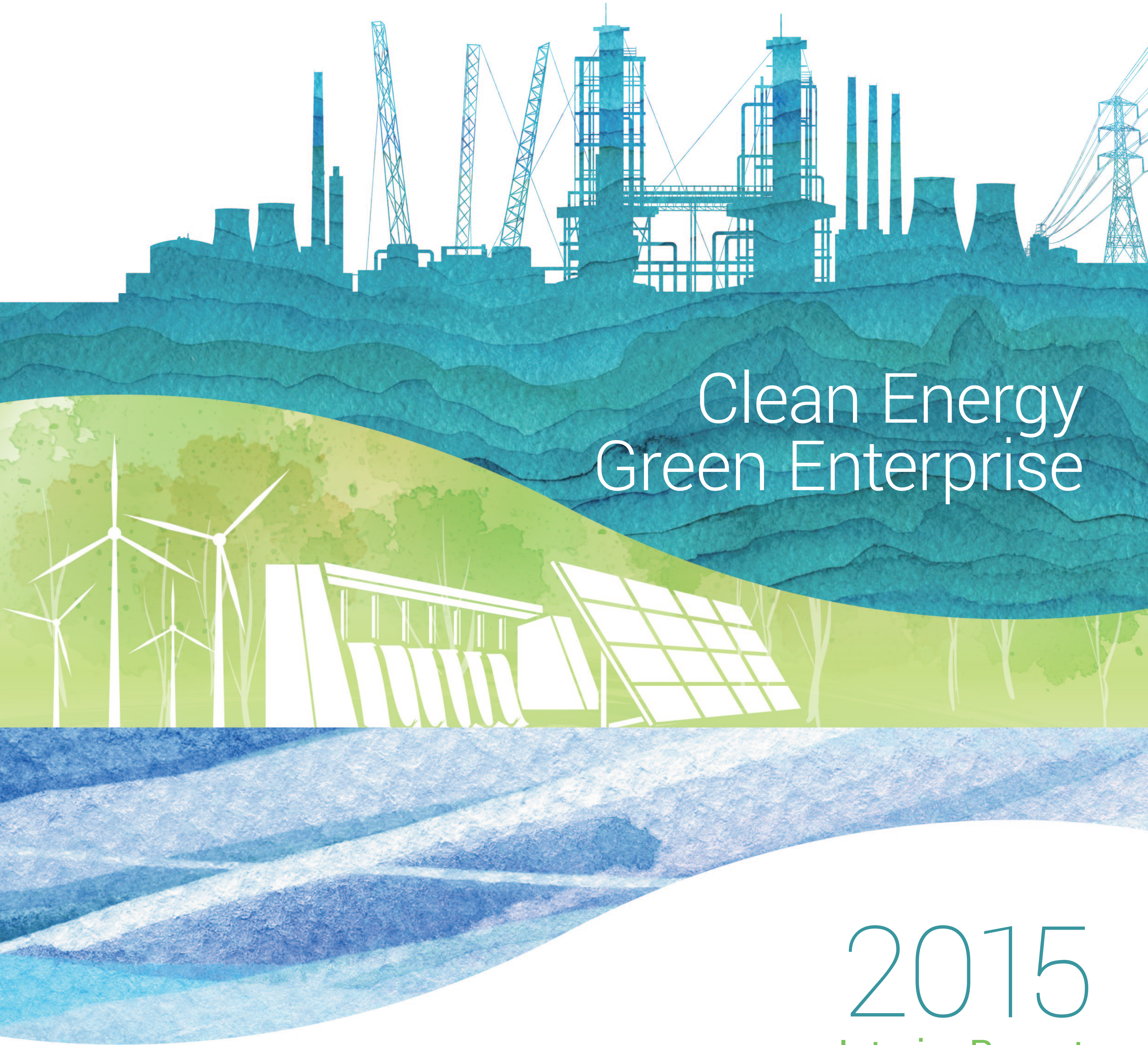
China Power International Development Limited

中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code : 2380)



2015

Interim Report

INFORMATION FOR OUR SHAREHOLDERS AND INVESTORS

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
- Ordinary Shares (Stock Code 2380)
- RMB1,140,000,000 USD Settled 2.75% Convertible Bonds Due 2017 (Stock Code 4564)
- RMB2,000,000,000 4.50% Corporate Bonds Due 2017 (Stock Code 85960)

INTERIM REPORT

The 2015 interim report will be sent to the shareholders of the Company who have selected to receive the printed version of corporate communication by 15 September 2015.

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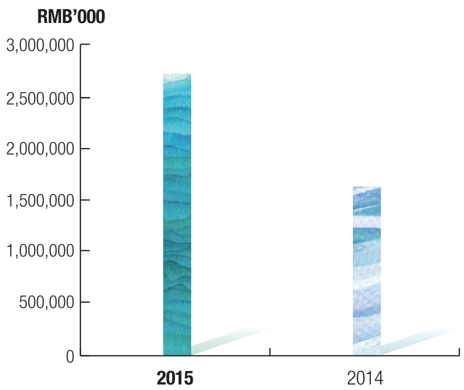
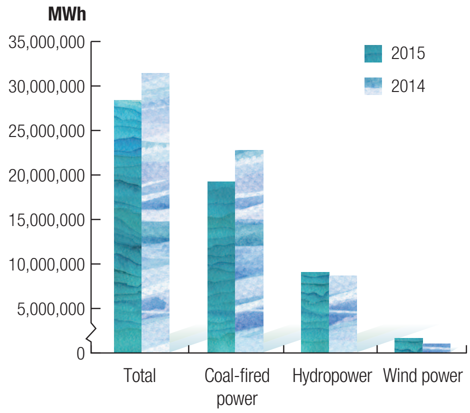
INTERIM FINANCIAL HIGHLIGHTS

Profit attributable to owners of the Company
for the six months ended 30 June

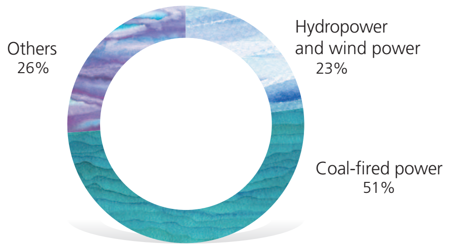


Total electricity sold
for the six months ended 30 June

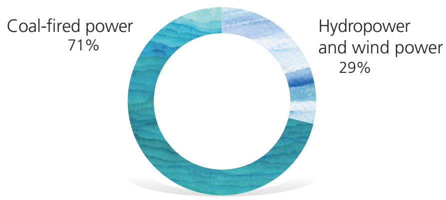


	Unaudited Six months ended 30 June 2015 RMB'000	2014 RMB'000	Change %
Profit attributable to owners of the Company	**2,728,260**	1,618,138	68.60
	MWh	MWh	%
Total electricity sold	**28,219,065**	31,314,471	-9.88
— Coal-fired power	**19,156,225**	22,627,789	-15.34
— Hydropower	**8,915,019**	8,589,344	3.79
— Wind power	**147,821**	97,338	51.86

Net profit
for the six months ended 30 June 2015



Net profit
for the six months ended 30 June 2014



	Unaudited Six months ended 30 June 2015 RMB'000	Proportion %	2014 RMB'000	Proportion %
Net profit*	**3,187,652**	**100**	2,114,216	100
— Coal-fired power	**1,620,685**	**51**	1,499,131	71
— Hydropower and wind power	**740,289**	**23**	610,637	29
— Others	**826,678**	**26**	4,448	0

* *Please refer to the details as set out in Note 6 "Revenue and segment information" in the notes to the condensed consolidated financial statements.*

	Unaudited Six months ended 30 June		
	2015	2014	Change
	RMB	RMB	%
Earnings per share			
Basic	**0.39**	0.25	56.00
Diluted	**0.37**	0.23	60.87
	RMB'000	RMB'000	%
Revenue	**9,622,288**	10,863,799	-11.43
Profit attributable to owners of the Company	**2,728,260**	1,618,138	68.60

	As at		
	30 June 2015	31 December 2014	Change
	Unaudited	Audited	%
Shareholders' equity, excluding non-controlling interests	**27,562,850**	21,863,769	26.07
Total assets	**89,898,128**	81,795,791	9.91
Cash and cash equivalents	**4,025,273**	1,126,917	257.19
Total borrowings	**43,385,596**	44,271,532	-2.00

	Unaudited Six months ended 30 June		
	2015	2014	Change
	MWh	MWh	%
Total power generation*	**29,419,054**	32,729,107	-10.11
Total electricity sold*	**28,219,065**	31,314,471	-9.88

* *Excluding associates and joint ventures*

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS REVIEW

China Power International Development Limited (the "Company" or "China Power"), together with its subsidiaries (collectively, the "Group") is principally engaged in investment, development, operation and management of coal-fired power, hydropower, wind power and other clean energy power plants in Mainland China. Its power generation businesses are mainly located in the power grid regions of Eastern, Southern, Central, Northern and Northwest China.

In the first half of 2015, affected by the decrease in electricity consumption for industrial use, the industrial structure adjustments and the weather and rainfall during the period, the total electricity consumption in China only rose by 1.30%, representing a decline of 4.1 percentage points in growth rate, as compared with the corresponding period last year.

During the period under review, the total power generation of the Group was 29,419,054MWh, representing a decrease of 10.11% as compared with the corresponding period last year; the total electricity sold was 28,219,065MWh, representing a decrease of 9.88% as compared with the corresponding period last year. The slowdown in national total electricity consumption growth was particularly reflected in the electricity sales of coal-fired power, whilst hydropower and wind power electricity sales still maintained a steady growth. In response to the intensive market competitions, the Group has conducted more thorough research and analysis of the relevant policies on power generation industry, kept track of the government's approach on energy saving and environmental protection, made greater efforts on marketing electricity sales, liaised closely with the government authorities and power grid companies, and enhanced the management on effective convergence between power production target and power distribution scheduling capabilities.

For the first half of 2015, the Group recorded revenue of approximately RMB9,622,288,000, representing a decrease of approximately 11.43% as compared with the corresponding period last year, while the profit attributable to owners of the Company amounted to approximately RMB2,728,260,000, representing an increase of approximately 68.60% as compared to the corresponding period last year. Save for the one-off gain on disposal of partial interest in Shanghai Electric Power Co., Ltd. ("Shanghai Power") for a net profit of approximately RMB827,207,000, the profit attributable to owners for the first half of this year increased by 17.50% as compared to the corresponding period last year. The basic earnings per share was approximately RMB0.39. Net assets per share, excluding non-controlling interests, was approximately RMB3.77, representing an increase of approximately 18.93% as compared with the corresponding amount at 31 December 2014.

Attributable Installed Capacity

As the new generating units commencing operation, the attributable installed capacity of the power plants of the Group reached 15,592.1MW at 30 June 2015, representing an increase of approximately 608.8MW as compared with the corresponding period last year. Among which, the attributable installed capacity of coal-fired power was 12,504.6MW, representing approximately 80.20% of the total attributable installed capacity, and the attributable installed capacity of hydropower and wind power were 2,962.4MW and 125.1MW respectively, representing approximately 19.80% of the total attributable installed capacity.

From 1 July 2014 to 30 June 2015, the new power generating units that commenced operation during the period included:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Timeline for Commercial Operation
Pingwei Power Plant III	Coal-fired power	1,000	60	600	May 2015
Suoluogou Power Plant	Hydropower	24	63	15.1	June 2015
Yaoposhan Power Plant	Wind power	50	63	31.5	November 2014
Shanshan Power Plant	Wind power	49.5	63	31.2	March 2015
Total		**1,123.5**		**677.8**	

Note: Apart from the above additional power generating units, as compared to the corresponding period, the Group recorded a net increase in attributable installed capacity of approximately 608.8MW when accounted for the Group's increased interest in Huaihua Yuanjiang Power Development Co., Ltd.* to 100% and the changes in the installed capacity of Shanghai Power.

Power Generation, Electricity Sold and Utilization Hours

For the first half of 2015, the aggregate gross power generation of the Group was 29,419,054MWh, representing a decrease of 10.11% as compared with the corresponding period last year, among which the generation from coal-fired power, hydropower and wind power were 20,231,352MWh, 9,033,773MWh and 153,929MWh respectively. The aggregate total electricity sold was 28,219,065MWh, representing a decrease of 9.88% as compared with the corresponding period last year, among which the electricity sold from coal-fired power, hydropower and wind power were 19,156,225MWh, 8,915,019MWh and 147,821MWh respectively.

For the first half of 2015, the average utilization hours of coal-fired power generating units of the Group was 1,985 hours, representing a decrease of 406 hours as compared with the corresponding period last year. The average utilization hours of hydropower generating units was 1,899 hours, representing a decrease of 71 hours as compared with the corresponding period last year. The average utilization hours of wind power generating units was 855 hours, representing a decrease of 149 hours as compared with the corresponding period last year.

