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 2018

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 2018. 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		
	2018	2017	Change
	RMB'000	*RMB'000*	*%*
Revenue	**10,824,171**	9,144,490	18.37
Profit for the period	**908,370**	739,999	22.75
Profit attributable to owners of the Company	**606,389**	425,138	42.63
	RMB	*RMB*	*%*
Basic earnings per share	**0.06**	0.05#	20.00
	MWh	*MWh*	*%*
Total power generation	**34,511,594**	30,880,585	11.76
Total electricity sold	**33,095,069**	29,639,547	11.66

\# *Restated*

- The main reasons for the increase in revenue and profit over the corresponding period last year were (i) the increase in both the electricity sales and the average on-grid tariff of coal-fired power, and (ii) the new hydropower, wind power and photovoltaic power clean energy power plants and power stations continued to contribute to the overall increase in the total electricity sold and profit during the period.
- The low rainfall in the river basins where the Group's hydropower plants are located during the period, resulted in a decrease in electricity sales and profits from hydropower.
- In May 2018, the Group increased its clean energy installed capacity in hydropower, wind power and photovoltaic power by 630MW, 571MW and 46MW respectively after completion of the acquisitions of Guangxi Company and Shangdong Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2018

		Unaudited Six months ended 30 June	
	Note	**2018**	2017
		RMB'000	*RMB'000*
Revenue	3	**10,824,171**	9,144,490
Other income	4	**149,706**	194,047
Fuel costs		**(5,034,203)**	(4,219,730)
Depreciation		**(1,891,553)**	(1,655,933)
Staff costs		**(835,546)**	(814,190)
Repairs and maintenance		**(298,372)**	(267,445)
Consumables		**(139,532)**	(103,265)
Other gains and losses, net	5	**61,058**	37,789
Other operating expenses		**(703,231)**	(635,425)
Operating profit	6	**2,132,498**	1,680,338
Finance income	7	**65,291**	26,285
Finance costs	7	**(1,157,616)**	(943,613)
Share of profits of associates		**65,168**	136,546
Share of (losses)/profits of joint ventures		**(5,038)**	5,955
Profit before taxation		**1,100,303**	905,511
Income tax expense	8	**(191,933)**	(165,512)
Profit for the period		**908,370**	739,999
Attributable to:			
Owners of the Company		**606,389**	425,138
Non-controlling interests		**301,981**	314,861
		908,370	739,999
			(Restated)
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
- Basic	9	**0.06**	0.05
- Diluted	9	**0.06**	0.05

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Unaudited	
	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Profit for the period	**908,370**	739,999
Other comprehensive expense:		
Item that will not be reclassified to profit or loss:		
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax	**(699,983)**	-
	(699,983)	-
Items that may be reclassified subsequently to profit or loss:		
Fair value loss on:		
- available-for-sale financial assets, net of tax	**-**	(13,623)
- debt instruments at FVTOCI, net of tax	**(840)**	-
	(840)	(13,623)
Other comprehensive expense for the period, net of tax	**(700,823)**	(13,623)
Total comprehensive income for the period	**207,547**	726,376
Attributable to:		
Owners of the Company	**(77,904)**	411,515
Non-controlling interests	**285,451**	314,861
Total comprehensive income for the period	**207,547**	726,376

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	**As at** **30 June 2018** **Unaudited** ***RMB'000***	31 December 2017 Audited *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**83,791,562**	75,118,822
Prepayments for construction of power plants		**4,639,566**	3,266,642
Prepaid lease payments		**1,063,688**	979,376
Goodwill	11	**1,125,344**	835,165
Interests in associates		**2,618,051**	2,732,560
Interests in joint ventures		**484,122**	471,845
Equity instruments at FVTOCI	12	**2,607,882**	-
Available-for-sale financial assets	12	**-**	3,495,933
Deferred income tax assets		**359,828**	431,878
Other non-current assets		**2,464,252**	1,374,432
		99,154,295	88,706,653
Current assets			
Inventories		**646,090**	462,942
Prepaid lease payments		**23,520**	23,408
Accounts receivable	13	**2,498,621**	2,642,383
Prepayments, deposits and other receivables		**1,132,923**	1,113,464
Amounts due from related parties		**837,825**	452,768
Tax recoverable		**24,430**	27,613
Debt instruments at FVTOCI	14	**255,570**	-
Restricted deposits		**77,457**	19,582
Cash and cash equivalents	15	**2,918,663**	4,577,786
		8,415,099	9,319,946
Assets associated with disposal group classified as held for sale	16	**4,374,692**	-
Total assets		**111,944,086**	98,026,599

	Note	**As at 30 June 2018 Unaudited** *RMB'000*	31 December 2017 Audited *RMB'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**17,268,192**	17,268,192
Reserves		**11,688,607**	12,533,688
		28,956,799	29,801,880
Non-controlling interests		**8,064,364**	7,392,579
Total equity		**37,021,163**	37,194,459
LIABILITIES			
Non-current liabilities			
Deferred income		**75,914**	101,937
Bank borrowings		**36,011,685**	25,089,317
Borrowings from related parties		**3,797,400**	2,837,800
Other borrowings	17	**-**	999,544
Obligations under finance leases	18	**762,829**	685,415
Deferred income tax liabilities		**1,421,308**	1,461,717
Provisions for other long-term liabilities	19	**1,043,658**	834,886
		43,112,794	32,010,616

	Note	**As at 30 June 2018 Unaudited *RMB'000***	31 December 2017 Audited *RMB'000*
Current liabilities			
Accounts and bills payables	20	**1,039,152**	1,116,348
Construction costs payable		**4,268,617**	3,202,088
Other payables and accrued charges		**1,425,476**	1,269,362
Amounts due to related parties		**1,648,674**	1,017,952
Bank borrowings		**11,055,863**	15,542,089
Borrowings from related parties		**6,059,943**	6,055,106
Other borrowings	17	**1,799,898**	-
Current portion of obligations under finance leases	18	**486,207**	430,759
Tax payable		**165,114**	187,820
		27,948,944	28,821,524
Liabilities associated with disposal group classified as held for sale	16	**3,861,185**	-
Total liabilities		**74,922,923**	60,832,140
Total equity and liabilities		**111,944,086**	98,026,599
Net current liabilities		**19,020,338**	19,501,578
Total assets less current liabilities		**80,133,957**	69,205,075

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 2018 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"). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017 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 2017 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. 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 2017, 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.

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 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
Hong Kong (International Financial Reporting Interpretations Committee) Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Impacts on application of HKFRS 15 "Revenue from Contracts with Customers"

The Group has applies HKFRS 15 for the first time retrospectively in the current period with the cumulative effect of initially applying this standard recognized at the date of initial application, 1 January 2018. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

Since more than 99% of the Group's revenue comprised of revenue from contracts with customers from generation and rate-regulated sales of electricity to regional and provincial power grid companies, where revenue continue to be recognized at a point in time upon transmission to the customers. The adoption of HKFRS 15 did not have a material impact on the Group's financial position at 1 January 2018 except for disclosures.

Impacts on application of HKFRS 9 "Financial Instruments"

In the current period, the Group has applied HKFRS 9 and the related consequential amendments to other HKFRSs.

HKFRS 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities and (ii) expected credit losses ("ECL") for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9 i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognized as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognized as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognized in the opening retained earnings and other components of equity, without restating comparative information.

