



# China Power New Energy Development Company Limited

中國電力新能源發展有限公司\*

Incorporated in Bermuda with limited liability

Stock Code : 0735

## Green Innovation Interim Report 2015



\* For identification purpose only



## CORPORATE INFORMATION

### Chairman of the Board

Ms. Li Xiaolin

### Vice Chairman of the Board

Mr. Bi Yaxiong

### Chief Executive Officer

Mr. He Hongxin

### Executive Directors

Ms. Li Xiaolin

Mr. Zhao Xinyan

Mr. He Hongxin

Mr. Qi Tengyun

Mr. Wang Hao

(resigned on 20 March 2015)

### Non-Executive Directors

Mr. Bi Yaxiong

Mr. An Luming

### Independent Non-Executive Directors

Mr. Chu Kar Wing

Mr. Wong Kwok Tai

Dr. Li Fang

Ms. Ng Yi Kum

### Executive Committee

Ms. Li Xiaolin (*Chairman*)

Mr. Zhao Xinyan

Mr. He Hongxin

Mr. Qi Tengyun

Mr. Wang Hao

(resigned on 20 March 2015)

### Audit Committee

Mr. Chu Kar Wing (*Chairman*)

Mr. Wong Kwok Tai

Dr. Li Fang

Ms. Ng Yi Kum

### Remuneration Committee

Mr. Chu Kar Wing (*Chairman*)

Mr. Wong Kwok Tai

Dr. Li Fang

Ms. Ng Yi Kum

### Nomination Committee

Ms. Li Xiaolin (*Chairman*)

Mr. Chu Kar Wing

Mr. Wong Kwok Tai

Dr. Li Fang

Ms. Ng Yi Kum

### Investment and Budget Management Committee

Mr. Zhao Xinyan (*Chairman*)

Dr. Li Fang

Mr. He Hongxin

Mr. Wang Zhiying

Mr. Huang Yuanwang

Mr. Chen Xuezhi

### Company Secretary

Mr. Fung Chun Nam

### Auditor

PricewaterhouseCoopers

(*Certified Public Accountants*)

22/F, Prince's Building

Central, Hong Kong

### Registered Office

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Hamilton HM 11

Bermuda

### Head Office and Principal Place of Business in Hong Kong

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### Principal Share Registrar

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Hamilton HM 11

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### Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited

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### Stock Code

735

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## INTERIM RESULTS

The Board of Directors (the “Board”) of China Power New Energy Development Company Limited (the “Company”) is pleased to present the unaudited interim results of the Company and its subsidiaries (together, the “Group”) for the six-month period ended 30 June 2015 (the “Period”). The interim financial information has not been audited but has been reviewed by the Audit Committee of the Company and PricewaterhouseCoopers.

The principal activities of the Group are the development, construction, owning, operation and management of clean energy power plants in Mainland China, including but not limited to wind power generation, hydro power generation, natural gas power generation, photovoltaic power generation, waste-to-energy power generation and other power generation projects. The number of power generation plants currently controlled by the Group has reached 27 which are mainly situated in Guangdong, Fujian, Gansu, Jiangsu, Chongqing, Yunnan and Hainan, etc., and the electricity generated thereof is sold to Southern Power Grid, East China Power Grid and Northwest Power Grid. The Group is also engaged in investment holding in the clean energy power industry, property investments and securities investments.

### **Business Review for the Six-Month Period Ended 30 June 2015**

For the six-month period ended 30 June 2015, the Group recorded revenue and tariff adjustment of approximately RMB1,233,235,000 (for the six-month period ended 30 June 2014: RMB1,208,752,000). Revenue from natural gas power generation of approximately RMB378,166,000 with a profit before tax of approximately RMB77,565,000, revenue from wind power generation of approximately RMB466,572,000 with a profit before tax of approximately RMB118,381,000, revenue from hydro power generation of approximately RMB181,522,000 with a loss before tax of approximately RMB1,000,000, revenue from waste-to-energy power generation of approximately RMB99,721,000 with a profit before tax of approximately RMB19,957,000 and revenue from photovoltaic power generation of approximately RMB53,359,000 with a profit before tax of approximately RMB15,722,000.

For the six-month period ended 30 June 2015, the Group’s fuel costs amounted to approximately RMB308,923,000 (for the six-month period ended 30 June 2014: RMB345,460,000), and net finance costs (mainly comprised of interest paid for borrowings in respect of the new energy power projects) amounted to approximately RMB226,810,000 (for the six-month period ended 30 June 2014: RMB219,686,000). The Group’s profit for the period was approximately RMB152,456,000 (for the six-month period ended 30 June 2014: RMB164,008,000) and the Group recorded profit attributable to equity holders of the Company amounted to approximately RMB152,731,000 (for the six-month period ended 30 June 2014: RMB162,312,000). Basic and diluted earnings per share amounted to approximately RMB0.0129 (for the six-month period ended 30 June 2014: RMB0.0141).