The significant decrease in the average utilization hours for coal-fired power generating units was mainly affected by (i) the declining electricity demand as a result of slowdown in economic growth in China which directly impacted the coal-fired power generation sector in particular; and (ii) the surge in hydropower generation squeezed the space for coal-fired power generation in certain regions where the Group's coal-fired power plants are located.

On-Grid Tariff

For the first half of 2015, the Group's average on-grid tariffs compared to the corresponding period last year:

- coal-fired power was RMB356.77/MWh, representing a decrease of RMB13.56/MWh;
- hydropower was RMB304.36/MWh, representing an increase of RMB20.77/MWh; and
- wind power was RMB503.86/MWh, representing an increase of RMB7.55/MWh.

The decrease in the average on-grid tariff of coal-fired power was mainly due to the downward adjustments of on-grid tariffs for coal-fired power generating enterprises announced by the National Development and Reform Commission in September 2014 and April 2015 respectively. Such decrease in on-grid tariff was partly offset by the green electricity subsidies provided by the local governments to some of our coal-fired power plants in the period under review. The Group will continue to closely monitor the development of the environmental protection in China and strengthen the research on the green energy tariff policies in order to actively seek for the implementation of more green energy subsidies.

The increase in the average on-grid tariff of hydropower was mainly due to the greater volume of power generated by those hydropower plants with higher on-grid tariffs per unit, thus raising the average on-grid tariff of hydropower in general.

Unit Fuel Cost

For the first half of 2015, the average unit fuel cost of the Group's coal-fired power business was approximately RMB159.47/MWh, representing a decrease of approximately 19.34% from that of RMB197.71/MWh of the corresponding period last year.

The decrease in the unit fuel cost was primarily due to the continuing decline in coal prices during the period under review, the energy-saving advantages of large capacity power generating units in driving down the coal consumption, and the Group's committed efforts on strengthening the coal-price management. The decrease in the unit fuel cost offset the adverse effects of the decreased on-grid tariffs for coal-fired power, and thus the Group's profit margin from coal-fired power business continued to improve.

The Group continues to implement measures to control the overall fuel costs, such as promoting the facilities technical upgrade to lower the coal consumption; seizing market opportunities to adjust the procurement and inventory structure; strengthening internal management to enhance the calorific value and optimize the operation.

Coal Consumption

For the first half of 2015, the average net coal consumption rate of the Group was 308.58g/KWh, representing a decrease of 1.39g/KWh as compared with the corresponding period last year, equivalent to approximately a saving of 30,000 tonnes of standard coal.

The Group is committed to improve equipment efficiency and reduce fuel consumption through the construction and acquisition of new coal-fired power generating units with large capacity, upgrading of old power generating units and various other measures.

OPERATING RESULTS FOR THE FIRST HALF OF 2015

For the first half of 2015, the net profit of the Group amounted to approximately RMB3,187,652,000, representing an increase of approximately RMB1,073,436,000 as compared with the corresponding period last year. Among which, save for the one-off gain on disposal of partial interest in Shanghai Power for a net profit of approximately RMB827,207,000, the net profit mainly from coal-fired power business amounted to approximately RMB1,620,156,000, while the net profit mainly from hydropower and wind power businesses amounted to approximately RMB740,289,000, representing their respective ratio of contribution to the total net profit of 69%:31% (2014: 71%:29%).

As compared with the first half of 2014, the increase in net profit was mainly due to the following factors:

- the significant fall in unit fuel cost of electricity sold by RMB38.24/MWh as a result of decreases in coal price and coal consumption, cutting down the operating expenses by approximately RMB1,418,799,000;

- an one-off gain on disposal of 40,173,628 shares of Shanghai Power of approximately RMB1,175,193,000 (before taxation and relevant costs of disposal);

- the finance costs reduced by approximately RMB116,917,000 through the Group's efforts made on strengthening its management of fund allocation and replacement of high-interest rate loans; and

- the increase in the share of profits of associates by approximately RMB122,610,000.

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

- the electricity sales and the average on-grid tariff of coal-fired power declined as compared with the corresponding period last year, resulting in an overall decrease in revenue by approximately RMB1,241,511,000; and

- the increase in the income tax expense by approximately RMB430,393,000 which included the related taxation charge arising from the one-off gain on disposal of partial interest in Shanghai Power of approximately RMB279,964,000.

Revenue

The revenue of the Group was mainly derived from the sales of electricity. For the first half of 2015, the Group recorded a revenue of approximately RMB9,622,288,000, representing a decrease of 11.43% as compared with approximately RMB10,863,799,000 of the corresponding period last year.

Segment Information

The reportable segments identified by the Group meeting the quantitative thresholds required by Hong Kong Financial Reporting Standard 8 are now the "generation and sales of coal-fired electricity" and "generation and sales of hydropower electricity". Although the "generation and sales of wind power electricity" does not meet such quantitative thresholds required for reportable segments, this segment was also reported separately, as it is closely monitored by the chief operating decision maker as a potential growth business and is expected to gradually make a greater contribution to the Group's results in the future.

Operating Costs

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

For the first half of 2015, the operating costs of the Group amounted to approximately RMB6,479,258,000, representing a decrease of 15.69% as compared with approximately RMB7,684,750,000 of the corresponding period last year. The decrease was mainly because of the declining coal prices, the decrease of coal consumption and the reduction in use of coal as a result of decrease of coal-fired power generation, cutting down the fuel costs.

Fuel costs were the Group's major operating costs. For the first half of 2015, the fuel costs of the Group were approximately RMB3,054,845,000, representing 47.15% of the total operating costs and a decrease of 31.71% as compared with approximately RMB4,473,644,000 of the corresponding period last year.

Operating Profit

For the first half of 2015, the Group's operating profit was approximately RMB4,578,278,000, representing an increase of 37.32% as compared with the operating profit of approximately RMB3,334,064,000 of the corresponding period last year.

Finance Costs

For the first half of 2015, the finance costs of the Group amounted to approximately RMB1,230,892,000, representing a decrease of 8.67% as compared with approximately RMB1,347,809,000 of the corresponding period last year. During the period under review, the Group made efforts to strengthen fund management and enhance its management of fund allocation in order to improve fund turnover and fund efficiency, and also on active replacement of high-interest rate loans in order to increase the proportion of low-cost financing, to achieve effective control over the finance costs.

Share of Results of Associates

For the first half of 2015, the share of profits of associates was approximately RMB433,382,000, representing an increase in profits of approximately RMB122,610,000 or 39.45% as compared with the share of profits of approximately RMB310,772,000 of the corresponding period last year. The increase in profits was mainly because of the increased contribution from an associate, Changshu Power Plant.

Share of Results of Joint Ventures

For the first half of 2015, the share of profits of joint ventures was approximately RMB50,319,000, representing an increase in profits of approximately RMB14,173,000 or 39.21% as compared with the share of profits of approximately RMB36,146,000 of the corresponding period last year. The increase in profits was mainly because of the increased contribution from a joint venture, Xintang Power Plant.

Taxation

For the first half of 2015, taxation charges of the Group were approximately RMB678,548,000, representing an increase of approximately RMB430,393,000 as compared with approximately RMB248,155,000 of the corresponding period last year. Such increase was mainly caused by the gain on disposal of 40,173,628 shares of Shanghai Power on open market by the Group in May 2015 for approximately RMB1,175,193,000 (before taxation and relevant costs of disposal) resulting in related taxation charge of approximately RMB279,964,000, and also because of the entitlement of a subsidiary to an income tax deduction of approximately RMB72,487,000 in the corresponding period last year but no such relevant deductible item during the period that resulted in a relatively higher increase in income tax expenses.

A subsidiary of the Group, which started operation in 2011, is entitled to a two-year exemption and subsequent three-year 50% reduction in income tax rate (i.e. 7.5%) until 2016. It is also entitled to the preferential income tax rate of 15% until 2020.

As at 30 June 2015, two subsidiaries of the Group had investment tax credits ("Tax Credits") with an accumulated amount of RMB189,308,000 (31 December 2014: RMB177,892,000) of which RMB99,760,000 (31 December 2014: RMB79,124,000) are utilized against their taxation charges since the granting of such Tax Credits. As at 30 June 2015, the credit balance which can be utilized against the enterprise income tax amounted to RMB89,548,000. The Tax Credits are calculated based on 10% of the purchase price of specific environmental friendly, water- and energy-saving, safety enhanced facilities used in the Group's coal-fired power business. The Tax Credits are recognized as a reduction of current income tax when they are realized. The portion of Tax Credits that has not been utilized in the current period can be carried forward over a period of no more than five years.

Profit Attributable to Owners of the Company

For the first half of 2015, profit attributable to owners of the Company was approximately RMB2,728,260,000, representing an increase of approximately RMB1,110,122,000 or 68.60% as compared with approximately RMB1,618,138,000 of the corresponding period last year.

Earnings per Share and Interim Dividend

For the first half of 2015, the basic and diluted earnings per share attributable to owners of the Company were approximately RMB0.39 (2014: RMB0.25) and RMB0.37 (2014: RMB0.23) respectively.

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2015.

CHANGE OF SHARE CAPITAL

For the six months ended 30 June 2015, the number of shares of the Company increased by 401,494,337 shares as compared with the corresponding shares at 31 December 2014 as a result of the conversion of convertible bonds into the shares of the Company.

PROJECTS UNDER CONSTRUCTION

As at 30 June 2015, the Group's projects under construction were as follows:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Expected Timeline for Commercial Operation
Pingwei Power Plant III	Coal-fired power	1,000	60	600	2015
CP Pu'an Power Plant	Coal-fired power	1,320	100	1,320	2018
Jiesigou Power Plant	Hydropower	24	44.1	10.6	2015
Luoshuidong Power Plant	Hydropower	35	63	22.1	2016
Mawo Power Plant	Hydropower	32	63	20.2	2017
Donggangling Power Plant	Wind power	50	63	31.5	2015
Longshan Power Plant	Wind power	50	63	31.5	2015
Daqingshan Power Plant	Wind power	50	63	31.5	2016
Jiaoganghu Power Station	Photovoltaic power	20	100	20	2015
Shuocheng District Power Station	Photovoltaic power	50	100	50	2015
Total		**2,631.0**		**2,137.4**	

NEW DEVELOPMENT PROJECTS

The Group has been actively seeking development opportunities for energy saving and environmental friendly coal-fired power with large capacity and high parameter and clean energy projects in areas with rich resources as well as regional and market advantages. Currently, the total installed capacity of new projects in a preliminary development stage (including projects which the People's Republic of China (the "PRC") government approvals have been applied for) is over 9,950MW.

Among which, the installed capacity for coal-fired power projects amounts to 9,320MW. These projects include:

- the expansion project of the two 1,000MW ultra super-critical coal-fired generating units of CP Shentou Power Plant II;
- the expansion project of the four 1,000MW ultra super-critical coal-fired generating units of Pingwei Power Plant IV;
- the expansion project of the two 1,000MW ultra super-critical coal-fired generating units of Yaomeng Power Plant ; and
- the expansion project of the two 660MW ultra super-critical coal-fired generating units of Dabieshan Power Plant.

In addition, the Group will continue to seek opportunities in the southeastern coastal economically developed regions, the coal-rich areas and cross-regional coal and power transmission channels to further expand coal-fired power projects.

As for clean energy, the total installed capacity of hydropower, wind power and photovoltaic power projects currently under preliminary development and anticipated acquisition is over 630MW which are mainly located in Sichuan, Hubei, Xinjiang and Jiangsu, the regions where the Group has competitive advantages.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group recognizes its shareholding in Shanghai Power as "available-for-sale financial assets". As at 30 June 2015, the Group had interest in 16.98% of the issued share capital of Shanghai Power, whose A-shares were listed on the Shanghai Stock Exchange.

In May 2015, the Group disposed of 40,173,628 shares of Shanghai Power on open market at the prices between RMB32.40 to RMB35.17 per share for a gain of approximately RMB1,175,193,000 and a net profit of approximately RMB827,207,000, reducing its stake from 18.86% to 16.98%.

For the first half of 2015, the robust trading on the Shanghai Stock Exchange, A-shares generally recorded a considerable rise in their value. As at 30 June 2015, the fair value of the shareholding held by the Group was approximately RMB7,665,465,000, representing an increase of 143.27% as compared with the corresponding amount at 31 December 2014.

MATERIAL ACQUISITIONS AND DISPOSALS

On 7 November 2014, the Company and Huainan Mining Industry (Group) Company Limited ("Huainan Mining") entered into the Capital Contribution Agreement, pursuant to which Huainan Mining agreed to make a capital contribution of RMB628,720,000 in cash to the registered capital of Pingwei Power Plant III, a wholly-owned subsidiary of the Company. The related transaction was completed in the first half of 2015, the shareholding of the Company in Pingwei Power Plant III was diluted from 100% to 60% of the enlarged registered capital. For details, please refer to the announcement of the Company dated 7 November 2014.