Classification and measurement of financial assets

The Directors reviewed and assessed the Group's financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement in the Group's financial assets and the impacts thereof are detailed below:

	Available-for-sale financial assets *RMB'000*	Equity instruments at FVTOCI *RMB'000*	Debt instruments at FVTOCI *RMB'000*	Amortized cost (previously classified as loans and receivables included in accounts receivable) *RMB'000*	Deferred income tax assets/ (liabilities) *RMB'000*	Available-for-sale financial assets/ FVTOCI reserve *RMB'000*	Non-controlling interests *RMB'000*
Balance at 31 December 2017 – HKAS 39	3,495,933	-	-	157,607	(507,701)	1,408,395	-
Effects arising from initial application of HKFRS 9:							
Reclassification							
From available-for-sale financial assets (note (a))	(3,495,933)	3,495,933	-	-	-	-	-
From loans and receivables (included in accounts receivable) (note (b))	-	-	157,607	(157,607)	-	-	-
Remeasurement							
From cost less impairment to fair value (note (a))	-	60,357	-	-	(15,090)	28,709	16,558
From amortized cost to fair value (note (b))	-	-	(2,213)	-	553	(1,299)	(361)
Balance at 1 January 2018	-	3,556,290	155,394	-	(522,238)	1,435,805	16,197

(a) Available-for-sale financial assets

The Group elected to present in other comprehensive income for the fair value changes of all its equity investments previously classified as available-for-sale financial assets. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, balance of RMB3,495,933,000 were reclassified from available-for-sale financial assets to equity instruments at FVTOCI, of which RMB175,442,000 related to unlisted equity investments previously measured at cost less impairment under HKAS 39 "Financial Instruments: Recognition and Measurement". The fair value gains, net of tax, of RMB28,709,000 relating to those unlisted equity investments previously carried at cost less impairment were adjusted to equity instruments at FVTOCI and FVTOCI reserve as at 1 January 2018. The fair value gains of RMB1,408,395,000 relating to those investments previously carried at fair value continued to accumulate in FVTOCI reserve.

(b) Loans and receivables

As part of the Group's cash flow management, certain subsidiaries of the Group has the practice of discounting or endorsing some of the notes receivable to financial institutions or suppliers respectively, before the notes receivable are due for payment and derecognizes these notes receivable discounted or endorsed on the basis that the Group has transferred substantially all risks and rewards to the relevant counterparties.

Accordingly, the Group's notes receivable of RMB157,607,000 were considered as within the hold to collect contractual cash flows and to sell business model, and reclassified to debt instruments at FVTOCI. The related fair value losses, net of tax, of RMB1,299,000 was adjusted to debt instruments at FVTOCI and FVTOCI reserve as at 1 January 2018.

Impairment under ECL model

The Group recognizes a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including accounts receivable, other receivables, deposits, amounts due from related parties, debt instruments at FVTOCI, restricted deposits and cash and cash equivalents). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

As at 1 January 2018, the Directors reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. As the assessed amount is not material, no additional credit loss allowance has been recognized against retained earnings as at 1 January 2018.

Save for HKFRS 9, the adoption of the above new and amendments to HKFRSs did not have significant impact to the results and financial position of the Group.

3 Turnover, revenue and segment information

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

	Unaudited	
	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Types of goods and services:		
Sales of electricity to regional and provincial power grid companies (note (a))	**10,809,125**	9,133,706
Provision of power generation and related services (note (b))	**15,046**	10,784
	10,824,171	9,144,490
Timing of revenue recognition:		
At a point in time	**10,824,171**	9,144,490
	10,824,171	9,144,490

Notes:

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

(b) Provision of power generation and related services represents income from the provision of power generation and related services 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.

During the year ended 31 December 2017, management has concluded that the "Generation and sales of wind and photovoltaic power electricity" segment should be reported separately, namely "Generation and sales of wind power electricity" and "Generation and sales of photovoltaic power electricity", which are both high potential growth businesses of the Group and therefore, are assessed and monitored separately by the CODM and during the six months ended 30 June 2018, both "Generation and sales of wind power electricity" and "Generation and sales of photovoltaic power electricity" segments met the quantitative threshold required by HKFRS 8. Accordingly, the comparative figures have been restated to reflect such change.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from equity instruments at FVTOCI (2017: available-for-sale financial assets). Other information provided to the CODM is measured in a manner consistent with that in the condensed consolidated financial statements.

Segment assets exclude equity instruments at FVTOCI (2017: available-for-sale financial assets), 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.

	Unaudited Six months ended 30 June 2018					
	Coal-fired electricity *RMB'000*	**Hydropower electricity** *RMB'000*	**Wind power electricity** *RMB'000*	**Photovoltaic power electricity** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment revenue						
Sales of electricity	**7,509,076**	**2,356,793**	**364,932**	**578,324**	**-**	**10,809,125**
Provision of power generation and related services	**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 profits of associates	**37,039**	**-**	**-**	**9,864**	**18,265**	**65,168**
Share of losses 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**

	Unaudited As at 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 assets						
Other segment assets	**34,610,424**	**40,197,769**	**12,293,709**	**9,721,816**	**-**	**96,823,718**
Assets associated with disposal group classified as held for sale	**4,374,692**	**-**	**-**	**-**	**-**	**4,374,692**
Goodwill	**67,713**	**1,018,393**	**39,238**	**-**	**-**	**1,125,344**
Interests in associates	**2,102,345**	**-**	**-**	**137,794**	**377,912**	**2,618,051**
Interests in joint ventures	**399,046**	**-**	**-**	**-**	**85,076**	**484,122**
	41,554,220	**41,216,162**	**12,332,947**	**9,859,610**	**462,988**	**105,425,927**
Equity instruments at FVTOCI						**2,607,882**
Deferred income tax assets						**359,828**
Other unallocated assets						**3,550,449**
Total assets per condensed consolidated statement of financial position						**111,944,086**
Segment liabilities						
Other segment liabilities	**(4,447,143)**	**(2,646,393)**	**(1,420,790)**	**(1,601,615)**	**-**	**(10,115,941)**
Liabilities associated with disposal group classified as held for sale	**(3,861,185)**	**-**	**-**	**-**	**-**	**(3,861,185)**
Borrowings	**(19,408,860)**	**(25,775,926)**	**(7,842,934)**	**(3,014,395)**	**(2,682,674)**	**(58,724,789)**
	(27,717,188)	**(28,422,319)**	**(9,263,724)**	**(4,616,010)**	**(2,682,674)**	**(72,701,915)**
Deferred income tax liabilities						**(1,421,308)**
Tax payable						**(165,114)**
Other unallocated liabilities						**(634,586)**
Total liabilities per condensed consolidated statement of financial position						**(74,922,923)**

	Unaudited					
	Six months ended 30 June 2017					
	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*
			(Restated)	(Restated)		
Segment revenue						
Sales of electricity	6,129,276	2,601,797	176,529	226,104	-	9,133,706
Provision of power generation and related services	9,956	-	-	828	-	10,784
	6,139,232	2,601,797	176,529	226,932	-	9,144,490
Segment results	(28,975)	1,651,396	67,673	127,470	-	1,817,564
Unallocated income	-	-	-	-	113,237	113,237
Unallocated expenses	-	-	-	-	(250,463)	(250,463)
Operating (loss)/profit	(28,975)	1,651,396	67,673	127,470	(137,226)	1,680,338
Finance income	15,890	718	3,572	802	5,303	26,285
Finance costs	(360,138)	(507,893)	(43,758)	(37,817)	5,993	(943,613)
Share of profits of associates	117,682	-	-	2,648	16,216	136,546
Share of profits/(losses) of joint ventures	8,242	-	-	-	(2,287)	5,955
(Loss)/profit before taxation	(247,299)	1,144,221	27,487	93,103	(112,001)	905,511
Income tax credit/(expense)	53,598	(253,911)	(2,233)	3,032	34,002	(165,512)
(Loss)/profit for the period	(193,701)	890,310	25,254	96,135	(77,999)	739,999
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure						
- Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	1,592,231	201,733	662,890	1,296,049	40,905	3,793,808
Depreciation of property, plant and equipment	891,202	612,529	86,931	60,166	5,105	1,655,933
Amortization of prepaid lease payments	5,713	4,059	220	371	974	11,337
Loss on disposal of property, plant and equipment, net	-	125	-	-	-	125