## Business Environment

For the first half of 2015, total power consumption nationwide was 2,662.4 billion kWh, representing a 1.3% year-on-year increase, which is 4.1% lower than the increase rate for the corresponding period of last year. Power generation by power plants above designated size nationwide was 2,709.1 billion kWh, representing a 0.6% year-on-year increase, which is 5.2% lower than the increase rate for the corresponding period of last year. Installed capacity of power plants with a capacity over 6,000 kW in the PRC was 1.36 billion kW, representing a 8.7% year-on-year increase. As the increase rate of installed capacity of power plants exceeded greatly the increase rate of power consumption, utilisation hours of power generation units grew only sluggishly.

For the first half of 2015, total average utilisation hours of power generation units in the PRC amounted to 1,936 hours, a year-on-year decrease of 151 hours as compared to the corresponding period of last year. Average utilisation hours for the Group's attributable installed capacity was 1,030 hours for the first half of the year, a year-on-year decrease of 288 hours. Installed capacity of on-grid wind power generation units nationwide was 104.91 million kW with an average utilisation hour of wind power generation units of 1,002 hours. Gansu had the lowest average utilisation hours of its wind power of 699 hours, representing a decrease of 185 hours as compared with that in the corresponding period of last year. The Group's installed capacity of wind power generation units was mainly concentrated in Gansu, where the average utilisation hours were 746 hours for the first half of the year, a year-on-year decrease of 161 hours. Installed capacity of hydropower generation by power plants with a capacity of over 6,000 kW in the PRC nationwide was 268 million kW with an average utilisation hour of power plants of 1,512 hours for the first half of the year, a year-on-year increase of 82 hours. 12 provinces recorded an increase in utilisation hours, while a decrease in utilisation hours was reported in Fujian with a year-on-year decrease of 378 hours. Our hydropower plants were mainly concentrated in Fujian, where the average utilisation hours were 1,394 hours for the first half of the year, a year-on-year decrease of 264 hours.



As at 30 June 2015, power projects in operation or in progress owned by the Group through its subsidiaries, an associate and joint ventures were as follows:

No.	Project Name	Nature of Business	Installed Capacity (MW)	Interest (%)	Attributable		Operating Hours (h)	Gross Generation (MWh)
					Installed Capacity (MW)	Average Tariff (RMB/MWh)		
1	Phase I of the Gansu Wind Power Project (甘肅風力發電項目一期)	Wind Power generation	100.5	100	100.5	462	1,241	124,691.1
2	Phase II of the Gansu Wind Power Project (甘肅風力發電項目二期)	Wind Power generation	49.5	100	49.5	540	639	31,642.5
3	Phase III of the Gansu Wind Power Project (甘肅風力發電項目三期)	Wind Power generation	201	100	201	520	618	124,318.1
4	Phase IV of the Gansu Wind Power Project (甘肅風力發電項目四期)	Wind Power generation	100.5	100	100.5	520	585	58,745.7
5	Phase V of the Gansu Wind Power Project (甘肅風力發電項目五期)	Wind Power generation	20	100	20	540	1,186	23,714.5
6	Heilongjiang Hongqi Wind Power Project (黑龍江紅旗風力發電項目)	Wind Power generation	49.5	100	49.5	620	1,174	58,114.8
7	Heilongjiang Hailang Wind Power Project (黑龍江海浪風力發電項目)	Wind Power generation	49.75	100	49.75	620	1,178	58,593.4
8	China Power Dafeng Wind Power Project (中電大豐風力發電項目)	Wind Power generation	200.25	100	200.25	488	787	157,564.8
9	Inner Mongolia Chayou Zhongqi Wind Power Project (內蒙古察右中旗風電項目)	Wind Power generation	49.5	100	49.5	510	1,009	49,958.6
10	No. 2 Gansu Anbei Wind Power Project (甘肅安北第二風電項目)	Wind Power generation	400	100	400	540	639	255,572.4
11	No. 6 Gansu Anbei Wind Power Project (甘肅安北第六風電項目)	Wind Power generation	201	100	201	540	598	120,278
12	Shanghai Sea Wind Power Project (上海海風發電項目)	Wind Power generation	102	13.18	13.44	975	1,022	104,310
13	Chongming Beiyau Wind Power Project (崇明北沿風力發電項目)	Wind Power generation	48	20	9.6	610	1,151	55,270.1
14	German Bönen Wind Power Project (德國Bönen風電項目)	Wind Power generation	8	100	8	93 Euro	990	792.9
15	Fujian Shaxikou Hydro-electric Power Plant (福建沙溪口水力發電廠)	Hydro Power generation	300	100	300	250	1,754	526,260.3
16	Niu Tou Shan Power Stations (牛頭山發電廠)	Hydro Power generation	115	52	59.8	358	1,218	140,105.8
17	Zhangping Huakou Hydro Power Plant (漳平市華口水電廠)	Hydro Power generation	36.6	100	36.6	344	1,244	45,526.8
18	Chongqing Meixi Hydro Power Plant (重慶梅溪河水電廠)	Hydro Power generation	129	100	129	384	1,054	135,960.0
19	Yunnan Yingjiang Hongtu Industrial Hydro Power (雲南盈江鴻福實業水電)	Hydro Power generation	64	100	64	227.02	762	48,740.5
20	Yunnan Yingjiang Huimin Hydro Power (雲南盈江惠民水電)	Hydro Power generation	6.4	100	6.4	258.57	1,661	10,633.4