The proceeds from the above capital contribution was fully utilized in the construction of new coal-fired power generating units of Pingwei Power Plant III.

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, cash and cash equivalents of the Group were approximately RMB4,025,273,000 (31 December 2014: RMB1,126,917,000). The financial resources of the Group were mainly derived from cash inflow from operating activities, borrowings from banks and related parties, project financing, bonds and commercial notes issue. Current assets amounted to approximately RMB9,307,006,000 (31 December 2014: RMB5,631,464,000) and current ratio was 0.54 (31 December 2014: 0.29).

DEBTS

As at 30 June 2015, total borrowings of the Group amounted to approximately RMB43,385,596,000 (31 December 2014: RMB44,271,532,000). All of the Group's bank and other borrowings are denominated in Renminbi, Japanese Yen ("JPY") and United States Dollars ("USD").

The Group's gearing ratios, calculated as net debt (being total borrowings plus obligations under finance leases less cash and cash equivalents) divided by total capital (being total equity plus net debt), as at 30 June 2015 and 31 December 2014 were approximately 55% and 62% respectively.

In September 2012, the Company issued RMB denominated US$ settled 2.75% convertible bonds (the "2012 Convertible Bonds"), of an initial principal amount of RMB1,140,000,000 and a carrying amount of RMB74,407,000 as at 30 June 2015. During the period under review, the bondholders exercised conversion rights resulted in a corresponding reduction in carrying value of the 2012 Convertible Bonds of RMB666,364,000.

As at 30 June 2015, the outstanding principal amount of the 2012 Convertible Bonds was RMB81,500,000 which could be fully converted into approximately 47,551,000 shares of the Company. The outstanding 2012 Convertible Bonds will not have material dilutive impact on the then number of issued shares of the Company and the respective shareholding of its substantial shareholders. The dilutive impact on earnings per share for the period is set out in Note 12 "Earnings per share" in the notes to the condensed consolidated financial statements.

The funding required to meet the Company's redemption obligations under the outstanding 2012 Convertible Bonds is insignificant based on the Group's current financial position and available borrowing facilities. As at 30 June 2015, the Company's share price was significantly higher than the current conversion price of the 2012 Convertible Bonds. However, the bondholders should exercise caution and to seek independent professional advice to evaluate the impact of their own benefits when exercising their conversion rights.

SIGNIFICANT FINANCING ACTIVITIES

In June 2015, the Company entered into a loan agreement with Bank of China (Hong Kong) Limited under which the bank agreed to lend the Company of RMB2,000,000,000 which bears interest at 4.30% per annum with 3-year maturity. The proceeds will be fully used for the purposes of general working capital and repayment of existing borrowings.

CAPITAL EXPENDITURE

For the six months ended 30 June 2015, capital expenditure of the Group was approximately RMB1,761,236,000, which was mainly used for construction of new power generating units and technical upgrade for the existing power generating units. Sources of funds were mainly from project financing, bonds issue and self-generated funds.

PLEDGE OF ASSETS

As at 30 June 2015, the Group pledged certain property, plant and equipment with a net book value of approximately RMB546,115,000 (31 December 2014: RMB637,889,000) to certain banks to secure bank borrowings in the amount of RMB343,370,000 (31 December 2014: RMB354,820,000). In addition, certain bank borrowings and borrowings from a related party were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings as at 30 June 2015 amounted to approximately RMB1,324,873,000 (31 December 2014: RMB1,302,959,000). As at 30 June 2015, bank deposits of certain subsidiaries of the Group amounting to RMB300,000,000 (31 December 2014: RMB341,353,000) were pledged as security for bank borrowings in the amount of RMB300,000,000 (31 December 2014: RMB394,388,000) but no bank deposits were pledged as security for obligation under finance lease (31 December 2014: RMB314,790,000) and bills payables (31 December 2014: RMB11,432,000).

CONTINGENT LIABILITIES

As at 30 June 2015, the Group had no material contingent liabilities.

RISK MANAGEMENT

The investment and business operation of the Group are exposed to risks from exchange rates, interest rates, commodity prices and liquidity. Amid global financial uncertainties, the financial risks and operational risks the Group encountered have been increasing accordingly.

To effectively control its risk exposure, the Group has implemented all-round risk management and has established a systematic, comprehensive risk management mechanism and internal control system. It has a designated risk management department in place for execution and implementation of risk management measures and taking measures to control the scales of assets and liabilities so as to maintain a reasonable level of gearing ratio.

FOREIGN EXCHANGE RATE RISKS

The Group is principally operating in the Mainland China, with most transactions denominated in Renminbi. Apart from certain cash, bank balances and borrowings, most of the Group's assets and liabilities were denominated in Renminbi. The Group held commercial notes denominated in USD, and held borrowings denominated in JPY and USD. Increased fluctuation of Renminbi, USD and JPY exchange rates resulted in the increase in the Group's fluctuation in exchange gain/loss, thereby affecting its financial condition and operating results.

In order to manage exchange rate risks, the Group entered into two option contracts to sell RMB for USD with Bank of America at a fixed exchange rate with an aggregate amount of approximately US$296,778,000 during the period, to hedge against the foreign exchange rate risks brought by the commercial notes denominated in USD. It is expected that there will be no material foreign exchange risk of RMB against USD upon settlement of the USD commercial notes.

As at 30 June 2015, the balance of the Group's borrowings denominated in foreign currencies amounted to approximately RMB2,534,013,000 (31 December 2014: RMB2,993,866,000).

ENERGY SAVING AND EMISSION REDUCTION

The Group has always committed to the full utilization of its clean energy generation. For the first half of 2015, the hydropower and the wind power generation amounted to 31.23% (2014: 26.88%) of the total power generation of the Group.

During the period under review, in positive response to the national environmental protection policy, the Group continued to strengthen the environmental protection measures to its coal-fired power generating units. The Group installed flue gas dedusting facilities and desulphurization facilities for all its coal-fired power generating units with the relevant operational ratio up to 100% (2014: 99.97%), and the efficiency ratio of desulphurization was 95.95% (2014: 95.80%).

For the first half of 2015, the Group completed the denitration and renovation projects for generating unit no. 2 of Yaomeng Power Plant II. So far, except generating unit no. 1 of Yaomeng Power Plant II, all the other coal-fired power generating units have been installed denitration facilities to reduce the emission of nitrogen oxide (NO_x). The operational ratio of denitration reached 99.61% (2014: 98.24%) and the efficiency ratio of denitration reached 79.32% (2014: 75.70%) for the first half of 2015.

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

- the emission rate of sulphur dioxide (SO_2) at 0.23g/KWh, representing a decrease of 0.09g/KWh compared to the corresponding period last year;
- the emission rate of nitrogen oxide (NO_x) at 0.21g/KWh, representing a decrease of 0.32g/KWh compared to the corresponding period last year; and
- the emission rate of dusts at 0.05g/KWh, representing a decrease of 0.10g/KWh compared to the corresponding period last year.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had a total of 10,034 (31 December 2014: 9,675) full-time employees.

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

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

OUTLOOK FOR THE SECOND HALF OF 2015

At present, there are new development opportunities as well as multiple challenges for power generating enterprises in China. In the implementation period of the Thirteenth Five-Year Plan for boosting domestic economy in China, there are plenty of rooms for power resources projects, in particular clean energies, such as hydropower, wind power and solar power, to grow. The energy sector in China has been reforming at a deeper level, and power generating enterprises are likely to engage in new sectors, such as energy servicing sector, opening up new sources of profits.

Growth in electricity consumption in China is expected to rebound moderately in the second half of 2015, notwithstanding that the utilization hours of coal-fired power generating units will remain at a lower level. In addition, power generating enterprises have to cope with higher competitive pressure in the market in the course of a new round of reform in the energy sector. The newly amended regulations on safety and environmental protection being in force have imposed stricter regulatory requirements on relevant works performed by power generating enterprises.

In mid-2015, the ultimate controlling company of the Company, formerly named as China Power Investment Corporation* (中國電力投資集團公司) obtained the approval by the State Council of the PRC for the consolidation and reorganization with the State Nuclear Power Technology Corporation* (國家核電技術公司) and renamed as the State Power Investment Corporation* (國家電力投資集團公司) ("SPIC"). The Group is a core subsidiary of SPIC for conventional energy business and has been a crucial platform for assets reorganization and assets securitization of conventional energy business and also a leader of its technological innovation and institutional innovation. With the solid support of SPIC, the Group will make progress towards new development milestones.

In the second half of 2015, the Group will diligently cope with challenges and seize opportunities by further sharpening our competitive edge. Our major tasks will include:

- With our own competitive advantages and the solid support from the reorganized SPIC, the Company will continue to optimize its assets structure and accelerate the development of clean energies and project investments in a bid to expand the share of clean energies in our assets portfolio;
- to keenly develop new projects on quality coal-fired power generating units in proximity to the national coal-electricity bases and along the major power transmission routes regions under planning;
- to put greater efforts on marketing electricity sales and fuel costs control, to seek for favorable government policies, such as green energy preferential tariffs and financial subsidies, with an aim to further step up our level of safety and environmental protection, and to reduce financing costs and gearing ratio continuously; and
- to enhance our technological innovation and institutional innovation by closely tracking with the progress of reform for the energy sector.

By order of the Board
China Power International Development Limited

Yu Bing
Executive Director

Hong Kong, 20 August 2015

* *For identification purpose only*

CORPORATE GOVERNANCE

China Power 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 2014 annual report. During the six months ended 30 June 2015, save for the deviations from the code provisions of A.2.1, A.4.2 and E.1.2, the Company has strictly complied with all the code provisions of Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in the Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Ms. Li Xiaolin served as chairman of the Board and chief executive officer during the period under review. The Board believes that Ms. Li Xiaolin has served as the chief executive officer of the Company and accumulated extensive experience in the capital market and the industry. It will be more effective in developing the Company's long-term business strategies and in execution of the Company's business plans if Ms. Li Xiaolin continues to serve as the chief executive officer of the Company. The Board believes that by virtue of the extensive experience and expertise of the Board members (including three independent non-executive Directors and two non-executive Directors), a balance of power and authority in the operation of the Board has been adequately ensured. Coupled with the Company's Executive Committee, it is sufficient for ensuring the effective management and supervision of the Group's daily business operations.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The CG Code provision A.4.2 also stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, as provided in the articles of association of the Company, the executive Director who is also the chief executive officer of the Company shall not be subject to retirement by rotation. The Board is of the view that the continuous leadership of the chief executive officer can ensure the operational efficiency of the Group and a more coherent implementation of business plans delegated by the Board. Such provision of the Company's articles of association has reflected the importance of maintaining the stability of the position.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by the Directors (the "Code of Conduct"), the standard 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 enquiries to each of the Directors, they all confirmed that they have fully complied with the Code of Conduct during the six months ended 30 June 2015.

CHANGES IN DIRECTORATE AND UPDATED DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in directorate and updated information of the Directors required to be disclosed since the 2014 annual report until the date of this Report are as follows:

The following changes, all were effective from 28 July 2015:

- Ms. Li Xiaolin, due to new work arrangement, resigned as an executive Director, the chairman of the Board, the chairman of the Executive Committee and the chief executive officer of the Company;
- Mr. Wang Binghua was appointed as a non-executive Director and the chairman of the Board;
- Mr. Wang Zichao was re-designated from a non-executive Director to an executive Director; and
- Mr. Yu Bing, currently an executive Director, the president of the Company and a member of the Executive Committee, was appointed as the chairman of the Executive Committee. Mr. Yu as the president of the Company will replace the function of the chief executive officer.

Subsequent to the above changes, the Company has been complying with the best practice of the CG Code, the code provisions of A.2.1 and A.4.2 with regard to the separating the roles of chairman and chief executive officer and the retirement of every director by rotation at least once every three years respectively. The previous deviations of these two code provisions have ceased to exist.

Mr. Tsui Yiu Wa, Alec had retired as an independent non-executive director of China Oilfield Services Limited which listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") with effect from 2 June 2015.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board puts particular emphasis on risk management, and supervises management by continuous strengthening of the internal control system. Through the Audit Committee, the Board conducts regularly reviews on the effectiveness of internal controls.

The principles of the internal control framework of the Company are: to strengthen the Company's internal monitoring and control system in accordance with the requirements as set out in the Listing Rules with particular emphasis on continuous improvement of the Company's corporate governance structure, set up an effective top-down control system, build up the corporate culture of integrity, continuously assess the adaptability of the internal control system and effectiveness of management, review the identified risk factors and develop the measures for improvements to ensure the effective running of the internal control system.