	Audited As at 31 December 2017					
	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	38,442,589	34,827,300	5,111,016	6,607,613	-	84,988,518
Goodwill	67,712	767,453	-	-	-	835,165
Interests in associates	2,227,179	-	840	109,807	394,734	2,732,560
Interests in joint ventures	401,209	-	-	-	70,636	471,845
	41,138,689	35,594,753	5,111,856	6,717,420	465,370	89,028,088
Available-for-sale financial assets						3,495,933
Deferred income tax assets						431,878
Other unallocated assets						5,070,700
Total assets per condensed consolidated statement of financial position						98,026,599
Segment liabilities						
Other segment liabilities	(4,607,334)	(2,206,593)	(365,848)	(633,741)	-	(7,813,516)
Borrowings	(22,685,234)	(22,208,106)	(3,104,620)	(2,497,897)	(27,999)	(50,523,856)
	(27,292,568)	(24,414,699)	(3,470,468)	(3,131,638)	(27,999)	(58,337,372)
Deferred income tax liabilities						(1,461,717)
Tax payable						(187,820)
Other unallocated liabilities						(845,231)
Total liabilities per condensed consolidated statement of financial position						(60,832,140)

4 Other income

	Unaudited	
	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Rental income	**28,869**	28,279
Hotel operations income	**13,793**	14,727
Income from provision of repairs and maintenance services	**28,246**	25,524
Dividend income	**72,658**	71,133
Income from provision of IT and other services	**4,176**	9,282
Value-added tax refund	**1,964**	45,102
	149,706	194,047

5 Other gains and losses, net

	Unaudited	
	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Amortization of deferred income	**2,005**	1,794
Government subsidies	**12,428**	2,324
Loss on disposal of property, plant and equipment, net	**(29)**	(125)
Fair value change on derivative financial instruments	**-**	(110,547)
Sales of unused power production quota	**28,128**	107,882
Profits on sales of heat and trading of coal, coal by-products and spare parts	**21,629**	29,107
Others	**(3,103)**	7,354
	61,058	37,789

6 Operating profit

Operating profit is stated after charging the following:

	Unaudited	
	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Amortization of prepaid lease payments	**12,580**	11,337
Depreciation:		
- owned property, plant and equipment	**1,858,744**	1,612,927
- property, plant and equipment under finance leases	**32,809**	43,006
Operating lease rental expenses:		
- equipment	**1,307**	1,099
- leasehold land and buildings	**37,752**	28,419

7 Finance income and finance costs

	Unaudited	
	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**61,558**	15,965
Interest income from related parties	**3,733**	10,320
	65,291	26,285
Finance costs		
Interest expense on		
- bank borrowings	**996,070**	772,883
- long-term borrowings from related parties	**167,270**	114,960
- short-term borrowings from related parties	**54,807**	15,448
- long-term other borrowings	**23,255**	55,023
- short-term other borrowings	**8,218**	45,456
- amounts due to related parties	**1,504**	1,785
- obligations under finance leases	**37,391**	27,248
- provisions for other long-term liabilities (Note 19)	**40,395**	43,584
	1,328,910	1,076,387
Less: amounts capitalized	**(212,277)**	(91,548)
	1,116,633	984,839
Exchange losses/(gains), net	**40,983**	(41,226)
	1,157,616	943,613

The weighted average interest rate on capitalized borrowings is approximately 4.72% (2017: 4.44%) 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 2018 (2017: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (2017: 25%) on the estimated assessable income for the six months ended 30 June 2018 except as disclosed below.

The amount of income tax recognized represents:

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
PRC current income tax		
Charge for the period	**244,089**	278,104
Under provision in prior year	**5,652**	185
	249,741	278,289
Deferred income tax		
Credit for the period	**(57,808)**	(112,777)
	191,933	165,512

Share of income tax charge attributable to associates and joint ventures for the six months ended 30 June 2018 of RMB20,550,000 (2017: RMB45,677,000) were included in the Group's share of profits of associates and share of losses/profits of joint ventures for the period.

For the six months ended 30 June 2018 and 2017, certain subsidiaries of the Group were either exempted from PRC Enterprise Income Tax or entitled to the preferential tax rate of 7.5%, 12.5% or 15%.

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	
	2018	2017 (Restated)
Profit attributable to owners of the Company (RMB'000)	**606,389**	425,138
Weighted average number of shares in issue (shares in thousands) (note)	**9,806,886**	7,871,428
Basic earnings per share (RMB) (note)	**0.06**	0.05

(b) **Diluted**

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

For the six months ended 30 June 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 during the six months ended 30 June 2018.

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

	Unaudited	
	Six months ended 30 June	
	2018	2017 (Restated)
Profit attributable to owners of the Company (RMB'000)	**606,389**	425,138
Weighted average number of shares in issue (shares in thousands) (note)	**9,806,886**	7,871,428
Adjustment for share options (shares in thousands) (note)	**-**	2,959
Weighted average number of shares for the purpose of calculating diluted earnings per share (shares in thousands) (note)	**9,806,886**	7,874,387
Diluted earnings per share (RMB) (note)	**0.06**	0.05

Note:

These comparative figures have been restated to reflect the effect of rights issue of the Company on 15 December 2017.

10 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: Nil).

11 Goodwill

On 9 October 2017, the Company entered into Acquisition Agreements with CPI Holding and SPIC respectively, pursuant to which the Company agreed to acquire 100% of equity interest in various companies principally engaging in clean energy power generation, including Guangdong Company (excluding Qian Zhan), Guangxi Company, Sihui Company, Anhui Company, Hubei Company, Shandong Company and Shouxian Company. For details, please refer to the announcement of the Company dated 9 October 2017.

The Company obtained the control over Guangxi Company and its subsidiaries ("Guangxi Group") and Shandong Company and its subsidiaries ("Shandong Group") and the acquisitions have been accounted for using the acquisition method.

The considerations for the acquisitions of Guangxi Group and Shandong Group were RMB3,594,652,000 and RMB60,598,000 respectively. Goodwill arising on acquisitions (determined on a provisional basis) of Guangxi Group and Shandong Group are RMB283,390,000 and RMB6,789,000 respectively.

Goodwill arose in the acquisitions of Guangxi Group and Shandong Group is in relation to the benefits of their synergies, revenue growth, future market development and assemble workforce. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Note:

Initial accountings for the acquisitions are determined on a provisional basis as the allocation of fair value to the identifiable assets and liabilities of the acquisitions is still progressing. Adjustments to those provisional values of identifiable assets and liabilities, including any additional depreciation, amortization, and other profit or loss effect, if any, will be recognized on completion of the initial accounting.