No.	Project Name	Nature of Business	Attributable					
			Installed Capacity (MW)	Interest (%)	Installed Capacity (MW)	Average Tariff (RMB/MWh)	Operating Hours (h)	Gross Generation (MWh)
21	Kunming Waste Incineration Power Plant (昆明廢物焚化發電廠)	Waste-to-energy Power generation	30	100	30	650	2,459	73,761.6
22	Haikou Waste Incineration Power Plant (海口廢物焚化發電廠)	Waste-to-energy Power generation	24	100	24	650	3,364	80,744.0
23	Dongguan China Power New Energy Heat and Power Plant (東莞中電新能源熱電廠)	Natural Gas Power generation	360	100	360	745	1,327	477,657.4
24	Zhongdian Hongze Reproductive Substance Thermal Power Plant (中電洪澤生物質發電廠)	Biomass Power generation	15	100	15	760	1,532	22,976.9
25	Zhongdian Hongze Thermal Plant (中電洪澤熱電廠)	Coal-fired Power generation	6	60	3.6	483	2,355	14,130.5
26	Phase I of Gansu Wuwei Photovoltaic Power Project (甘肅武威光伏發電項目一期)	Photovoltaic Power generation	20	100	20	810	424	8,480.0
27	Phase II of Gansu Wuwei Photovoltaic Power Project (甘肅武威光伏發電項目二期)	Photovoltaic Power generation	30	100	30	1,000	533	15,976.7
28	Phase I of Gansu Baiyin Photovoltaic Power Project (甘肅白銀光伏發電項目一期)	Photovoltaic Power generation	20	100	20	827	786	15,713.2
29	Phase II of Gansu Baiyin Photovoltaic Power Project (甘肅白銀光伏發電項目二期)	Photovoltaic Power generation	30	100	30	1,000	745	22,336.8
30	Hainan Changjiang Photovoltaic Power Project (海南昌江光伏發電項目)	Photovoltaic Power generation	20	100	20	1,000	597	11,941.4
<b>Aggregate Controlled Amount of Capacity in Operation*</b>			<b>2,635.5</b>		<b>2,600.94</b>			<b>2,714,932</b>

\* The data excludes Shanghai Sea Wind Power Project and Chongming Beiyan Wind Power Project.



## Projects in Progress

No.	Project Name	Nature of Business	Installed	Interest	Attributable	Average
			Capacity		Installed	
			(MW)	(%)	(MW)	(RMB/MWh)
1	Phase II of Dongguan Natural Gas Power Expansion Project (東莞二期天然氣發電擴建項目)	Natural gas Power generation	920	100	920	Not yet determined
2	Phase II of Haikou Waste Power Expansion Project (海口二期垃圾發電擴建項目)	Waste-to-energy Power generation	24	100	24	650
3	Guiyang Huaxi Waste-to-energy Power Project (貴陽花溪垃圾發電項目)	Waste-to-energy Power generation	24	100	24	650
4	Hubei Macheng Wind Power Project (湖北麻城風力發電項目)	Wind Power generation	80	100	80	625
5	Yunnan Yuanjiang Photovoltaic Power Project (雲南元江光伏發電項目)	Photovoltaic Power generation	20	100	20	950
6	Sichuan Panzhihua Photovoltaic Power Project (四川攀枝花光伏發電項目)	Photovoltaic Power generation	50	100	50	Not yet determined
7	Hainan Wanning Waste Power Project (海南萬寧垃圾發電項目)	Waste-to-energy Power generation	24	100	24	Not yet determined
<b>Aggregate Amount of Projects in Progress Total</b>			<b>1,142</b>		<b>1,142</b>	
<b>Aggregate Amount of Projects in Operation and in Progress Total</b>			<b>3,777.5</b>		<b>3,742.94</b>	

In light of the above, aggregate controlled amount of capacity in operation was 2,635.5MW, and attributed installed capacity in operation was 2,600.94MW.