In the first half of 2015, the Internal Audit Department of the Company conducted independent and objective assessment of the adequacy and effectiveness of the internal control system in operation. According to the performance evaluation results of the audit internal control projects for relevant companies in 2014, it coordinated the relevant companies to find out the reasons of the problem systematically, discuss and implement the measures for improvement and enhancement on internal control. For the six months ended 30 June 2015, as review by the audits, it set rectification requirements for 24 issues, added 20 proposals to strengthen controls and followed up actively to ensure the situation was improved.

In the first half of 2015, the Internal Audit Department also carried out risk assessment work for the year 2015 to assess the major risks facing the Company in 2015, and then carried out a systematic analysis, studied and formulated solutions and responses to the reasons, boundary conditions and impacts of the risks. The risks faced by each business units and its management and control system capabilities were reflected to the management in a timely manner, in order to improve the Group's defense capability against risks.

At the same time, the Internal Audit Department carried out risk identification and assessment for each major investment proposal of the Group in advance in the first half of this year, and then developed strategies and measures for managing risks as well as predicted controllability and acceptability of the risks based on the assessment of risks involved, their possibility of occurrence and their impacts. In this respect, it established a register of risk management and conducted follow-up and closed-loop management in order to implement the risk management of major operation decisions made.

In addition, Internal Audit Department has taken appropriate measures to review the implementation of the Group's existing continuing connected transactions on quarterly basis. For the six months ended 30 June 2015, the relevant companies of the Group have strictly monitored continuing connected transactions pursuant to the agreed terms during the actual course of business, and have not exceeded those relevant annual caps as disclosed.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Kwong Che Keung, Gordon, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec and is chaired by Mr. Kwong Che Keung, Gordon. The terms of reference of the committee has been published on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEx"). The primary duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information, review of the relationship with the external auditor of the Company and overseeing the corporate governance and compliance matters.

In April 2015, the Audit Committee reviewed, endorsed and recommended to the Board the appointment of Deloitte Touche Tohmatsu as the new auditor of the Company upon the retirement of the former auditor.

The Audit Committee and Deloitte Touche Tohmatsu have reviewed the Group's condensed consolidated financial statements for the six months ended 30 June 2015. Please refer to the "Report on Review of Condensed Consolidated Financial Statements from Independent Auditor" from Deloitte Touche Tohmatsu on page 21.

REMUNERATION AND NOMINATION COMMITTEE

Remuneration and Nomination Committee comprises three independent non-executive Directors, namely Mr. Li Fang, Mr. Kwong Che Keung, Gordon, Mr. Tsui Yiu Wa, Alec and is chaired by Mr. Li Fang. The terms of reference of the committee has been published on the websites of the Company and the HKEx. Its major duties include making recommendations to the Board on the remuneration policy and structure for all Directors and senior management of the Company, and identifying individuals suitably qualified to become Board members based on a range of diverse perspectives and select or on the selection of individuals nominated for directorship. The Remuneration and Nomination Committee should review the structure, size and composition of the Board at least annually and make recommendations to the Board on changes to its Board members.

The Board diversity policy was approved by the Remuneration and Nomination Committee and the Board in August 2013 which came into effect on 1 September 2013 in accordance with the provisions of CG Code. Summary of the policy was disclosed in the "Corporate Governance Report" of the Company's 2014 annual report.

In July 2015, the Remuneration and Nomination Committee considered and approved the changes in directorate of the Company, and made recommendation to the Board.

EXECUTIVE COMMITTEE

The Executive Committee comprises all executive Directors, vice president, chief financial officer, chief engineer, chief legal counsel and other senior management. The chairman of the committee is served by the president of the Company. The Executive Committee conducts its works and reports to the Board under the "Working Guidelines for the Executive Committee" which was approved by the Board. The Executive Committee has been authorized to manage the daily operations of the Group, advise the Board in formulating policies in relation to the Group's business operations, monitor the performance and compliance of the daily business and supervise the management to implement various Board resolutions.

COMMUNICATION WITH SHAREHOLDERS

The Company always recognizes the importance of maintaining effective communication with shareholders and investors. The shareholders and investors are informed the latest business performance and development of the Group by means of various communication channels, including the Company's website at www.chinapower.hk, the annual and interim reports, the quarterly power generation announcements and other announcements on the Group's key business development, so that they can make the best investment decisions. Regular holding of shareholders' meetings, press conferences as well as meetings with financial analysts and investors also provide our shareholders and investors the opportunities to directly communicate with the management of the Company. Furthermore, the Company's website is updated constantly to provide investors and general public the latest information in all aspects of the Company. The "Shareholder Communications Policy" of the Company is posted on the Company's website under the "Corporate Governance" section.

According to the CG Code provision E.1.2, chairman of the board should attend the annual general meeting. Ms. Li Xiaolin, the chairman of the Board at that time, was unable to attend the Company's annual general meeting held on 10 June 2015, she had arranged Mr. Yu Bing, the executive Director and president of the Company, who is very familiar with the Group's business and operations, to attend and chair the general meeting. Other Directors, including two independent non-executive Directors, being the chairman/members of the Audit Committee and the members of the Remuneration and Nomination Committee, together with the external independent auditor at that time attended the annual general meeting and answered questions from shareholders and investors. All resolutions proposed in the meeting were duly passed by shareholders' voting.

INVESTOR RELATIONS

For the first half of 2015, the Company organized the results press conference right after the publication of its 2014 annual results, to give a detailed account of the annual results of the Company. The chairman, the Directors and the senior management attended the conference and had direct communications with investors and securities analysts. We launched two roadshows in Hong Kong to coordinate with the announcing of the 2014 annual results of the Company. The senior management and investor relations team participated in the roadshows.

For the first half of 2015, the Company participated in seven investment forums organized by internationally renowned investment banks in Hong Kong, Beijing and Chengdu to maintain efficient communications with investors, and through the reception of investors to visit the Company, conference calls, invited investors to field trips and various communication channels, interviewed approximately 200 analysts and investors, thereby maintaining effective communication with the market.

SHARE OPTION SCHEME

A share option scheme was conditionally approved and adopted by a written resolution passed by the Company's shareholders on 24 August 2004 (the "Share Option Scheme"). The purposes of the Share Option Scheme are to attract and retain high-caliber personnel to provide them with the opportunity to acquire equity of the Company and to motivate them to higher level of performance. The main terms of the Share Option Scheme are summarized in the 2014 annual report.

Movements of the share options granted under the Share Option Scheme for the six months ended 30 June 2015 are as follows:

		Number of shares subject to share options						
Grantee	Date of grant	Outstanding as at 1 January 2015	Granted during the period	Lapsed or cancelled during the period	Exercised during the period	Outstanding as at 30 June 2015	Expiry date[1]	Exercise price per share (HK$)
Directors:								
LI Xiaolin	4 April 2007	1,905,000	–	–	–	1,905,000	3 April 2017	4.07
	2 July 2008	820,000	–	–	–	820,000	1 July 2018	2.326
GUAN Qihong	2 July 2008	400,000	–	–	–	400,000	1 July 2018	2.326
WANG Zichao	4 April 2007	804,000	–	–	–	804,000	3 April 2017	4.07
	2 July 2008	700,000	–	–	–	700,000	1 July 2018	2.326
Other employees	4 April 2007	6,735,000	–	(1,377,000)	–	5,358,000	3 April 2017	4.07
	2 July 2008	18,880,000	–	(1,140,000)	–	17,740,000	1 July 2018	2.326

Note:

(1) Each share option has a 10-year exercise period within which there is a total vesting period of four years. Commencing from the first, second, third and fourth anniversaries of the offer date of a share option, the relevant grantee may exercise up to 25%, 50%, 75% and 100% respectively of the shares comprised in his or her share option (less any number of shares in respect of which the share option has been previously exercised).

The Share Option Scheme expired on 24 August 2014, i.e. at the tenth anniversary since its adoption date. Following the termination of the Share Option Scheme, no further share options may be granted after that date but the provisions of the Share Option Scheme shall remain in full force and effect.

As at 30 June 2015, the total number of shares in respect of which share options may be granted under the Share Option Scheme was 27,727,000 shares, representing approximately 0.38% of the Company's existing number of shares in issue.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2015, save as disclosed below, none of the Directors or the chief executive has any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO") which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Name of Directors	Capacity	Name of company in which interest are held	Date of grant	Number of underlying shares interested under physically settled equity derivatives[(1)]	Percentage of issued share capital of the Company (%)	Long/short position
LI Xiaolin	Beneficial owner	the Company	4 April 2007 and 2 July 2008	2,725,000	0.0373	Long
GUAN Qihong	Beneficial owner	the Company	2 July 2008	400,000	0.0055	Long
WANG Zichao	Beneficial owner	the Company	4 April 2007 and 2 July 2008	1,504,000	0.0206	Long

Notes:

(1) The interests of the above Directors in the underlying shares of the Company represent the share options granted to them under the Share Option Scheme by the Company.

(2) None of the above Directors has interests in any securities of the Company (except for interests held under equity derivatives disclosed above).

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2015, to the best knowledge of the Directors, the following persons (other than a Director and chief executive of the Company) who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholders	Capacity	Number of shares in which interested other than under equity derivatives[(3)]	Percentage of issued share capital of the Company (%)	Long/short position
China Power Development Limited ("CPDL")	Beneficial owner	1,996,500,000	27.32	Long
CPI Holding[(1)]	Interest of a controlled corporation	1,996,500,000	27.32	Long
	Beneficial owner	2,074,538,546	28.39	Long
SPIC[(2)]	Interest of a controlled corporation	4,071,038,546	55.71	Long

Notes:

(1) China Power International Holding Limited ("CPI Holding") is the beneficial owner of CPDL and therefore CPI Holding is deemed to be interested in the shares of the Company owned by CPDL for the purposes of the SFO.

(2) SPIC is the beneficial owner of CPI Holding and therefore SPIC is deemed to be interested in the shares of the Company owned by CPI Holding for the purposes of the SFO.

(3) SPIC, CPI Holding and CPDL do not have any interest in the equity derivatives of the Company.

Save as disclosed above, as at 30 June 2015, no person, other than the Directors and chief executives of the Company whose interests are set out in the section "Directors' Interests in Securities" above, had any interest or short positions in the shares, underlying shares or debentures of the Company which are required to be notified to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE 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 2015.

PUBLIC FLOAT

As at the date of this interim report, based on public information available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, being no less than 25% of the Company's number of shares in issue as required under the Listing Rules.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FROM INDEPENDENT AUDITOR

Deloitte.
德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Power International Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 22 to 60, which comprises the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 August 2015

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Revenue	6	**9,622,288**	10,863,799
Other income	7	**193,029**	162,473
Fuel costs		**(3,054,845)**	(4,473,644)
Depreciation		**(1,443,131)**	(1,349,185)
Staff costs		**(826,206)**	(747,040)
Repairs and maintenance		**(279,367)**	(330,509)
Consumables		**(111,922)**	(151,802)
Other gains/(losses), net	8	**1,242,219**	(7,458)
Other operating expenses		**(763,787)**	(632,570)
Operating profit	9	**4,578,278**	3,334,064
Finance income	10	**35,113**	29,198
Finance costs	10	**(1,230,892)**	(1,347,809)
Share of profits of associates		**433,382**	310,772
Share of profits of joint ventures		**50,319**	36,146
Profit before taxation		**3,866,200**	2,362,371
Income tax expense	11	**(678,548)**	(248,155)
Profit for the period		**3,187,652**	2,114,216
Attributable to:			
Owners of the Company		**2,728,260**	1,618,138
Non-controlling interests		**459,392**	496,078
		3,187,652	2,114,216
Earnings per share for profit attributable to owners of the Company during the period (expressed in RMB per share)			
— Basic	12	**0.39**	0.25
— Diluted	12	**0.37**	0.23

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Profit for the period		**3,187,652**	2,114,216
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss:			
— Fair value gain/(loss) on available-for-sale financial assets, net of tax	19	**4,386,840**	(81,702)
— Release on disposal of available-for-sale financial assets, net of tax	19	**(881,395)**	–
Total comprehensive income for the period		**6,693,097**	2,032,514
Attributable to:			
Owners of the Company		**6,233,705**	1,536,436
Non-controlling interests		**459,392**	496,078
Total comprehensive income for the period		**6,693,097**	2,032,514