12 Equity instruments at FVTOCI / Available-for-sale financial assets

	As at	
	30 June 2018	31 December 2017
	Unaudited	Audited
	RMB'000	*RMB'000*
Equity instruments at FVTOCI (2017: Available-for-sale financial assets):		
- Unlisted equity investments in the PRC (note)	**159,292**	175,442
- Listed equity securities in the PRC		
- Shanghai Electric Power Co., Ltd.* ("Shanghai Power")	**2,448,590**	3,320,491
	2,607,882	3,495,933

Note:

Upon the application of HKFRS 9 on 1 January 2018, unlisted equity investments of the Group, that were previously measured at costs less impairments under HKAS 39, have been measured at fair value.

13 Accounts receivable

	As at	
	30 June	31 December
	2018	2017
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts receivable from regional and provincial power grid companies (notes (b) and (c))	**3,633,419**	3,057,995
Accounts receivable from other companies (note (b))	**7,004**	6,785
	3,640,423	3,064,780
Notes receivable (note (d))	**9,240**	166,543
	3,649,663	3,231,323
Analyzed for reporting purpose as:		
- Non-current (included in other non-current assets) (note (c))	**1,151,042**	588,940
- Current	**2,498,621**	2,642,383
	3,649,663	3,231,323

Notes:

(a) The analysis below includes those accounts receivable classified as part of a disposal group classified as held for sale.

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

	As at	
	30 June	31 December
	2018	2017
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 3 months	**2,938,423**	2,564,247
4 to 6 months	**231,313**	207,592
7 to 12 months	**392,485**	227,448
Over 1 year	**277,037**	65,493
	3,839,258	3,064,780

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

(c) As at 30 June 2018, accounts receivable from regional and provincial power grid companies include clean energy power price premium receivable of RMB1,366,446,000 (31 December 2017: RMB724,378,000), which is wind and photovoltaic power price premium receivable.

The clean energy power price premium, which is a component of the government-approved on-grid tariff for wind and photovoltaic power generation, is 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 is 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 no foreseeable obstacles that would lead to the application not being approved and the approval of the Group's certain wind and photovoltaic power projects which are entitled to apply will be obtained after 30 June 2019 (31 December 2017: 31 December 2018), therefore the corresponding premium receivables are estimated to be recovered after twelve months from the reporting date and are discounted at an effective annual interest rate of 4.75% (31 December 2017: 4.75%) to RMB1,151,042,000 (31 December 2017: RMB588,940,000).

(d) As at 30 June 2018, notes receivable were bank acceptance notes issued by third parties and were normally with maturity period within 360 days (31 December 2017: 360 days).

(e) As at 30 June 2018, certain bank borrowings, long-term borrowings from related parties (including SPIC Financial Company Limited* (國家電投財務有限公司) ("SPIC Financial")) and obligations under finance leases were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these debts as at 30 June 2018 amounted to RMB1,341,043,000 (31 December 2017: RMB1,125,299,000).

14 Debt instruments at FVTOCI

Upon the application of HKFRS 9 on 1 January 2018, certain notes receivable of the Group previously measured at amortized cost under HKAS 39, have been reclassified to debt instruments at FVTOCI and measured at fair value. As at 30 June 2018, debt instruments at FVTOCI represent notes receivable issued by third parties and were normally with maturity period within 360 days (31 December 2017: 360 days).

15 Cash and cash equivalents

During the six months ended 30 June 2018, net cash outflow on acquisitions of subsidiaries of Guangxi Group, Shandong Group, Zhongning Longji Photovoltaic New Energy Company Limited* (中寧縣隆基光伏新能源有限公司) and Daqing Huiqing New Energy Company Limited* (大慶輝慶新能源有限公司) was RMB3,329,878,000 (2017: Nil).

16 Assets and liabilities associated with disposal group classified as held for sale

During the period ended 30 June 2018, the Directors has resolved to participate in formation of a joint venture in Shanxi Province of the PRC by injecting 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 capital contribution. Accordingly, the assets and liabilities attributable to CP Shentou have been classified as a disposal group classified as held for sale and are separately presented in the condensed consolidated statement of financial position. The operations of CP Shentou is included in the Group's "Generation and sales of coal-fired electricity" segment for segment reporting.

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

Major classes of assets and liabilities of CP Shentou as at 30 June 2018 are as follows:

	As at 30 June 2018 Unaudited ***RMB'000***
Property, plant and equipment	**3,816,406**
Prepaid lease payments	**135,352**
Equity instruments at FVTOCI – unlisted equity investments in PRC	**15,096**
Deferred income tax assets	**131,576**
Accounts receivable (Note 13)	**198,835**
Prepayments, deposits and other receivables	**24,214**
Amounts due from related parties	**2,523**
Debt instruments at FVTOCI	**7,510**
Cash and cash equivalents	**5,763**
Other assets	**37,417**
Total assets associated with disposal group classified as held for sale	**4,374,692**
Deferred income	**23,660**
Long-term bank borrowings (note)	**1,542,110**
Long-term borrowings from a related party (note)	**900,000**
Accounts payable (Note 20)	**38,941**
Construction costs payable	**92,371**
Other payables and accrued charges	**147,091**
Amounts due to related parties	**232,012**
Short-term bank borrowings	**585,000**
Short-term borrowings from a related party	**300,000**
Total liabilities associated with disposal group classified as held for sale	**3,861,185**

Note:

Current portion of long-term bank borrowings and long-term borrowings from a related party amounted to RMB557,230,000 and RMB400,000,000 respectively.

17 Other borrowings

	As at 30 June 2018 Unaudited *RMB'000*	31 December 2017 Audited *RMB'000*
Non-current		
Corporate bonds issued by a subsidiary (note (a))	**999,898**	999,544
Less: Amounts reclassified as current (note (a))	**(999,898)**	-
	-	999,544
Current		
Corporate bonds issued by a subsidiary reclassified as current (note (a))	**999,898**	-
Super short-term commercial papers issued by a subsidiary (note (b))	**800,000**	-
	1,799,898	-
	1,799,898	999,544

Notes:

(a) Balance represents certain long-term corporate bonds issued by Wu Ling Power Corporation* (五凌電力有限公司) ("Wu Ling Power") for a term of 10 years from April 2009 which are interest bearing at 4.60% per annum. These bonds are guaranteed by SPIC.

(b) Balance represents two tranches of the super short-term commercial papers issued by Wu Ling Power in March and April 2018, with amounts of RMB300,000,000 and RMB500,000,000 respectively, for a term of 180 days which are interests bearing at 4.93% and 4.78% per annum respectively. The super short-term commercial papers are unsecured and denominated in RMB.

18 Obligations under finance leases

	As at 30 June 2018 Unaudited *RMB'000*	31 December 2017 Audited *RMB'000*
Obligations under finance leases	**1,249,036**	1,116,174
Less: Current portion of obligations under finance leases	**(486,207)**	(430,759)
Non-current portion of obligations under finance leases	**762,829**	685,415

19 Provisions for other long-term liabilities

Provisions for other long-term liabilities represent the provisions in relation to compensations for inundation caused by the construction of 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 such 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 compensations for inundation as at 30 June 2018 is as follows:

	As at	
	30 June 2018 Unaudited	31 December 2017 Audited
	RMB'000	*RMB'000*
Non-current liabilities (included in provisions for other long-term liabilities)	**1,043,658**	834,886
Current liabilities (included in other payables and accrued charges)	**253,225**	213,439
	1,296,883	1,048,325

The movement of the provisions for compensations for inundation for the six months ended 30 June 2018 is as follows:

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
At 1 January	**1,048,325**	1,164,355
Addition through acquisition of a subsidiary	**234,055**	-
Interest expense (Note 7)	**40,395**	43,584
Payment	**(25,892)**	(15,243)
At 30 June	**1,296,883**	1,192,696

20 Accounts and bills payables

	As at	
	30 June	31 December
	2018	2017
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts payable (note (b))	**683,366**	929,460
Bills payable (note (c))	**355,786**	186,888
	1,039,152	1,116,348

Notes:

(a) The analysis below includes those accounts payable classified as part of a disposal group classified as held for sale.