Aggregate installed capacity in progress was 1,142MW and attributed installed capacity in progress was 1,142MW.



## Wind Power Generation Projects

For the six-month period ended 30 June 2015, the Group's attributable installed capacity of wind power in operation was 1,429.5MW with power generation of 1,063,986.8MWh of controlled installed capacity in the half-year period, representing a year-on-year growth of 36.26% (corresponding period of last year: 780,845MWh). The current capacity in progress under this segment is 80MW, with project reserve of 647.5MW.

## Natural Gas Power Generation Projects

For the six-month period ended 30 June 2015, the Group's attributable installed capacity of natural gas power in operation was 360MW with power generation of 477,657.4MWh in the half-year period, representing a year-on-year decrease of 7.5% (corresponding period of last year: 516,394MWh). This segment contributed as one of the Group's major profit sources. The current expanded capacity of Dongguan Phase II is 920MW, with project reserve of 2,725MW.

## Hydro Power Generation Projects

For the six-month period ended 30 June 2015, the Group's attributable installed capacity of hydro power in operation was 595.8MW with power generation of 907,226.8MWh in the half-year period, representing a year-on-year decrease of 15.97% (corresponding period of last year: 1,079,654MWh). Currently the project reserve of this segment is 768MW.

## Photovoltaic Power Generation Projects

For the six-month period ended 30 June 2015, the Group's attributable installed capacity of photovoltaic power in operation was 120MW with power generation of 74,448.1MWh in the half-year period, representing a year-on-year increase of 1.95% (corresponding period of last year: 73,025MWh). The current capacity in progress under this segment is 70MW, with project reserve was over 887MW.

## Waste-to-energy Power Generation Projects

For the six-month period ended 30 June 2015, the Group's attributable installed capacity of waste-to-energy power in operation was 54MW with power generation of 154,505.6MWh in the half-year period, representing a year-on-year decrease of 7.18% (corresponding period of last year: 166,451MWh). The current capacity in progress under this segment is 72MW, with project reserve was over 212MW.





## FUTURE PLANS

The PRC has clearly defined the direction for the development of new energy while the PRC government has called for the building of an eco-friendly civilisation, the Group believes that there is enormous development potential for the sector of new energy. On this basis, the Group will follow the direction of establishing itself as a leading enterprise in the new energy sector, focusing on enhancing business performance and safeguarding investors' interests. Strategic development will be rolled out both in China and in the global market, to be flanked by respective business platforms in Hong Kong and in the Mainland China. In brief, our direction is well guided and our goals are clearly set out, as we drive development at home and abroad with the support of two efficient platforms.

## Overview of Future Project Development

Nature of Business	Project Name	Installed Capacity (MW)	Project Progress
Wind Power	Phase II of Jiangsu Dafeng Wind Power Project (江蘇大豐二期風電)	100	Under approval
	Shandong Wendeng Wind Power Project (山東文登風電)	49.5	Under approval
	Sheyang Sea Wind Power Project (射陽海上風電)	300	Under approval
	Fujian Pucheng Wind Power Project (福建浦城風電)	49.5	Road slip stage
	Yunnan Kunming Wind Power Project (雲南昆明風電)	49.5	Road slip stage
	Heilongjiang Qiqihar Wind Power Project (黑龍江齊齊哈爾風電)	49.5	Road slip stage
	Phase II of Inner Mongolia Chayou Zhongqi Wind Power Project (內蒙察右中旗風電二期)	49.5	Road slip stage
	Subtotal	647.5	