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	65,500,510	66,741,330
Prepayments for construction of power plants	14	1,413,471	432,289
Prepaid lease payments	14	890,387	709,677
Goodwill		835,165	835,165
Interests in associates		2,552,401	2,718,235
Interests in joint ventures		615,879	632,636
Available-for-sale financial assets	15	7,820,177	3,305,780
Other non-current assets		458,388	382,773
Deferred income tax assets		104,976	106,442
Pledged bank deposits	25	300,000	300,000
Derivative financial instruments	23	99,768	–
		80,591,122	76,164,327
Current assets			
Inventories		399,353	493,598
Prepaid lease payments	14	10,326	6,567
Accounts receivable	16	2,596,365	2,239,128
Prepayments, deposits and other receivables		948,351	790,723
Amounts due from related parties	27	730,593	335,580
Tax recoverable		7,200	8,053
Pledged bank deposits	25	–	41,353
Cash and cash equivalents		4,025,273	1,126,917
		8,717,461	5,041,919
Assets held for sale	17	589,545	589,545
		9,307,006	5,631,464
Total assets		89,898,128	81,795,791
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	18	13,452,645	12,730,145
Retained earning		5,974,120	4,412,781
Other reserves	19	8,136,085	4,720,843
		27,562,850	21,863,769
Non-controlling interests		6,031,831	5,385,992
Total equity		33,594,681	27,249,761

	Notes	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred income		32,369	31,423
Bank borrowings	21	28,536,062	25,584,998
Borrowings from related parties	27	2,753,911	2,484,816
Other borrowings	22	3,071,467	3,729,444
Obligations under finance leases		1,264,180	1,158,171
Deferred income tax liabilities		2,530,371	1,354,453
Provisions for other long-term liabilities	24	930,770	936,257
		39,119,130	35,279,562
Current liabilities			
Accounts and bills payables	20	1,120,248	1,101,550
Construction costs payable		3,141,544	3,409,235
Other payables and accrued charges		2,045,294	1,261,230
Amounts due to related parties	27	1,089,691	453,501
Bank borrowings	21	6,024,276	7,966,279
Borrowings from related parties	27	365,800	1,370,295
Other borrowings	22	2,634,080	3,135,700
Current portion of obligations under finance leases		122,679	118,950
Taxation payable		640,705	449,728
		17,184,317	19,266,468
Total liabilities		56,303,447	54,546,030
Total equity and liabilities		89,898,128	81,795,791
Net current liabilities		7,877,311	13,635,004
Total assets less current liabilities		72,713,811	62,529,323

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company				
	Share capital RMB'000	Other reserves (Note 19) RMB'000	Retained earnings RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance as at 1 January 2015 (audited)	12,730,145	4,720,843	4,412,781	5,385,992	27,249,761
Profit for the period	–	–	2,728,260	459,392	3,187,652
Other comprehensive income/(expense):					
Fair value gain on available-for-sale financial assets	–	5,844,891	–	–	5,844,891
Deferred tax on fair value gain on available-for-sale financial assets	–	(1,458,051)	–	–	(1,458,051)
Release on disposal of available-for-sale financial assets	–	(1,175,193)	–	–	(1,175,193)
Release of deferred tax upon disposal of available-for-sale financial assets	–	293,798	–	–	293,798
Total comprehensive income for the period	–	3,505,445	2,728,260	459,392	6,693,097
Lapse of share options	–	(1,971)	1,971	–	–
Issue of new shares upon conversion of convertible bonds	722,500	(93,948)	37,812	–	666,364
Contribution from a non-controlling shareholder of a subsidiary	–	–	12,299	445,521	457,820
Dividend recognised as distribution to non-controlling shareholders of subsidiaries	–	–	–	(216,031)	(216,031)
2014 final dividend	–	–	(1,219,003)	–	(1,219,003)
Acquisition of non-controlling interests	–	5,716	–	(43,043)	(37,327)
Total transactions with owners, recognised directly in equity	722,500	(90,203)	(1,166,921)	186,447	(348,177)
Balance as at 30 June 2015 (unaudited)	13,452,645	8,136,085	5,974,120	6,031,831	33,594,681

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Other reserves (Note 19) RMB'000	Retained earnings RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance as at 1 January 2014 (audited)	6,161,388	5,773,347	3,745,902	2,741,019	4,865,487	23,287,143
Profit for the period	–	–	–	1,618,138	496,078	2,114,216
Other comprehensive (expense)/income:						
Fair value loss on available-for-sale financial assets	–	–	(108,936)	–	–	(108,936)
Deferred tax on fair value loss on available-for-sale financial assets	–	–	27,234	–	–	27,234
Total comprehensive (expense)/income for the period	–	–	(81,702)	1,618,138	496,078	2,032,514
Lapse of share options	–	–	(114)	114	–	–
Issue of new shares upon conversion of convertible bonds before 3 March 2014	27,434	28,566	(7,128)	–	–	48,872
Transition to no-par value regime on 3 March 2014	5,801,913	(5,801,913)	–	–	–	–
Issue of new shares upon conversion of convertible bonds after 3 March 2014	395,485	–	(52,849)	49,945	–	392,581
Dividend recognised as distribution to non-controlling shareholders of subsidiaries	–	–	–	–	(127,256)	(127,256)
2013 final dividend	–	–	–	(1,037,577)	–	(1,037,577)
Total transactions with owners, recognised directly in equity	6,224,832	(5,773,347)	(60,091)	(987,518)	(127,256)	(723,380)
Balance as at 30 June 2014 (unaudited)	12,386,220	–	3,604,109	3,371,639	5,234,309	24,596,277

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Cash flows from operating activities		
Cash generated from operations	**6,273,689**	5,061,850
Interest paid	**(1,261,635)**	(1,376,013)
PRC income tax paid	**(526,176)**	(574,539)
Net cash generated from operating activities	**4,485,878**	3,111,298
Cash flows from investing activities		
Payments for property, plant and equipment	**(749,002)**	(1,952,839)
Prepayments for construction of power plants	**(1,026,161)**	(613,451)
Payments for prepaid lease payments	**(191,736)**	–
Proceeds from disposal of property, plant and equipment and prepaid lease payments	**270,855**	82,363
Proceeds from disposal of available-for-sale financial assets	**1,330,494**	–
(New loan to)/repayment of loans from related parties	**(150,000)**	450,000
Capital injection to an associate	**(26,000)**	(4,000)
Dividend received from joint ventures	**–**	60,000
Interest received	**35,113**	29,198
Net cash used in investing activities	**(506,437)**	(1,948,729)
Cash flows from financing activities		
Drawdown of bank borrowings	**8,478,500**	6,511,732
Drawdown of borrowings from related parties	**1,060,800**	190,000
Drawdown of short-term other borrowings	**–**	50,000
Proceeds from issue of corporate bonds	**–**	2,000,000
Contributions from a non-controlling shareholder of a subsidiary	**457,820**	–
Repayment of bank borrowings	**(7,469,439)**	(5,378,360)
Repayment of borrowings from related parties	**(1,796,200)**	(1,300,400)
Repayment of other borrowings	**(500,000)**	(500,000)
Payments for obligations under finance leases	**(95,969)**	(71,964)
Acquisition of non-controlling interests	**(37,327)**	–
Dividend paid (Note 13)	**(1,219,003)**	(386,211)
Dividend paid to non-controlling shareholders of subsidiaries	**–**	(41,200)
Decrease/(increase) in pledged bank deposit	**41,353**	(3,063)
Net cash (used in)/generated from financing activities	**(1,079,465)**	1,070,534
Net increase in cash and cash equivalents	**2,899,976**	2,233,103
Cash and cash equivalents at the beginning of the period	**1,126,917**	1,641,368
Exchange (losses)/gains, net	**(1,620)**	841
Cash and cash equivalents at the end of the period	**4,025,273**	3,875,312

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

China Power International Development Limited (the "Company") was incorporated in Hong Kong on 24 March 2004 as a limited liability company under the Hong Kong Companies Ordinance. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (together referred to as the "Group") are principally engaged in investment holdings, generation and sales of electricity and the development of power plants in The People's Republic of China (the "PRC").

The Group is controlled by China Power International Holding Limited ("CPIH"), an intermediate holding company which directly holds the Company's shares and also indirectly through China Power Development Limited ("CPDL").

The directors of the Company (the "Directors") previously regarded China Power Investment Corporation (中國電力投資集團公司) ("CPI Group"), a state-owned enterprise established in the PRC which is the beneficial owner of CPIH, as the parent company. During the six months ended 30 June 2015, the State Council of the People's Republic of China has approved CPI Group and State Nuclear Power Technology Corporation (國家核電技術公司) to reorganise to form the State Power Investment Corporation (國家電力投資集團公司) ("SPIC"). The Directors regard SPIC as the parent company after completion of the reorganisation.

These condensed consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and have been approved by the board of Directors on 20 August 2015.

These condensed consolidated financial statements have not been audited.

2 BASIS OF PREPARATION

(a) These condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 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.

(b) As at 30 June 2015, the Group had net current liabilities of RMB7,877,311,000 (31 December 2014: RMB13,635,004,000). In preparing these condensed consolidated financial statements, the Directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As of 30 June 2015, the Group had unutilised banking facilities available amounting to approximately RMB14,487,793,000 (31 December 2014: RMB13,517,300,000) and will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable. Under these circumstances, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and therefore have prepared these condensed consolidated financial statements on a going concern basis.

3 PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied are the same as those used in the annual financial statements for the year ended 31 December 2014.

(a) Effect of adopting amendments to standards

The following amendments to standards are mandatory for accounting periods beginning on or after 1 January 2015:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements 2011–2013 Cycle

The adoption of the above amendments to standards does not have any significant impact to the results and financial position of the Group.

(b) New standards and amendments to standards not yet adopted by the Group

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2015 and have not been early adopted by the Group:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[4]
Amendments to HKAS 16 and 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2016

The Group is in the process of making an assessment of the impact of the above new standards and amendments to standards.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2014.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

These condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

There has been no change in the risk management department or in any risk management policies since the year end.

5.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

5.2 Fair value estimation *(Continued)*

The following tables present the Group's assets that are measured at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 June 2015 (unaudited)				
Assets				
Available-for-sale financial assets				
— equity securities	**7,665,465**	**–**	**–**	**7,665,465**
Derivative financial instruments	**–**	**–**	**99,768**	**99,768**
At 31 December 2014 (audited)				
Assets				
Available-for-sale financial assets				
— equity securities	3,151,068	–	–	3,151,068

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise equity investments classified as available-for-sale.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to determine the fair value of financial instruments in level 3 include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis and option pricing model.

The following table presents the changes in derivative financial instruments for the period.

	RMB'000 (unaudited)
Opening balance as at 1 January 2015	**–**
Addition through buying derivative financial assets	**141,757**
Fair value loss recognised in the condensed consolidated income statement (Note 8)	**(41,989)**
Closing balance as at 30 June 2015 — assets	**99,768**

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

5.3 Fair values of financial assets and liabilities measured at amortised cost

The fair values of borrowings are as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Long term borrowings (note (a))	**39,645,348**	38,568,983
Short term borrowings (note (b))	**3,775,781**	5,754,648
	43,421,129	44,323,631

Notes:

(a) Balance represents the aggregate fair values of the long-term bank borrowings, corporate bonds, convertible bonds and borrowings from CPI Financial Company Limited ("CPIF") and CPI Group.

(b) Balance represents the aggregate fair values of short-term bank borrowings, commercial notes and borrowings from a fellow subsidiary.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Accounts receivable
- Other receivables
- Pledged bank deposits
- Cash and cash equivalents
- Amounts due from/(to) related parties
- Accounts and bills payables
- Construction cost payable
- Other payables and accrued charges

6 REVENUE AND SEGMENT INFORMATION

Revenue, representing turnover, recognised during the period is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of electricity to regional and provincial power grid companies (note (a))	**9,599,556**	10,854,313
Provision of power generation and related services (note (b))	**22,732**	9,486
	9,622,288	10,863,799

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 electric power 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 PRC government authorities.

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

Segment information

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

Currently, it is determined that the "Generation and sales of coal-fired electricity" and "Generation and sales of hydropower electricity" in the PRC are the reportable segments of the Group meeting the quantitative thresholds required by HKFRS 8. Although the "Generation and sales of wind power electricity" does not meet such quantitative thresholds required for reportable segments, the management has concluded since the year ended 31 December 2014 that this segment should also be reported, as it is closely monitored by the CODM as a potential growth business and is expected to gradually increase its contribution to the Group's results in the future. The comparatives have been restated to reflect such change.

