,810,000 (2018: net decrease of RMB1,653,497,000). For the six months ended 30 June 2019,

- net cash generated from operating activities amounted to RMB3,173,432,000 (2018: RMB2,137,007,000).

- net cash used in investing activities amounted to RMB3,757,532,000 (2018: RMB7,401,567,000), which mainly represented the payment for the cash outflow of capital expenditure on the Group's property, plant and equipment and prepayments for construction of power plants. The significant decrease in cash outflow, as compared with the corresponding period last year, was mainly attributable to the significant decrease in net cash outflow in relation to the acquisition of subsidiaries.

- net cash generated from financing activities amounted to RMB1,048,910,000 (2018: RMB3,611,063,000). The significant decrease in net cash inflow, as compared with the corresponding period last year, was mainly attributable to the significant increase in cash outflow used in the repayment of borrowings and lease liabilities.

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

The net proceeds from the rights issue in 2017 in the amount of RMB3,734,047,000 were used in settling the consideration for the acquisition of Guangxi Company of RMB3,594,652,000 in 2018. The remaining proceeds from the rights issue of approximately RMB139 million will be used to settle the consideration payables for the designated acquisitions in 2019. For the relevant details of the designated acquisitions, please refer to the announcement of the Company dated 9 October 2017.

DEBTS

As at 30 June 2019, total debts of the Group amounted to RMB68,775,078,000 (31 December 2018: RMB64,917,976,000). All debts of the Group are denominated in RMB, Japanese Yen ("JPY") or United States Dollars ("USD").

As at 30 June 2019, 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 60% (31 December 2018: approximately 60%). The Group's gearing ratio remained stable.

As at 30 June 2019, the amount of borrowings granted by SPIC Financial was approximately RMB3.87 billion (31 December 2018: approximately RMB2.15 billion).

CAPITAL EXPENDITURE

During the six months ended 30 June 2019, the capital expenditure of the Group was RMB5,193,147,000 (2018: RMB3,275,272,000). In particular, the capital expenditure for clean energy segments (hydropower, wind power and photovoltaic power) was RMB2,360,691,000 (2018: RMB1,748,038,000), which was mainly applied for the engineering construction of new power plants and power stations; whereas the capital expenditure for coal-fired power segment was RMB2,776,051,000 (2018: RMB1,456,318,000), which was mainly applied for the engineering construction of new coal-fired power generating units and technical upgrade for the existing power generating units. These expenditures were mainly funded by project financing, funds generated from business operation and borrowings from related parties.

PLEDGE OF ASSETS

As at 30 June 2019, the Group pledged certain property, plant and equipment and the right-of-use assets (31 December 2018: property, plant and equipment and prepaid lease payments) with a net book value totaling RMB514,722,000 (31 December 2018: RMB533,096,000) to certain related parties to secure borrowings from related parties in the amount of RMB212,370,000 (31 December 2018: RMB227,820,000). In addition, certain bank borrowings, borrowings from related parties and lease liabilities (31 December 2018: bank borrowings, borrowings from related parties and obligations under finance leases) totaling RMB18,823,638,000 (including bank borrowings as part of a disposal group classified as held for sale) (31 December 2018: RMB20,301,015,000) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings amounted to RMB1,815,486,000 (including accounts receivable as part of a disposal group classified as held for sale) (31 December 2018: RMB1,580,203,000).

CONTINGENT LIABILITES

As at 30 June 2019, the Group had no material contingent liabilities.

FOREIGN EXCHANGE RATE RISKS

The Group principally operates its businesses in Mainland China with most of its transactions settled in RMB. Apart from certain bank borrowings as well as cash and cash equivalents, the Group's assets and liabilities are mainly denominated in RMB. The Group held borrowings denominated in JPY and USD during the period. Higher volatility of RMB exchange rate against USD and JPY increases the exchange rate risks of the Group, thus affecting its financial position and operating results.

As at 30 June 2019, the Group's borrowings denominated in foreign currencies amounted to RMB3,410,366,000 (31 December 2018: RMB3,322,940,000). The Group will continue to keep track on the exchange rate movements and, if necessary, take responsive measures to avoid excessive foreign exchange rate risks.

FUNDING RISKS

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

As at 30 June 2019, the Group had sufficient available unutilized financing facilities amounting to RMB32,285,829,000.

ENERGY SAVING AND EMISSION REDUCTION

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

In active response to the policy of "Action Plan of the Upgrade and Renovation of Energy Saving and Emission Reduction of Coal-fired Units (2014-2020) (煤電節能減排升級與改造行動計劃 (2014-2020年))" promulgated by the PRC government, the Group has strengthened the environmental control and rectification measures for its coal-fired power generating units. Currently, more than 90% of the operating coal-fired power generating units have met the standards of ultra-low-emission.

For the first half of 2019, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2018: 100%), and the efficiency ratio of desulphurization was 99.34% (2018: 98.35%); the operational ratio of denitration facilities reached 99.99% (2018: 100%) and the efficiency ratio of denitration reached 89.79% (2018: 90.76%).

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

- the emission rate of sulphur dioxide (SO_2) at 0.068g/kWh, representing an increase of 0.018g/KWh as compared with the corresponding period last year;

- the emission rate of nitrogen oxide (NO_x) at 0.121g/kWh, representing an increase of 0.034g/KWh as compared with the corresponding period last year; and

- the emission rate of flue gas and dusts at 0.007g/kWh, which remained at the same level as compared with the corresponding period last year.