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

	As at	
	30 June	31 December
	2018	2017
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 6 months	**689,308**	878,418
7 to 12 months	**16,752**	16,261
Over 1 year	**16,247**	34,781
	722,307	929,460

(c) As at 30 June 2018, bills payable are bills of exchange with maturity period ranging from 3 to 12 months (31 December 2017: ranged from 3 to 12 months).

BUSINESS REVIEW

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

In the first half of 2018, the total national electricity consumption rose by 9.4% as compared with the corresponding period last year, maintaining the growth momentum from 2017. The national power generation recorded an increase of 8.3% as compared with the corresponding period last year. Among which, coal-fired power increased by 8.0% and hydropower increased by 2.9%. The national power generation installed capacity increased stably, though 0.7 percentage points lower in growth rate year-on-year. The gap between overall demand and supply of the electricity market slightly narrowed as compared to 2017.

In the first half of 2018, the total electricity sales of the Group amounted to 33,095,069MWh, representing an increase of 11.66% as compared with the corresponding period last year while the profit attributable to owners of the Company was RMB606,389,000, representing an increase of 42.63% as compared with the corresponding period last year. Basic earnings per share was approximately RMB0.06. Net asset per share (excluding non-controlling interests) was approximately RMB2.95, decreased by 2.96% as compared with 31 December 2017.

During the period under review, the Group continued to promote the development of business in various aspects:

- Continued to promote the development of clean energy - In May 2018, the Group completed the acquisitions of Guangxi Company and Shandong Company from CPI Holding and SPIC respectively, which further increase the clean energy installed capacity of the Group. As of 30 June 2018, proportion of clean energy increased from approximately 25% for the corresponding period last year to 33.15% in terms of attributable installed capacity of the Group, among which, proportion of the attributable installed capacity of hydropower increased to 19.58%, signifying the Group's efforts in accelerating its transformation into a clean energy company focusing on hydropower.

  In addition, during the period under review, the Group has won the bid for Datong Phase II development rights of four photovoltaic power projects of 100MW installed capacity in Shanxi Province of the PRC. These projects are national "Top Runner" photovoltaic power demonstration projects promulgated by the National Energy Administration of the PRC, which are of strategic significance.

- Marketing efforts of electricity sales achieved results - For market transaction of electricity, the Group has stepped up its efforts in gaining more sizable customers and actively maintained sound cooperation with quality electricity users including railway companies and large-scale factories located in the various regions. During the period, the sales of electricity through direct power supply transactions increased by 46.96% as compared with the corresponding period last year.

- Expansion to new market for heat supply - The Group has expanded its regional heat market to Shanxi Province and Guangxi Zhuang Autonomous Region. During the period under review, the total heat sold (including an associate and two joint ventures) increased by 8.33% as compared with the corresponding period last year.

Power Generation and Electricity Sold

For the first half of 2018, the details of power generation and electricity sold of the Group are set out as follows:

	First half of 2018 *MWh*	First half of 2017 *MWh*	Changes %
Total power generation	**34,511,594**	30,880,585	11.76
- Coal-fired power	**24,535,661**	20,956,322	17.08
- Hydropower	**8,352,102**	9,208,391	-9.30
- Wind power	**784,469**	427,902	83.33
- Photovoltaic power	**839,362**	287,970	191.48
Total electricity sold	**33,095,069**	29,639,547	11.66
- Coal-fired power	**23,257,792**	19,849,770	17.17
- Hydropower	**8,250,470**	9,093,726	-9.27
- Wind power	**761,072**	412,507	84.50
- Photovoltaic power	**825,735**	283,544	191.22

In the first half of 2018, the total electricity sales of the Group increased by 11.66% as compared with the corresponding period last year. For coal-fired power, as a result of rising demand for electricity due to the stable increase in overall national industrial production and the sustained cold weather, together with the Group's greater efforts in electricity sales marketing, coal-fired power sold by the Group recorded an increase of 17.17%, and the growth rate of utilization hours of coal-fired power was slightly higher than the average growth rate nationwide during the same period. As for hydropower, owing to low rainfall in the area where the Group's hydropower plants are located during the period, hydropower sales decreased by 9.27% year-on-year. Nevertheless, sales of clean energy power continued to grow in general, sales of wind power and photovoltaic power drastically increased by 84.50% and 191.22% respectively year-on-year, driven by the Group's efforts in promoting the development of clean energy on an ongoing basis.

Except for the above-mentioned factors, the Group also performed well in acquiring incentive electricity. In recognition of the fulfillment of the government's target of environmental protection and the capacity of heat supply and operation of the power generating units, as of 30 June 2018, the Group has accumulative obtained a significant increase in the amount of various incentive electricity available for production in 2018 as compared to last year.

For the first half of 2018, the details of electricity sold of the Group's main associates and joint venture are set out as follows:

	First half of 2018 *MWh*	First half of 2017 *MWh*	Changes %
Total electricity sold	**8,835,965**	10,243,782	-13.74
Associates			
- Coal-fired power	**7,028,985**	8,624,901	-18.50
- Photovoltaic power	**47,571**	17,286	175.20
Joint venture			
- Coal-fired power	**1,759,409**	1,601,595	9.85

Heat Sold

The Group has made proactive efforts to develop heat supply projects and carry out transformation of existing coal-fired power generating units for heat supply. Utilization of residual heat becomes a new profit source of the Group and thus realized the conservation of energy and reduction of consumption. For the first half of 2018, the total heat sold by the Group (including an associate and two joint ventures) was 7,652,351GJ, representing an increase of 588,506GJ or 8.33% as compared with the corresponding period last year.

Direct Power Supply

The Group has actively participated in the market reform of national power system and analyzed the opportunities therein. Amid the market environment where the gap between overall national power demand and supply has narrowed, the Group has proactively 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 2018, 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 7,186,549MWh and 2,776,613MWh respectively, accounting together for approximately 30.10% of the Group's total electricity sold.

Direct power supply is a way of open market trading of electricity. The tariffs will vary with supply and demand in the electricity market. In the first half of 2018, 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 8.26% and 2.89% respectively compared with the respective average post-tax on-grid tariffs approved by the PRC government (including ultra-low emission tariff). During the period under review, however, the direct power supply tariff of the coal-fired power was still higher than that of the corresponding period last year.

On-Grid Tariff

For the first half of 2018, the Group's average on-grid tariffs compared to the corresponding period last year:

- coal-fired power was RMB323.30/MWh, representing an increase of RMB14.02/MWh;
- hydropower was RMB285.66/MWh, representing a decrease of RMB0.45/MWh;
- wind power was RMB479.49/MWh, representing an increase of RMB32.60/MWh; and
- photovoltaic power was RMB706.21/MWh, representing a decrease of RMB94.16/MWh.

The year-on-year increase in average on-grid tariff of coal-fired power of the Group was mainly due to the rise of the relevant on-grid tariff commencing from 1 July 2017. The increase in average on-grid tariff of wind power was mainly due to the decrease in the proportion of some wind power plants replacing the electricity from coal-fired power plants with discounted on-grid tariffs in several regions during the period under review, and the higher average tariff resulting from the consolidation of new project companies with higher average on-grid tariffs of wind power. The decrease in average on-grid tariff of photovoltaic power was mainly due to the reductions of on-grid tariffs by the National Development and Reform Commission for photovoltaic power projects put into operation after 30 June 2017 and 1 January 2018 respectively.