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

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

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

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2015 (unaudited)					
Revenue					
Sales of electricity	6,811,710	2,713,361	74,485	–	9,599,556
Provision of power generation and related services	22,732	–	–	–	22,732
	6,834,442	2,713,361	74,485	–	9,622,288
Segment results	1,781,296	1,677,572	25,418	–	3,484,286
Unallocated income	–	–	–	1,304,942	1,304,942
Unallocated expenses	–	–	–	(210,950)	(210,950)
Operating profit	1,781,296	1,677,572	25,418	1,093,992	4,578,278
Finance income	3,639	11,420	231	19,823	35,113
Finance costs	(377,948)	(828,241)	(8,318)	(16,385)	(1,230,892)
Share of profits of associates	427,464	–	–	5,918	433,382
Share of profits/(losses) of joint ventures	53,965	–	–	(3,646)	50,319
Profit before taxation	1,888,416	860,751	17,331	1,099,702	3,866,200
Taxation charge	(267,731)	(136,596)	(1,197)	(273,024)	(678,548)
Profit for the period	1,620,685	724,155	16,134	826,678	3,187,652
Other segment information:					
Capital expenditure					
— Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	1,265,960	221,794	273,353	129	1,761,236
Depreciation of property, plant and equipment	780,362	631,329	27,160	4,280	1,443,131
Amortisation of prepaid lease payments	4,577	2,282	–	408	7,267
Loss on disposal of property, plant and equipment	9,304	6,891	–	–	16,195

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Others RMB'000	Total RMB'000
As at 30 June 2015 (unaudited)					
Segment assets					
Other segment assets	34,408,583	37,012,939	1,789,409	–	73,210,931
Goodwill	67,712	767,453	–	–	835,165
Interests in associates	2,457,798	49,851	–	44,752	2,552,401
Interests in joint ventures	376,171	–	–	239,708	615,879
Assets held for sale	–	589,545	–	–	589,545
	37,310,264	38,419,788	1,789,409	284,460	77,803,921
Available-for-sale financial assets					7,820,177
Derivative financial instruments					99,768
Deferred income tax assets					104,976
Other unallocated assets					4,069,286
Total assets per condensed consolidated statement of financial position					89,898,128
Segment liabilities					
Other segment liabilities	(5,600,796)	(3,468,002)	(135,239)	–	(9,204,037)
Borrowings	(17,461,026)	(23,284,820)	(582,500)	(2,057,250)	(43,385,596)
	(23,061,822)	(26,752,822)	(717,739)	(2,057,250)	(52,589,633)
Taxation payable					(640,705)
Deferred income tax liabilities					(2,530,371)
Other unallocated liabilities					(542,738)
Total liabilities per condensed consolidated statement of financial position					(56,303,447)

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2014 (unaudited)					
Revenue					
Sales of electricity	8,370,165	2,435,841	48,307	–	10,854,313
Provision of power generation and related services	9,486	–	–	–	9,486
	8,379,651	2,435,841	48,307	–	10,863,799
Segment results	1,800,365	1,500,092	28,107	–	3,328,564
Unallocated income	–	–	–	112,845	112,845
Unallocated expenses	–	–	–	(107,345)	(107,345)
Operating profit	1,800,365	1,500,092	28,107	5,500	3,334,064
Finance income	3,394	8,390	10	17,404	29,198
Finance costs	(499,662)	(810,099)	(14,586)	(23,462)	(1,347,809)
Share of profits of associates	301,339	–	–	9,433	310,772
Share of profits/(losses) of joint ventures	40,433	–	–	(4,287)	36,146
Profit before taxation	1,645,869	698,383	13,531	4,588	2,362,371
Taxation charge	(146,738)	(101,277)	–	(140)	(248,155)
Profit for the period	1,499,131	597,106	13,531	4,448	2,114,216
Other segment information:					
Capital expenditure					
— Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	1,407,216	2,193,905	597,338	563	4,199,022
Depreciation of property, plant and equipment	802,049	525,861	14,465	6,810	1,349,185
Amortisation of prepaid lease payments	5,199	2,751	–	–	7,950
Loss on disposal of property, plant and equipment and prepaid lease payments	13,382	1,624	–	–	15,006

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Others RMB'000	Total RMB'000
As at 31 December 2014 (audited)					
Segment assets					
Other segment assets	34,203,413	37,143,924	1,049,309	–	72,396,646
Goodwill	67,712	767,453	–	–	835,165
Interests in associates	2,650,417	23,851	–	43,967	2,718,235
Interests in joint ventures	389,684	–	–	242,952	632,636
Assets held for sale	–	589,545	–	–	589,545
	37,311,226	38,524,773	1,049,309	286,919	77,172,227
Available-for-sale financial assets					3,305,780
Deferred income tax assets					106,442
Other unallocated assets					1,211,342
Total assets per condensed consolidated statement of financial position					81,795,791
Segment liabilities					
Other segment liabilities	(4,477,015)	(3,512,016)	(162,471)	–	(8,151,502)
Borrowings	(18,168,870)	(24,837,662)	(587,500)	(677,500)	(44,271,532)
	(22,645,885)	(28,349,678)	(749,971)	(677,500)	(52,423,034)
Taxation payable					(449,728)
Deferred income tax liabilities					(1,354,453)
Other unallocated liabilities					(318,815)
Total liabilities per condensed consolidated statement of financial position					(54,546,030)

7 OTHER INCOME

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Rental income	**34,267**	32,418
Hotel operations income	**17,178**	15,346
Dividend income (Note 27(a))	**95,343**	84,403
Income from the provision of repairs and maintenance services	**13,076**	16,844
Management fee income	**19,301**	13,462
Value-added tax refund (note)	**13,864**	–
	193,029	162,473

Note:

To support the development of the hydropower industry and standardise the value-added tax ("VAT") policies applicable to large-scale hydropower companies, in February 2014, the Ministry of Finance and State Administration of Taxation jointly released Caishui [2014] No. 10 ("Circular 10"). Circular 10 specifies that hydropower plants with installed capacity over 1 million kilowatt and selling self-produced electricity products could apply for VAT preferential policies. Eligible enterprises are entitled to a refund of the portion of actual VAT paid which exceeds 8% and 12% of the relevant revenue for the period from 1 January 2013 to 31 December 2015, and for the period from 1 January 2016 to 31 December 2017, respectively.

8 OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortisation of deferred income	**775**	775
Government subsidies	**94,373**	–
Gain on disposal of available-for-sale financial assets (Note 15)	**1,175,193**	–
Fair value loss on derivative financial instruments (Note 5.2)	**(41,989)**	–
Loss on disposal of property, plant and equipment and prepaid lease payments	**(16,195)**	(15,006)
Sales of unused power production quota	**4,971**	5,897
Profits on trading of coal, coal by-products and spare parts	**17,855**	–
Others	**7,236**	876
	1,242,219	(7,458)

9 OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Amortisation of prepaid lease payments	**7,267**	7,950
Depreciation of property, plant and equipment	**1,443,131**	1,349,185
Operating lease rental expenses in respect of		
— equipment	**2,903**	1,839
— leasehold land and buildings	**22,326**	23,490
Staff costs including Directors' emoluments	**826,206**	747,040
Write-off of pre-operating expenses	**33,684**	1,879

10 FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Finance income		
Interest income from bank deposits	**32,533**	15,256
Interest income from an associate (Note 27(a))	**2,580**	12,986
Interest income from a fellow subsidiary (Note 27(a))	**–**	956
	35,113	29,198
Finance costs		
Interest expense on		
— bank borrowings wholly repayable within five years	**201,822**	190,487
— bank borrowings not wholly repayable within five years	**885,525**	1,013,920
— long-term borrowings from related parties wholly repayable within five years	**81,453**	96,412
— long-term borrowings from related parties not wholly repayable within five years	**300**	343
— short-term borrowings from related parties	**15,872**	17,506
— long-term other borrowings wholly repayable within five years	**106,431**	66,674
— long-term other borrowings not wholly repayable within five years	**–**	27,089
— short-term other borrowings	**5,225**	18,287
— obligations under finance leases	**38,302**	16,747
— provisions for other long-term liabilities (Note 24)	**40,993**	29,285
	1,375,923	1,476,750
Less: amounts capitalised	**(138,585)**	(183,627)
	1,237,338	1,293,123
Net foreign exchange (gains)/losses	**(6,446)**	54,686
	1,230,892	1,347,809

The weighted average interest rate on capitalised borrowings is approximately 5.42% (2014: 6.11%) per annum.

11 INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for as the Group did not have any estimated assessable profit in Hong Kong for the period (2014: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (2014: 25%) on the estimated assessable income for the period except as disclosed below.

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

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PRC current income tax charge	**665,417**	281,258
Deferred income tax charge/(credit)	**13,131**	(33,103)
	678,548	248,155

The PRC current income tax charge during the period included the related taxation charge arising from the gain on disposal of shares of Shanghai Electric Power Co., Ltd ("Shanghai Power") (Note 15) of approximately RMB279,964,000.

Share of taxation charges attributable to associates and joint ventures for the period of RMB136,266,000 (2014: RMB92,941,000) and RMB16,854,000 (2014: RMB11,860,000) respectively are included in the Group's share of results of associates/joint ventures for the period.

A subsidiary of the Group, which started operations in 2011, is entitled to a two-year exemption and subsequent three-year 50% reduction in income tax rate (i.e. 7.5%) until 2016. It is also entitled to the preferential income tax rate of 15% until 2020.

As at 30 June 2015, two subsidiaries of the Group had investment tax credits ("Tax Credits") with an accumulated amount of RMB189,308,000 (2014: RMB177,892,000) of which RMB99,760,000 (2014: RMB79,124,000) were utilised against their taxation charges since the granting of such Tax Credits. The Tax Credits are calculated based on 10% of the purchase price of specific environmental friendly, water and energy-saving, safety enhanced facilities used in the Group's coal-fired power business. The Tax Credits are recognised as a reduction of current income tax when they are realised. The portion of Tax Credits that has not been utilised in the current period can be carried forward over a period of no more than five years.

12 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.

	Six months ended 30 June	
	2015 (unaudited)	2014 (unaudited)
Profit attributable to owners of the Company (RMB'000)	**2,728,260**	1,618,138
Weighted average number of shares in issue (shares in thousands)	**7,071,279**	6,476,003
Basic earnings per share (RMB)	**0.39**	0.25

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares arising from the Company's share options and convertible bonds. For the six months ended 30 June 2015 and 2014, the Company has share options and convertible bonds that have dilutive potential ordinary shares. The convertible bonds are assumed to have been converted into ordinary shares, and the profit attributable to owners of the Company is adjusted to eliminate the interest expense less the tax effect.

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) 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.

	Six months ended 30 June	
	2015 (unaudited)	2014 (unaudited)
Profit attributable to owners of the Company (RMB'000)	**2,728,260**	1,618,138
Adjustment for finance costs on convertible bonds (after tax) (RMB'000)	**8,526**	30,683
Profit used to determine diluted earnings per share (RMB'000)	**2,736,786**	1,648,821
Weighted average number of shares in issue (shares in thousands)	**7,071,279**	6,476,003
Adjustment for share options (shares in thousands)	**11,619**	3,817
Adjustment for convertible bonds (shares in thousands)	**278,792**	807,603
Weighted average number of shares for the purpose of calculating diluted earnings per share (shares in thousands)	**7,361,690**	7,287,423
Diluted earnings per share (RMB)	**0.37**	0.23

13 DIVIDEND

During the period, a final dividend of RMB0.168 (equivalent to HK$0.2119) per ordinary share for the year ended 31 December 2014 (2014: RMB0.160 (equivalent to HK$0.2025) per ordinary share for the year ended 31 December 2013) was declared and paid to the owners of the Company. The amount of the final dividend declared and paid in the period amounted to RMB1,219,003,000 (equivalent to HK$1,537,541,000) (2014: RMB1,037,577,000 (equivalent to HK$1,313,184,000)).

The board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

14 CAPITAL EXPENDITURE

During the period, the Group acquired property, plant and equipment, prepayments for construction of power plants and prepaid lease payments which amounted to approximately RMB1,761,236,000 (2014: RMB4,199,022,000) .

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Unlisted equity investments outside Hong Kong — at cost (note (a))	**154,712**	154,712
Equity securities listed outside Hong Kong — at fair value (note (b))	**7,665,465**	3,151,068
	7,820,177	3,305,780
Market value of equity securities listed outside Hong Kong	**7,665,465**	3,151,068

Notes:

(a) Unlisted equity investments principally represent interests in certain unlisted companies which do not have a quoted market price in an active market and for which the range of other methods of reasonably estimating fair value is significant and the probabilities of the various estimates cannot be reasonably assessed. Accordingly, these investments are carried at cost less accumulated impairment losses.

(b) Details of the equity securities listed outside Hong Kong as at 30 June 2015 are as follows:

Name of company	Place of establishment and operation	Registered and paid up capital	Equity interest attributable to the Group	Type of legal entity	Principal activity
Shanghai Electric Power Co., Ltd	The PRC	RMB2,139,739,000	16.98%	Joint stock company with limited liability with its A-shares listed on the Shanghai Stock Exchange	Investment holding and the generation and sale of electricity

During the period, the Company disposed of 40,173,628 shares of Shanghai Power. After the disposal, the Company's interest in Shanghai Power was reduced from 18.86% to 16.98%. The cumulative gain recognised in other comprehensive income in relation to the shares disposed of was RMB1,175,193,000, which was reclassified from other comprehensive income to profit or loss (Note 8).