OPERATIONAL SAFETY

For the first half of 2019, no material accident in the aspects of employees, facilities and environmental protection occurred in the Group.

EMPLOYEES

As at 30 June 2019, the Group had a total of 10,230 (2018: 9,940) full-time employees. The increase in the number of employees was due to the consolidation of newly-acquired project companies.

OUTLOOK FOR THE SECOND HALF OF 2019

As predicted by China Electricity Council (中國電力企業聯合會), the electricity consumption will continue to grow steadily in the second half of 2019, and the total national electricity consumption will grow by approximately 5.5% in 2019, a slowdown in growth rate as compared with the last year. The Group will be facing both challenges and opportunities.

In June 2019, the National Development and Reform Commission issued the "Notice on Full Liberalization of Power Generation and Utilization Plan of Operating Electricity Users (《關於全面放開經營性電力用戶發用電計劃的通知》)", which mainly stated that, apart from electricity users such as residents, agriculture, major public utilities and charitable service sectors, all other electricity users are operating electricity users. With the further opening up and accelerated development of the electricity spot market in China, it is expected that the number of market-oriented electricity transactions will increase rapidly in the future.

Under the price competition in the free market for electricity, electricity users may directly negotiate and enter into contracts with power generation enterprises, through which they can flexibly determine the actual price for the electricity transaction at variable rate. Thus the tariff will be determined based on the cost of power generation and the supply and demand of electricity.

Meanwhile, this plan aims to actively promote work on grid parity of wind power and photovoltaic power without subsidies, and all power generated under these grid parity projects will be under protection as they will be included in prioritized power generation plans. Going forward, we expect that wind power and photovoltaic power will be entering into the "grid parity" era in full swing, signifying higher requirements on the cost control and operation efficiencies of power generation enterprises.

The priorities of the Group for the second half of the year mainly include the following:

Comprehensively improve the operating results – Firstly, the Group will continue to increase its marketing efforts in the electricity market under the new environment. It will adjust and optimize its marketing management and special reward schemes with a view to enhancing the efficiencies of its marketing management and increasing power generation. It will also actively seek to secure quality customers by capitalizing the opportunities brought by the liberalization of operating electricity utilization plan. Secondly, the Group will continue to strengthen its cost control to ensure effective control over fuel cost, capital cost and various operating costs. Thirdly, the Group will continue to implement refined management in a bid to optimize production and operation efficiency, reasonably control its capital expenditure and improve cash flows.

Push forward the development of quality projects – The Group will press ahead with the "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project" with an aim to establish a quality grid parity demonstration project and strive to realize on-grid power generation by the end of the year. The Group will also review the development conditions of its new energy project in pipeline, making every effort to lower the construction cost of new projects and strengthen the management and control over construction cost and operation cost of projects, thereby enhancing its core competitiveness.

Enhance the development of clean energy – With the efforts made in the development of clean energy projects through acquisition and self-construction over the last two years, the Group has currently established bases in regions such as Guangxi, Anhui, Hubei, Shandong and Shanxi for expansion of its electricity business, complementing its existing dominating position in the power generation market in Hunan Province, China. It has also taken the initiatives to enter into power development agreements with local governments to secure resources and deepen the cooperation with strategic partners so as to build up the reserves of quality new energy projects.

Deepen the reform of system and mechanism – Leveraging the opportunities arising from the deepening reform of state-owned enterprises, the Group will implement the management system of "Plan-Budget-Assessment-Incentives" to formulate standards for company plans and budgets and conduct in-depth study on the problems and deviations arising in the course of implementation with emphases on profit attributable to owners and free cash flow targets. Moreover, the Group will effectively facilitate the completion of various planned goals by implementing the system of responsibility, assessment and incentives.

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 2019.

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 2019.

CORPORATE GOVERNANCE

The Company believes that good corporate governance is an essential element in enhancing and safeguarding the interests of shareholders and other stakeholders, and is vital to the healthy and sustainable development of the Group. The Company commits to maintaining a high level of corporate governance by adopting and applying good corporate governance principles and practices. The Company has formed a standardized governance structure and has in place an effective risk management and internal control system.

The Group's corporate governance has been fully disclosed in the "Corporate Governance Report" of the Company's 2018 annual report. Save for the code provisions of A.2.1 and E.1.2 (as specified below), the Company has complied with all the provisions of Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in the Appendix 14 to the Listing Rules throughout the six months ended 30 June 2019.

Under the CG Code provision A.2.1, the role of both the chairman and chief executive should be separated and should not be performed by the same individual. Under the CG Code provision E.1.2, the chairman of the board should attend the annual general meeting.

On 27 July 2018, the Company announced the resignation of Mr. YU Bing as the chairman of the Board. Since then, the Company has not yet nominated any individual as the chairman of the Board. We would emphasize that the other Directors of the Board have been taking up the role of chairman of the meeting for different occasions from time to time (including the annual general meeting). The Group is running as effectively as usual so far with the assistance of the Board Committees and a professional team of management. The Board would consider both CG Code provisions A.2.1 and E.1.2 are not applicable to the Company and should not be regarded as any deviation from the CG Code at the moment.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors (the "Code of Conduct"), the terms of which are no less than the requirements of 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 fully complied with the Code of Conduct throughout the six months ended 30 June 2019.

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 www.hkexnews.hk and on the Company's websites at www.chinapower.hk and www.irasia.com/listco/hk/chinapower/index.htm respectively.

The 2019 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
Tian Jun
Executive Director

Hong Kong, 22 August 2019

As at the date of this announcement, the directors of the Company are: executive director 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.