Unit Fuel Cost

For the first half of 2018, the unit fuel cost of the Group's coal-fired power business was RMB216.45/MWh, representing an increase of 1.82% from that of RMB212.58/MWh of the corresponding period last year. Since 2018, the coal production failed to meet expectation as affected by factors such as the slow release of quality production capacity as well as safety and environmental protection inspection. The tension of balance between supply and demand in the coal market is intensifying, resulting in a continuous slight fluctuation in coal prices on upward trend in general and a slight year-on-year increase in unit fuel cost.

Coal Consumption

For the first half of 2018, the net coal consumption rate of the Group was 301.45g/kWh, representing a decrease of 1.58g/kWh as compared with the corresponding period last year. Through the new energy-saving technology, the net coal consumption rate of power supply was further reduced effectively.

Utilization Hours of Power Generating Units

In the first half of 2018, the average utilization hours of the Group's coal-fired power generating units was 2,097 hours, representing an increase of 352 hours as compared with the corresponding period last year. Due to the fact that the PRC government has been committed to regulating the development of coal-fired power in an orderly manner in recent years, the growth of newly-installed capacity of coal-fired power across China slowed down and the national total power consumption increased, the average utilization hours of coal-fired power of the Group have also picked up. The average utilization hours of hydropower generating units was 1,664 hours, representing a decrease of 253 hours as compared with the corresponding period last year, mainly attributable to a decrease of power generation due to low rainfall in the river basins where the Group's hydropower plants are located. The average utilization hours of wind power generating units was 1,060 hours, representing an increase of 124 hours as compared with the corresponding period last year. The average utilization hours of photovoltaic power stations was 755 hours, representing a decrease of 71 hours as compared with the corresponding period last year.

OPERATING RESULTS OF THE FIRST HALF OF 2018

For the first half of 2018, the net profit of the Group amounted to RMB908,370,000, representing an increase of RMB168,371,000 as compared with the corresponding period last year. During the period under review, coal-fired power segment showed turnaround to profits. Regarding clean energy business, with the commencement of operation of new power generating units and the consolidation of newly acquired project companies, profit contribution from wind power and photovoltaic power segments continued to grow. Although the profit of hydropower segment declined due to low rainfall in related areas, it remained the main source of profit for the Group. In the first half of 2018, the profits and losses of each business segment and their respective ratio of contribution to the total net profit were as follows:

- net profit from hydropower was RMB516,033,000 (56.81%, 2017: 120.31%);
- net profit from wind power was RMB92,815,000 (10.22%, 2017: 3.41%);
- net profit from photovoltaic power was RMB278,989,000 (30.71%, 2017: 12.99%); and
- net profit from coal-fired power was RMB20,533,000 (2.26%, 2017: -36.72% (net loss)).

As compared with the first half of 2017, the changes in net profit were mainly due to the following factors:

- Revenue from coal-fired power increased by RMB1,380,077,000, which is attributable to the increase in sales and rise of the average on-grid tariff of coal-fired power;
- Revenue from wind power and photovoltaic power increased by RMB544,608,000 due to the commencement of operation of various new power generating units and the consolidation of newly acquired project companies;
- Fuel costs increased by RMB814,473,000 as a result of the increase in unit fuel cost of RMB3.87/MWh and increased fuel consumption due to increased sales of coal-fired power during the period;
- Revenue from hydropower decreased by RMB245,004,000 as a result of lower hydropower electricity;

- Depreciation of plant and equipment increased by RMB235,620,000 as a result of business expansion, newly acquired project companies and addition of power generating units; and

- Finance costs increased by RMB214,003,000 as a result of the increase in total borrowings and lending interest rates.

Revenue

The revenue of the Group was mainly derived from the sales of electricity. For the first half of 2018, the Group recorded a revenue of RMB10,824,171,000, representing an increase of 18.37% as compared with RMB9,144,490,000 of the corresponding period last year. The increase in revenue was mainly attributable to a year-on-year increase of RMB1,380,077,000 in revenue from coal-fired power due to year-on-year increases of 17.17% and 4.53% in the sales and average on-grid tariff of coal-fired power respectively.

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". During the six months ended 30 June 2018, the management has concluded that the segment of the "Generation and sales of wind and photovoltaic power electricity" should be reported separately, namely "Generation and sales of wind power electricity" and "Generation and sales of photovoltaic power electricity", as both were the reportable segments meeting the quantitative thresholds required by HKFRS 8. The comparative figures have been restated to reflect such change.

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 2018, the operating costs of the Group amounted to RMB8,902,437,000, representing a rise of 15.68% as compared with RMB7,695,988,000 of the corresponding period last year. Operating costs increased mainly due to the rising fuel cost, and the increase in depreciation arising from the commencement of operation of various new power generating units and the consolidation of newly acquired project companies.

Operating Profit

For the first half of 2018, the Group's operating profit was RMB2,132,498,000, representing an increase of 26.91% as compared with RMB1,680,338,000 of the corresponding period last year. The increase in operating profit was mainly due to the improvement of gross profit of the coal-fired power business attributable to the increase in the sales and the rise of average on-grid tariff of coal-fired power, as well as the profit contribution from the continuous expansion of the wind power and photovoltaic power business.

Finance Costs

For the first half of 2018, the finance costs of the Group amounted to RMB1,157,616,000, representing an increase of 22.68% as compared with RMB943,613,000 of the corresponding period last year. In particular, the increase in interest expense was mainly due to the rise of bank borrowings level and lending interest rate. Challenged by the interest rate hike of borrowings, the Group put more efforts to improve the efficiency of capital utilization and expedite the financing among various departments internally to simplify the procedures of internal fund transfer.

Share of Profits of Associates

For the first half of 2018, the share of profits of associates was RMB65,168,000, representing a decrease in profits of RMB71,378,000 or 52.27% as compared with the share of profits of RMB136,546,000 of the corresponding period last year. The decrease in profits was mainly due to the policy of reducing local coal-fired generation and encouraging electricity consumption from other provinces where Changshu Power Plant (an associate principally engaged in coal-fired power generation and heat supply) is located. With regards to this, Changshu Power Plant commenced to upgrade and expand the heat supply system of four power generating units (without affecting the normal heat supply of such units during the construction) during the period under review. Upon completion of the upgrade and expansion, the maximum heating capacity of each unit is expected to improve by 150%, showing a significant increase in heat supply capacity.

Share of Losses/Profits of Joint Ventures

For the first half of 2018, the share of losses of joint ventures was RMB5,038,000, representing a decrease in profits of RMB10,993,000 or 184.60% as compared with the share of profits of RMB5,955,000 of the corresponding period last year. The loss was mainly due to the relocation of some major heat consumers of the industrial park where Xintang Power Plant (a joint venture principally engaged in coal-fired power generation and heat supply) is located, and the rise in coal price led to an increase in fuel costs, which turned the business from profit to loss.

Income Tax Expense

For the first half of 2018, income tax expense of the Group was RMB191,933,000, representing an increase of RMB26,421,000 as compared with RMB165,512,000 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 2018, the basic and diluted earnings per share for profit attributable to owners of the Company were RMB0.06 (2017 (restated): RMB0.05) and RMB0.06 (2017 (restated): RMB0.05) respectively.

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2018.