16 ACCOUNTS RECEIVABLE

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Accounts receivable from regional and provincial power grid companies (note (a))	2,192,074	2,014,032
Accounts receivable from other companies (note (a))	65,341	8,221
	2,257,415	2,022,253
Notes receivable (note (b))	338,950	216,875
	2,596,365	2,239,128

Notes:

(a) The Group normally grants 15 to 90 days credit period to customers from the end of the month in which the sales are made. The ageing analysis of the accounts receivable is as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
1 to 3 months	2,242,687	2,022,253
4 to 6 months	13,993	–
Over 6 months	735	–
	2,257,415	2,022,253

(b) The notes receivable are normally with maturity period of 90 to 180 days (2014: 90 to 180 days).

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

(d) As at 30 June 2015, certain bank borrowings (Note 21(d)) and long-term borrowings from CPIF (Note 27(c)(i)) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings as at 30 June 2015 amounted to RMB1,324,873,000 (2014: RMB1,302,959,000) (Note 25).

17 ASSETS HELD FOR SALE

In December 2013, the Group entered into letters of intent with Hunan Provincial Power Company to sell certain hydropower electricity transmission assets with total carrying amounts of approximately RMB893,992,000 for a total consideration of approximately RMB680,460,000. These assets were written down to their fair values less costs of disposal of RMB667,347,000 and have been reclassified as held for sale in accordance with HKFRS 5. Provision for impairment of RMB226,645,000 was recognised in the consolidated income statement for the year ended 31 December 2013.

As at 31 December 2014, due to the fact that certain necessary procedures with the government authority were in progress, the sale of these assets has not completed. As the Group commits to the sale of these assets and the sale transaction is highly probable to complete within one year, the Group has continued to classify these assets as held for sale in the consolidated statement of financial position.

Based on management's estimate, the fair value less costs of disposal of these assets was approximately RMB589,545,000 as at 31 December 2014 and 30 June 2015. As such, the Group further recognised a provision for impairment of RMB77,802,000 in the consolidated income statement for the year ended 31 December 2014.

18 SHARE CAPITAL

(a) Share capital

	Ordinary shares, issued and fully paid	
	Number of share	RMB'000
At 1 January 2014	6,404,153,422	6,161,388
Transition to no-par value regime on 3 March 2014 (note (iii))	–	5,801,913
Issue of new shares upon conversion of convertible bonds	497,770,303	758,419
Issue of new shares upon exercise of share options	4,195,400	8,425
At 31 December 2014	6,906,119,125	12,730,145
Issue of new shares upon conversion of convertible bonds (Note 22 (c))	**401,494,337**	**722,500**
At 30 June 2015	**7,307,613,462**	**13,452,645**

Notes:

(i) Under the Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists.

(ii) In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

(iii) In accordance with the transitional provisions set out in section 37 of Schedule 11 to Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, any amount standing to the credit of the share premium account has become part of the Company's share capital.

18 SHARE CAPITAL (CONTINUED)

(b) Share option scheme

Pursuant to the written resolutions passed by the shareholders of the Company on 24 August 2004, a share option scheme was approved and adopted by the Company (the "Option Scheme").

Details of the share options granted under the Option Scheme outstanding as at 30 June 2015 are as follows:

			Number of shares subject to the share options	
Date of grant	Expiry date	Exercise price	**At 30 June 2015 (unaudited)**	At 31 December 2014 (audited)
Directors				
4 April 2007	3 April 2017	HK$4.07	**2,709,000**	2,709,000
2 July 2008	1 July 2018	HK$2.326	**1,920,000**	1,920,000
Senior management and other employees				
4 April 2007	3 April 2017	HK$4.07	**5,358,000**	6,735,000
2 July 2008	1 July 2018	HK$2.326	**17,740,000**	18,880,000
			27,727,000	30,244,000

Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	Six months ended 30 June			
	2015 (unaudited)		2014 (unaudited)	
	Average exercise price per share	**Number of share options**	Average exercise price per share	Number of share options
As at 1 January	**HK$2.871**	**30,244,000**	HK$2.876	31,874,000
Lapsed	**HK$3.280**	**(2,517,000)**	HK$2.326	(220,000)
As at 30 June	**HK$2.833**	**27,727,000**	HK$2.871	31,654,000

As at 30 June 2015, all of the 27,727,000 (2014: 31,654,000) outstanding share options were vested and exercisable. During the period, no share options were exercised (2014: Nil) and 2,517,000 (2014: 220,000) share options lapsed.

Share options granted are exercisable within a period of ten years within which there is a total vesting period of four years. Commencing from the first, second, third and fourth anniversaries of the offer date of a share option, the relevant grantee may exercise up to 25%, 50%, 75% and 100% respectively of the shares comprised in his or her share option.

Consideration in connection with all share options granted were received. Save as mentioned above, no other share options granted under the Option Scheme were cancelled or exercised during the period. The Group has no legal or constructive obligation to buy back or settle the share options in cash.

19 OTHER RESERVES

	Merger reserve RMB'000	Capital reserve RMB'000	Available-for-sale financial assets reserve RMB'000	Statutory reserves RMB'000	Share-based compensation reserve RMB'000	Convertible option reserve RMB'000	Others RMB'000	Total RMB'000
At 1 January 2014 (audited)	306,548	2,262,848	202,440	480,039	28,010	208,149	257,868	3,745,902
Fair value loss on available-for-sale financial assets	–	–	(108,936)	–	–	–	–	(108,936)
Deferred tax on fair value loss on available-for-sale financial assets	–	–	27,234	–	–	–	–	27,234
Lapse of share options	–	–	–	–	(114)	–	–	(114)
Issue of new shares upon conversion of convertible bonds	–	–	–	–	–	(59,977)	–	(59,977)
At 30 June 2014 (unaudited)	306,548	2,262,848	120,738	480,039	27,896	148,172	257,868	3,604,109
At 1 January 2015 (audited)	**306,548**	**2,262,848**	**1,161,680**	**607,138**	**20,214**	**104,547**	**257,868**	**4,720,843**
Fair value gain on available-for-sale financial assets	**–**	**–**	**5,844,891**	**–**	**–**	**–**	**–**	**5,844,891**
Deferred tax on fair value gain on available-for-sale financial assets	**–**	**–**	**(1,458,051)**	**–**	**–**	**–**	**–**	**(1,458,051)**
Release on disposal of available-for-sale financial assets	**–**	**–**	**(1,175,193)**	**–**	**–**	**–**	**–**	**(1,175,193)**
Release of deferred tax upon disposal of available-for-sale financial assets	**–**	**–**	**293,798**	**–**	**–**	**–**	**–**	**293,798**
Lapse of share options	**–**	**–**	**–**	**–**	**(1,971)**	**–**	**–**	**(1,971)**
Issue of new shares upon conversion of convertible bonds	**–**	**–**	**–**	**–**	**–**	**(93,948)**	**–**	**(93,948)**
Acquisition of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**5,716**	**5,716**
At 30 June 2015 (unaudited)	**306,548**	**2,262,848**	**4,667,125**	**607,138**	**18,243**	**10,599**	**263,584**	**8,136,085**

20 ACCOUNTS AND BILLS PAYABLES

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Accounts payable (note (a))	**932,491**	917,992
Bills payable (note (b))	**187,757**	183,558
	1,120,248	1,101,550

Notes:

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

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
1 to 6 months	**910,900**	883,308
7 to 12 months	**15,972**	22,658
Over 1 year	**5,619**	12,026
	932,491	917,992

(b) Bills payable are bills of exchange with average maturity period of 3 to 12 months (2014: 3 to 6 months). As at 30 June 2015, bank deposits of nil (2014: RMB2,353,000) were pledged against bills payable of nil (2014: RMB11,432,000) as security (Note 25).

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

21 BANK BORROWINGS

Bank borrowings are analysed as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Non-current		
Long-term bank borrowings		
— secured (note (d))	**17,987,693**	17,355,335
— unsecured	**14,995,944**	12,316,994
	32,983,637	29,672,329
Less:		
— current portion of long-term bank borrowings	**(4,447,575)**	(4,087,331)
	28,536,062	25,584,998
Current		
Short-term bank borrowings		
— secured (note (d))	**–**	394,388
— unsecured	**1,576,701**	3,484,560
Current portion of long-term bank borrowings	**4,447,575**	4,087,331
	6,024,276	7,966,279
Total bank borrowings	**34,560,338**	33,551,277

Notes:

(a) The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
RMB	**33,860,405**	32,393,111
JPY	**622,791**	672,456
USD	**77,142**	485,710
	34,560,338	33,551,277

21 BANK BORROWINGS (CONTINUED)

Notes: (Continued)

(b) The repayment terms of the long-term bank borrowings are analysed as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Wholly repayable within five years	**4,799,897**	6,928,870
Not wholly repayable within five years	**28,183,740**	22,743,459
	32,983,637	29,672,329

The Group's long-term bank borrowings were repayable as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Within one year	**4,447,575**	4,087,331
In the second year	**4,741,430**	4,352,672
In the third to fifth year	**10,672,855**	9,776,826
After the fifth year	**13,121,777**	11,455,500
	32,983,637	29,672,329

(c) The effective interest rates of the Group's bank borrowings are as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Current bank borrowings	**4.99%**	4.77%
Non-current bank borrowings	**5.66%**	5.92%

21 BANK BORROWINGS (CONTINUED)

Notes: (Continued)

(d) As at 30 June 2015, the bank borrowings of the Group were secured as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Secured against the rights on accounts receivable of certain subsidiaries of the Group (Note 16)	15,965,382	15,536,910
Secured against property, plant and equipment of certain subsidiaries of the Group	343,370	354,820
Secured against bank deposits of certain subsidiaries of the Group	300,000	394,388
Guaranteed by Hunan Provincial Finance Bureau	341,575	358,035
Guaranteed by Hunan Provincial Power Company	756,150	791,150
Guaranteed by CPIF	281,216	314,420
	17,987,693	17,749,723

(e) As at 30 June 2015, the Group had the following available unutilised borrowing facilities:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Bank borrowings	14,487,793	13,517,300

22 OTHER BORROWINGS

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Non-current		
Corporate bonds issued by:		
— the Company (note (a))	2,800,000	2,800,000
— a subsidiary (note (b))	997,060	1,496,590
	3,797,060	4,296,590
Less:		
Current portion of corporate bonds issued by:		
— the Company (note (a))	(800,000)	(800,000)
— a subsidiary (note (b))	–	(500,000)
	2,997,060	2,996,590
Convertible bonds issued by the Company (note (c))	74,407	732,854
	3,071,467	3,729,444
Current		
Corporate bonds issued by the Company reclassified as current (note(a))	800,000	800,000
Corporate bonds issued by a subsidiary reclassified as current (note(b))	–	500,000
Commercial notes (note (d))	1,834,080	1,835,700
	2,634,080	3,135,700
	5,705,547	6,865,144

Notes:

(a) Unsecured RMB denominated corporate bonds of RMB800,000,000 (2014: RMB800,000,000) were issued by the Company in December 2010 for a term of 5 years at an interest rate of 3.20% (2014: 3.20%) per annum and are repayable in full in 2015. The amount has been reclassified as current liability as at 30 June 2015 and 31 December 2014.

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

(b) Long-term corporate bonds issued by a subsidiary include certain bonds of RMB997,060,000 (2014: RMB996,590,000) issued by Wu Ling Power Corporation ("Wu Ling") and are bearing interest at 4.60% (2014: 4.60%) per annum for a term of 10 years from April 2009. These bonds are guaranteed by CPI Group.

In 2013, Wu Ling has issued corporate bonds of RMB500,000,000 which bear interest at 5.50% per annum for a term of 2 years from June 2013. The amount was fully repaid during the six months ended 30 June 2015.

22 OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

(c) Convertible bonds

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
2012 Convertible Bonds	**74,407**	732,854

In September 2012, the Company issued RMB denominated US$ settled 2.75% convertible bonds (the "2012 Convertible Bonds"), of an initial principal amount of RMB1,140,000,000 (equivalent to US$180,000,000). The value of the liability component of RMB966,279,000 and the equity conversion component of RMB148,237,000 were determined at issuance of the 2012 Convertible Bonds, after netting off transaction cost of RMB25,484,000.