ATTRIBUTABLE INSTALLED CAPACITY

As at 30 June 2018, the attributable installed capacity of the Group's power plant reached 18,484MW, representing a year-on-year increase of 1,640.2MW. Among which, the attributable installed capacity of coal-fired power was 12,355.7MW, representing 66.85% of the total attributable installed capacity, and the attributable installed capacity of clean energy including hydropower, wind power, photovoltaic power and natural gas power was 6,128.3MW in total, accounting for 33.15% of the total attributable installed capacity and representing an increase of 8.15 percentage points as compared with the corresponding period last year. All of the attributable installed capacity of the Group's existing natural gas power was held by Shanghai Power.

For the first half of 2018, the Group continued to promote its development of clean energy. By increasing the percentage of clean energy in its asset portfolio through construction and acquisition on an on-going basis, the Group is further approaching towards the goal of being a resource-saving and environmental friendly enterprise.

During the period from 1 July 2017 to 30 June 2018, the Group's attributable installed capacity from new power plants of wind power and photovoltaic power that commenced commercial operation were 15.9MW and 408.4MW respectively.

Projects under Construction

As at 30 June 2018, the attributable installed capacity of projects under construction was 4,451.1MW, among which, the attributable installed capacity of clean energy was 1,823.9MW, accounting for 40.98%.

New Development Projects

In response to the national supply-side reform, the Group actively stepped up its efforts in developing clean energy projects, and appropriately adjusted the development and construction of coal-fired power projects and controlled the relevant capital expenditure. The coal-fired power projects that the Group has started construction are all projects that have been approved by the government, progressed according to the government's stipulated construction schedule, and matched with the planning of electricity demand in places where the project users are located.

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 4,800MW, among which, the total installed capacity of the clean energy projects (including natural gas power projects) is approximately 2,800MW, which is mainly located in areas with development potential, including Jiangsu, Anhui, Hunan and Hubei.

On 31 May 2018, the National Development and Reform Commission, the Ministry of Finance and the National Energy Administration jointly published the "Notice on Photovoltaic Power-related Matters 2018" (關於2018年光伏發電有關事項的通知), pursuant to which, construction of general photovoltaic power stations will not be arranged in 2018 while continuing to support the photovoltaic poverty alleviation projects and to promote construction of "Top Runner" photovoltaic power bases and to speed up the withdrawal from the photovoltaic power subsidy policies. In response to the policy changes, the Group will prudently invest in photovoltaic power projects in the future in order to cope with a new operating environment.

EQUITY INSTRUMENTS AT FVTOCI

As at 30 June 2018, the carrying amount of equity instruments at FVTOCI was RMB2,607,882,000, accounting for 2.33% of total assets, including listed equity securities of RMB2,448,590,000 and unlisted equity investments of RMB159,292,000.

Listed equity securities represent the equity interests in Shanghai Power held by the Group. As at 30 June 2018, the Group held 15.08% of the issued share capital of Shanghai Power, the A shares of which are listed on Shanghai Stock Exchange. Fair value of such equity interests decreased by 26.26% as compared with RMB3,320,491,000 as at 31 December 2017.

Unlisted equity investments represent the Group's investment in equity of some unlisted companies principally engaged in financial services, coal production and water supply respectively. Upon the application of HKFRS 9 on 1 January 2018, the Group's unlisted equity investments have changed to be measured at fair value, instead of previously measuring at cost less impairment. As at 30 June 2018, fair value of unlisted equity investments owned by the Group was RMB174,388,000 (including an unlisted equity investment in PRC classified as part of a disposal group held for sale), which is approximate to that of RMB175,442,000, at cost less impairment, as at 31 December 2017.

MATERIAL ACQUISITIONS AND DISPOSALS

In October 2017, the Company entered into Acquisition Agreements with CPI Holding and SPIC respectively, pursuant to which the Company agreed to acquire 100% of equity interest in various companies principally engaging in clean energy power generation, including Guangdong Company (excluding Qian Zhan), Guangxi Company, Sihui Company, Anhui Company, Hubei Company, Shandong Company and Shouxian Company. Upon completion of the transactions, the Company would further hold a higher proportion of clean energy assets including large-scale hydropower, wind power, natural gas power, and centralized and distributed photovoltaic power projects, which would enhance the Group's assets and business coverage and improve its overall market competitiveness. For details, please refer to the announcement of the Company dated 9 October 2017.

In May 2018, the Company completed the acquisitions of the entire interest in Guangxi Company and Shandong Company. Upon completion, each of Guangxi Company and Shandong Company became a wholly-owned subsidiary of the Group. For details, please refer to the announcement of the Company dated 31 May 2018. In the second half of 2018, the Group will closely monitor the progress on the approval from the relevant authorities of the acquisition of the remaining five companies.

In February 2018, Shanxi Shentou entered into the Joint Venture Agreement with other five external companies to form the Joint Venture in Shanxi Province of the PRC. Shanxi Shentou will make contribution by way of cash and assets injection. The Company will use its interests in a non-wholly-owned subsidiary (i.e. 80% interests in CP Shentou) as Shanxi Shentou's second tranche contribution to the Joint Venture. As at 30 June 2018, such interests have been classified as a disposal group held for sale. Upon completion of relevant procedures of equity change, CP Shentou will cease to be a subsidiary of the Company. For details, please refer to the announcement of the Company dated 6 February 2018.

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

LIQUIDITY, CASHFLOW AND FINANCIAL RESOURCES

As at 30 June 2018, cash and cash equivalents of the Group were RMB2,918,663,000 (31 December 2017: RMB4,577,786,000). Current assets amounted to RMB8,415,099,000 (31 December 2017: RMB9,319,946,000), current liabilities amounted to RMB27,948,944,000 (31 December 2017: RMB28,821,524,000) and current ratio was 0.30 (31 December 2017: 0.32).

In 2016, the Company entered into a financial services framework agreement with SPIC Financial. According to the agreement, the deposit services to be provided by SPIC Financial to the Group would be on normal commercial terms or better (similar to or more favorable than those offered by other major commercial banks in PRC for the provision of comparable services), and the annual cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial should not exceed RMB3 billion during the term of the agreement. During the period from 1 January 2018 to 30 June 2018, the Group deposited funds with SPIC Financial at the deposit rates higher than PBOC's benchmark interest rates for saving deposits and not lower than the agreed interest rates for saving deposits provided by major commercial banks in China for the same period on average, and the daily balance of deposit together with accrued interests did not exceed RMB3 billion. For the six months ended 30 June 2018, the maximum amount of daily deposit placed by the Group with SPIC Financial was approximately RMB2.66 billion. In order to ensure that the relevant business is in compliance with the terms of the financial services framework agreement, the Company designated personnel to monitor the funds deposited with SPIC Financial and performed daily real-time inquiries on the funds deposited with SPIC Financial, and also collected deposit rates offered by major domestic commercial banks for comparison with the deposit rates offered by SPIC Financial on a monthly basis.

During the period under review, the Group recorded a net decrease in cash and cash equivalents (including cash and cash equivalents classified as part of a disposal group held for sale) of RMB1,653,497,000 (2017: increase of RMB748,640,000). For the six months ended 30 June 2018,

- net cash generated from operating activities amounted to RMB2,137,007,000 (2017: RMB2,119,326,000).

- net cash used in investing activities amounted to RMB7,401,567,000 (2017: RMB3,306,501,000), which mainly represented the payment of the consideration of acquisitions of Guangxi Company as well as cash outflow of capital expenditure on the Group's property, plant and equipment and prepayments for construction of power plants.

- net cash generated from financing activities amounted to RMB3,611,063,000 (2017: RMB1,935,815,000). The significant increase in cash inflow, as compared with the corresponding period last year, was mainly attributable to the increase in net cash inflow from debts.

The financial resources of the Group were mainly derived from cash inflow from operating activities, borrowings from banks and related parties, project financing and issuance of super short-term commercial papers.

Majority of the proceeds from the rights issue in 2017 has been used in settling the consideration of acquisition of Guangxi Company during the period under review. As at 30 June 2018, the remaining proceeds from the rights issue of approximately RMB0.1 billion will be used to settle the consideration payables of the designated acquisitions yet to be completed.

DEBTS

As at 30 June 2018, total debts of the Group amounted to RMB59,973,825,000 (31 December 2017: RMB51,640,030,000). All debts of the Group are denominated in RMB, Japanese Yen ("JPY") or United States Dollars ("USD").

As at 30 June 2018, 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 61% (31 December 2017: 56%). The Group's gearing ratio slightly increased.

According to the above-mentioned financial services framework agreement which the Company entered into with SPIC Financial in 2016, the loan services to be provided by SPIC Financial to the Group would be on normal commercial terms or better (similar to or more favorable than those offered by other major commercial banks in PRC for the provision of comparable services), which would be beneficial to further enhancing the efficiency of fund management and controlling finance costs of the Group. As at 30 June 2018, the amount of borrowings granted by SPIC Financial was approximately RMB2.62 billion (31 December 2017: approximately RMB1.36 billion).

SIGNIFICANT FINANCING ACTIVITIES

In March and April 2018, Wu Ling Power, a subsidiary of the Company, issued super short-term commercial papers in the PRC of RMB300,000,000 with an interest rate of 4.93% per annum and of RMB500,000,000 with an interest rate of 4.78% per annum, respectively, both with maturity periods of 180 days. The proceeds were fully used for repayment of bank borrowings.

CAPITAL EXPENDITURE

During the six months ended 30 June 2018, the capital expenditure of the Group was RMB3,275,272,000 (2017: RMB3,793,808,000). In particular, the capital expenditure for clean energy segment (hydropower, wind power and photovoltaic power) was RMB1,748,038,000 (2017: RMB2,160,672,000), which was mainly applied for the construction of new power plants and power stations; whereas the capital expenditure for coal-fired power segment was RMB1,456,318,000 (2017: RMB1,592,231,000), which was mainly applied for the construction of new coal-fired power generating units and technical upgrade for the existing power generating units. These capital were mainly derived from project financing, funds generated from business operation and borrowings from related parties.

PLEDGE OF ASSETS

As at 30 June 2018, the Group pledged certain property, plant and equipment and prepaid lease payments with a net book value of RMB539,629,000 (31 December 2017: RMB561,001,000) to certain banks to secure bank borrowings in the amount of RMB242,870,000 (31 December 2017: RMB257,820,000). In addition, certain bank borrowings, borrowings from related parties and obligations under finance leases totaling RMB18,142,386,000 (31 December 2017: RMB13,267,104,000) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings amounted to RMB1,341,043,000 (31 December 2017: RMB1,125,299,000).

CONTINGENT LIABILITES

As at 30 June 2018, 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 denominating in RMB. Apart from certain bank borrowings and 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. The 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 2018, the Group's borrowings denominated in foreign currencies amounted to RMB3,030,596,000 (31 December 2017: RMB3,864,606,000). 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 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 2018, the Group had available unutilized financing facilities amounting to RMB34,763,380,000. Standby credit is very sufficient at present.

ENERGY SAVING AND EMISSION REDUCTION

The Group has always been placing a great emphasis on environmental protection from the perspective of corporate sustainable 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, the Group has completed the ultra-low-emission technical upgrade works of all operating coal-fired power generating units.

For the first half of 2018, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2017: 100%), and the efficiency ratio of desulphurization was 98.35% (2017: 97.94%); the operational ratio of denitration facilities reached 100% (2017: 99.95%) and the efficiency ratio of denitration reached 90.76% (2017: 92.05%).

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

- the emission rate of sulphur dioxide (SO_2) at 0.050g/KWh, representing a decrease of 0.027g/KWh as compared with the corresponding period last year;

- the emission rate of nitrogen oxide (NO_x) at 0.087g/KWh, representing a decrease of 0.023g/KWh as compared with the corresponding period last year; and

- the emission rate of flue gas and dusts at 0.007g/KWh, representing a decrease of 0.009g/KWh as compared with the corresponding period last year.

OPERATIONAL SAFETY

For the first half of 2018, no material accident in the aspects of employees, facilities and environmental protection occurred in the Group.

EMPLOYEES

As at 30 June 2018, the Group had a total of 9,940 (2017: 9,688) 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 2018

In the first half of 2018, total national electricity consumption continued the relatively rapid growth trend since the second half of 2017. China Electricity Council (中國電力企業聯合會) forecasted that the national total power consumption of 2018 would grow faster than that of 2017. In the past two years to present, with a series of energy reform policies introduced by the Chinese government, the power generation companies are facing new development situations. The market-oriented electricity trading process continues to accelerate, and the business environment of renewable energy is also constantly changing. The Group is optimistic about the outlook of the second half of the year by leveraging on the advantages from more balanced development of both traditional coal-fired power and renewable energy.

The Group will further strengthen its core competitiveness to enhance adaptation to new policies and new market order. The priorities of the Group for the second half of the year include the followings:

- Comprehensively improve the operating results - In terms of increasing income, the Group will continue to make greater efforts in marketing of electricity sales, strive for more direct market electricity sales, and control the tariff discount for market trading electricity. The Group will continue to develop the heat supply market of coal-fired power generating units, further enhance heat supply capacity and increase the revenue from heat sales. In terms of controlling costs, the Group will optimize coal procurement strategies so as to strictly control fuel costs and further reduce repair and maintenance fees, consumables and other operating costs.

- Continue to promote the transformation progress - The Group will complete the acquisitions of the remaining five clean energy companies from CPI Holding and SPIC as soon as possible. With the consolidation of new assets and the commissioning of some new clean energy projects, the Group's clean energy capacity will further expand and continue to accelerate the Group’s transformation into a clean energy enterprise.

- Actively respond to the changes in national policies - The Group will continue to follow up on the energy market reform process, make full use of the government-led policy of the guaranteed buyout of electricity generated by renewable energy resources, and strive to raise the level of renewable energy utilization hours. The Group will select to develop high-quality photovoltaic power generation projects with high economic benefits which are aligned with the newly introduced national development policies of the photovoltaic industry. In response to the State's policy of encouraging enterprises to control debt leverage, the Group will actively control the debt ratio to a reasonable level while securing the supply and safety of sufficient funds against business risks.

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 2018.

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 2018.

CORPORATE GOVERNANCE

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

The Group's corporate governance has been fully disclosed in the "Corporate Governance Report" of the Company's 2017 annual report. Save for the deviation from the code provision of E.1.2, the Company has complied with all the code provisions of Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in the Appendix 14 to the Listing Rules for the six months ended 30 June 2018.

According to the provision E.1.2 of the CG Code, chairman of the Board should attend the annual general meeting. The then chairman of the Board, Mr. Yu Bing, was unable to attend the annual general meeting of the Company held on 5 June 2018. Mr. Yu had arranged Mr. Tian Jun, the executive Director and president of the Company to attend and chair the meeting on his behalf.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors ("Code of Conduct"), the terms of which are no less than the 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 2018.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

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

The 2018 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, 23 August 2018

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.