At the option of bond holders, the aggregate amount of RMB1,140,000,000 will be convertible into fully paid shares of the Company. The 2012 Convertible Bonds will, subject to other terms and conditions, mature in five years from the issue date at 100% of the nominal value or can be converted into ordinary shares of the Company on or after 28 October 2012 at an initial conversion price of HK$2.52 per share (as adjusted to HK$2.094 per share with effect from 22 June 2015) pursuant to the terms and conditions as stipulated in the offering memorandum of the 2012 Convertible Bonds at a fixed exchange rate of RMB0.8185 to HK$1.00.

The 2012 Convertible Bonds are listed on The Stock Exchange of Hong Kong Limited.

On initial recognition, the fair value of the liability component included in long-term other borrowings was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is accounted for as a convertible option reserve included in reserves. The liability component is subsequently stated at amortised cost until extinguished on conversion or maturity of the bonds.

The 2012 Convertible Bonds recognised in the condensed consolidated statement of financial position is calculated as follows:

	RMB'000
Carrying amount as at 1 January 2014	1,005,701
Accrued interest	16,290
Carrying amount as at 30 June 2014	1,021,991
Carrying amount as at 1 January 2015	**732,854**
Conversion	**(666,364)**
Accrued interest	**7,917**
Carrying amount as at 30 June 2015	**74,407**

Interest expense on the liability component of the 2012 Convertible Bonds are calculated using the effective interest method, applying the effective interest rate of 6.36% (2014: 6.36%) per annum to the liability component.

During the six months ended 30 June 2015, the aggregate amount of RMB666,364,000 (2014: Nil) of the 2012 Convertible Bonds was converted into 401,494,337 (2014: Nil) new shares, resulting in an increase in share capital of approximately RMB722,500,000 (2014: Nil). These shares rank pari passu in all respects with the existing shares.

As at 30 June 2015, the outstanding principal amount of the 2012 Convertible Bonds was RMB81,500,000, which could be fully converted into approximately 47,551,000 shares of the Company. The dilutive impact on earnings per share for the period is set out in Note 12.

As at 30 June 2015, the funding required to meet the Company's redemption obligations under the outstanding 2012 Convertible Bonds is insignificant based on the Group's financial position and available borrowing facilities.

(d) Pursuant to the Commercial Paper Dealer Agreement entered into by the Company on 8 July 2014, the Company may issue US$ denominated commercial notes to institutional accredited investors in the United States with an aggregate amount of not more than US$300,000,000 for a 3-year period starting 8 July 2014. The term of each commercial note is not more than 270 days. Commercial notes of US$300,000,000 (approximately RMB1,834,080,000) were issued by the Company as at 30 June 2015 (2014: US$300,000,000 (approximately RMB1,835,700,000)). The commercial notes do not bear coupon interest but were issued at discount rates ranging from 0.42% to 0.50%.

23 DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Derivative financial instruments — assets	**99,768**	–

During the period, the Company entered into derivative financial instruments to hedge foreign currency risk for the short term USD commercial note issued by the Company in July 2014. These derivative financial instruments were not designated as hedging instruments. The change in fair value of the derivative financial instruments of RMB41,989,000 was recognised in the condensed consolidated income statement.

24 PROVISIONS FOR OTHER LONG-TERM LIABILITIES

Provisions for other long-term liabilities as at 30 June 2015 represent provision of RMB1,007,710,000 (2014: 982,452,000) in relation to compensations for inundation caused by the construction of two hydropower plants of the Group. The provision is measured at the present value of the expenditures expected to be required to settle the compensations using a pre-tax rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provision due to the passage of time is recognised as interest expense. Provision for early retirement benefits amounting to RMB1,705,000 as at 31 December 2014 was settled during the six months ended 30 June 2015.

Analysis of the provision in relation to compensations for inundation as at 30 June 2015 is as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Non-current liabilities (included in provisions for other long-term liabilities)	**930,770**	934,552
Current liabilities (included in other payables and accrued charges)	**76,940**	47,900
	1,007,710	982,452

24 PROVISIONS FOR OTHER LONG-TERM LIABILITIES (CONTINUED)

The movement of this provision during the six months ended 30 June 2015 is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Opening balance as at 1 January	**982,452**	–
Recognised during the period	**–**	679,832
Interest expense (Note 10)	**40,993**	29,285
Payment	**(15,735)**	–
Closing balance as at 30 June	**1,007,710**	709,117

25 PLEDGE OF ASSETS

Certain of the Group's assets have been pledged as securities for borrowings, bills payable and obligations under finance lease and the carrying amounts of the pledged assets as at 30 June 2015 are as follows:

	At 30 June	At 31 December
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Property, plant and equipment secured against bank borrowings	**546,115**	637,889
Accounts receivable secured against bank borrowings and long-term borrowings from CPIF (Note 16)	**1,324,873**	1,302,959
Bank deposits secured against		
— bills payable (Note 20(b))	**–**	2,353
— obligations under finance lease	**–**	35,000
— bank borrowings	**300,000**	304,000
	300,000	341,353

26 CAPITAL COMMITMENTS

(a) Capital commitments outstanding at the end of reporting period not provided for were as follows:

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Authorised but not contracted for in respect of		
— property, plant and equipment	**14,336**	827,036
Contracted but not provided for in respect of		
— property, plant and equipment	**5,266,531**	3,688,559
— capital contribution to associates	**277,425**	277,425
— capital contribution to a joint venture	**584**	584
	5,558,876	4,793,604

(b) There are no contingent liabilities relating to the Group's interests in the joint ventures and the joint ventures did not have any material contingent liabilities as at 30 June 2015 (2014: Nil).

27 RELATED PARTY TRANSACTIONS

CPI Group is controlled by the PRC government which also owns a significant portion of the productive assets in the PRC. In accordance with HKAS 24 (Revised), government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include CPI Group, its subsidiaries, joint ventures and associates (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and CPI Group as well as their close family members.

For the purpose of the related party transactions disclosures, the Directors believe that it is also meaningful to disclose the related party transactions with CPI Group companies for the interests of financial statements users. The Directors believe that the information of related party transactions has been adequately disclosed in these condensed consolidated financial statements.

The following is a summary of significant related party transactions which, in the opinion of the Directors, are entered into in the ordinary course of the Group's business in addition to the related party information shown elsewhere in these condensed consolidated financial statements. Management of the Group are of the opinion that meaningful information relating to related party transactions has been adequately disclosed.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Income

	Notes	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Interest income from:			
— a fellow subsidiary	(i)	–	956
— an associate	(i)	**2,580**	12,986
Rental income from a fellow subsidiary	(ii)	**27,060**	27,060
Management fee from CPIH	(iii)	**5,152**	4,444
Dividend income from Shanghai Power	(iv)	**90,823**	80,693
Dividend income from CPIF	(iv)	**4,520**	3,710
Income from provision of repairs and maintenance services to a fellow subsidiary	(v)	**1,590**	1,028
Income from provision of IT services to			
— CPIH	(vi)	**80**	214
— fellow subsidiaries	(vi)	**7,378**	8,512
— an associate	(vi)	**290**	292
Sales of fuel, raw materials and spare parts to:			
— fellow subsidiaries	(vii)	**39,172**	–
— an associate	(vii)	**37,705**	41,474
Sales of unused power production quota to a fellow subsidiary	(viii)	**485**	–
Sales of electricity to fellow subsidiaries	(ix)	**7,338**	–

Notes:

(i) Interest income from an associate was charged at rates ranging from 5.40% to 6.30% (2014: 5.40% to 6.30%) per annum. Interest income from a fellow subsidiary in 2014 was charged at a fixed interest rate of 6.15% per annum.

(ii) Rental income from a fellow subsidiary was charged in accordance with the terms of the relevant agreements.

(iii) Management fee from CPIH was charged for the Group's services rendered for the management of a power plant on behalf of CPIH. This was charged in accordance with the terms of the relevant agreements.

(iv) Dividend income was received from Shanghai Power and CPIF based on the dividends declared by the respective board of directors in proportion to the Group's interest in the companies.

(v) Income from the provision of repairs and maintenance services to a fellow subsidiary was charged in accordance with the terms of the relevant agreements.

(vi) Income from the provision of IT services to CPIH, fellow subsidiaries and an associate was charged in accordance with the terms of the relevant agreements.

(vii) Sales of fuel, raw materials and spare parts were charged in accordance with the terms of the relevant agreements.

(viii) Sales of unused power production quota to a fellow subsidiary were charged in accordance with the terms of the relevant agreements.

(ix) Sales of electricity to fellow subsidiaries were charged in accordance with the terms of the relevant agreements.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Expenses

	Notes	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Purchases of fuel, raw materials and spare parts from:			
— non-controlling shareholders of subsidiaries	(i)	**1,007,417**	3,511,309
— fellow subsidiaries	(i)	**73,920**	64,972
— a joint venture	(i)	**–**	37,902
Service fees to fellow subsidiaries	(ii)	**86,087**	107,056
Interest expenses to:			
— CPIF	(iii)	**10,393**	9,144
— CPI Group	(iii)	**81,453**	98,494
— CPIH	(iii)	**–**	3,084
— a fellow subsidiary	(iii)	**5,779**	3,539
Construction costs to fellow subsidiaries	(iv)	**2,828**	13,538
Operating lease rental expenses in respect of:			
— land to CPI Group	(v)	**3,423**	11,170
— buildings to CPIH	(v)	**11,156**	8,408
Purchase of property, plant and equipment from fellow subsidiaries	(vi)	**71,946**	–

Notes:

(i) Purchases of fuel, raw material and spare parts were charged in accordance with the terms of the relevant agreements.

(ii) Service fees were largely related to repairs and maintenance services and transportation services which were charged based on mutually agreed prices.

(iii) Interest expenses to CPIF, CPI Group and a fellow subsidiary were charged based on outstanding loan balances at interest rates ranging from 5.60% to 6.00% (2014: 5.60% to 6.00%) per annum, from 3.90% to 6.40% (2014: 3.90% to 6.40%) per annum and at 5.60% (2014: 5.60%) per annum, respectively. Interest expenses to CPIH in 2014 was charged based on outstanding loan balances at an interest rate of 5.40%.

(iv) Construction costs were charged in accordance with the terms of contracts.

(v) Rental expenses in respect of certain land and buildings leased from CPI Group and CPIH were charged in accordance with the terms of the relevant agreements.

(vi) The purchase of property, plant and equipment from fellow subsidiaries were charged in accordance with the terms of the relevant agreements.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Period-end/year-end balances with related parties

	Notes	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Borrowings from CPIF	(i)	(10,600)	(11,000)
Borrowings from CPI Group	(ii)	(2,744,111)	(3,804,111)
Borrowings from a fellow subsidiary	(iii)	(365,000)	(40,000)
Amounts due from:			
— non-controlling shareholders	(iv)	–	252
— a joint venture	(iv)	67,076	–
— associates	(iv)	446,151	205,631
— fellow subsidiaries	(iv)	196,667	118,800
— CPI Group	(iv)	15,726	–
— CPIH	(iv)	127	–
— CPIF	(iv)	4,706	8,605
— CPDL	(iv)	140	140
Amounts due to:			
— non-controlling shareholders	(iv)	(124,538)	(50,499)
— fellow subsidiaries	(iv)	(155,301)	(103,480)
— CPI Group	(iv)	(169,984)	(170,279)
— CPIH	(iv)	(131,299)	(127,091)
— CPIF	(iv)	(211,713)	–
— a joint venture	(iv)	(50)	–
— CPDL	(iv)	(80,775)	–
Dividend payable to:			
— a non-controlling shareholder	(iv)	(216,031)	–

Notes:

(i) Borrowings from CPIF are secured and bearing interest at rates ranging from 5.60% to 6.00% (2014: 5.90%) per annum.

(ii) Borrowings from CPI Group are unsecured, carrying interest at rates ranging from 4.93% to 6.40% (2014: 4.93% to 6.40%) per annum and are repayable by the year 2018.

(iii) Borrowings from a fellow subsidiary are unsecured, carrying interest at a fixed interest rate of 5.60% per annum and are repayable within one year.

(iv) The balances with these related parties are unsecured, interest free and repayable on demand.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) For the six months ended 30 June 2015 and 2014, the Group's significant transactions and balances with entities that are controlled, jointly-controlled or significantly influenced by the PRC government mainly include:

(i) bank deposits in state-owned banks and the related interest income

(ii) bank borrowings from state-owned banks and the related interest expenses

(iii) sales of electricity to provincial power grid companies owned by the PRC government and the related receivables

(iv) purchases of coal from state-owned enterprises and the related payables

(v) reservoir maintenance and usage fees to the PRC government

(vi) service fees to state-owned enterprises

The prices and terms of such transactions are set out in the relevant agreements governing these transactions or as mutually agreed.

(e) Key management compensation

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Basic salaries, housing allowance, other allowances, discretionary bonus and other benefits	**6,068**	5,934