<b>Nature of Business</b>	<b>Project Name</b>	<b>Installed Capacity (MW)</b>	<b>Project Progress</b>
Natural Gas Power	Dongguan Lisha Island Gas Turbine Project (東莞立沙島燃機項目)	400	Under approval
	Tianjin Ninghe Natural Gas Power Project (天津寧河天然氣項目)	780	Under approval
	Hainan Meian Xincheng Distributed Energy Project (海南美安新城分布式能源項目)	180	Under approval
	Anhui Tianchang Distributed Energy Project (安徽天長分布式能源項目)	120	Road slip stage
	Hongze Gas Turbine (洪澤燃機)	120	Road slip stage
	Yancheng Gas Turbine (鹽城燃機)	345	Road slip stage
	Weihai Gas Turbine (威海燃機)	780	Road slip stage
	Subtotal	<u>2,725</u>	
	Hydro Power	Laos Phou Ngoy Hydroelectricity Project (老撾坡諾水電項目)	728
Chongqing Meixi River Grade 2 and Grade 3 Power Station (重慶梅溪河二級三級電站)		40	Under approval
Subtotal		<u>768</u>	



Nature of Business	Project Name	Installed Capacity (MW)	Project Progress
Photovoltaic Power	Fujian Zhangpu Photovoltaic Power Project (福建漳浦光伏)	80	Under approval
	Heilongjiang Tailai Photovoltaic Power Project (黑龍江泰來光伏)	10	Under approval
	Jiangsu Jianhu Rooftop Distributed Photovoltaic Power Project (江蘇建湖屋頂分布式光伏)	2	Under approval
	Jiangxi Ji'an Photovoltaic Power Project (江西吉安光伏)	10	Under approval
	Phase III of Gansu Baiyin Photovoltaic Power Project (甘肅白銀三期)	15	Road slip stage
	Inner Mongolia Huade Photovoltaic Power Project (內蒙化德光伏)	50	Under approval
	Inner Mongolia Zhuozi Photovoltaic Power Project (內蒙卓資光伏)	100	Road slip stage



Nature of Business	Project Name	Installed Capacity (MW)	Project Progress
	Yunnan Mengzi Photovoltaic Power Project (雲南蒙自光伏)	200	Road slip stage
	Yunnan Gejiu Photovoltaic Power Project (雲南個舊光伏)	200	Road slip stage
	Kunming Xishan Photovoltaic Power Project (昆明西山光伏)	20	Road slip stage
	Inner Mongolia Chayou Zhongqi Photovoltaic Power Project (內蒙察右中旗光伏)	50	Road slip stage
	Shanxi Lingqin Photovoltaic Power Project (山西靈丘光伏)	50	Road slip stage
	Phase III of Gansu Wuwei Project (甘肅武威三期)	50	Under approval
	Gansu Yongdeng Photovoltaic Power Project (甘肅永登光伏)	50	Under approval
	Subtotal	<hr/> 887 <hr/>	



<b>Nature of Business</b>	<b>Project Name</b>	<b>Installed Capacity (MW)</b>	<b>Daily Capacity (ton)</b>	<b>Project Progress</b>
Waste-to-energy Power	Guizhou Renhuai Waste-to-energy Power Project (貴州仁懷垃圾發電)	24	1,200	Under approval
	Anhui Wuhu Waste-to-energy Power Project (安徽蕪湖垃圾發電)	24	1,200	Under approval
	Hebei Bazhou Waste-to-energy Power Project (河北霸州垃圾發電)	24	1,200	Under approval
	Sichuan Deyang Waste-to-energy Power Project (四川德陽垃圾發電)	24	1,200	Under approval
	Heilongjiang Mudan River Waste-to-energy Power Project (黑龍江牡丹江垃圾發電)	24	1,200	Road slip stage
	Laoning Tieling Waste-to-energy Power Project (遼寧鐵嶺垃圾發電)	24	1,200	Road slip stage
	Hubei Macheng Waste-to-energy Power Project (湖北麻城垃圾發電)	24	1,200	Road slip stage
	USA Environmental Power Project (美國環保發電)	44	1,800	Road slip stage
	Subtotal		212	10,200
Other power generation project	Anhui Fengtai Straw-fired Power Project (安徽鳳台秸稈發電)	30		Road slip stage
	Subtotal	30		
	Total	5,269.5		



The Group's future efforts will be focused on:

1. Optimising our mid-to-long term strategic plans and dynamically adjusting development plan. In the coming years, we will greatly develop eco-power generation projects and natural gas power generation projects, achieve a steady progress of development in wind power generation and photovoltaic power generation projects and scale down assets solidification with an aim to increase return on equity. In addition, we will explore the possibility of establishing a project combining intelligent grid and new energies.
2. Strengthening our capacity in project development. We will endeavor to obtain "road slip" approval for eco-power generation projects, such as Tieling Waste-to-energy Power Generation Project, Macheng Waste-to-energy Power Generation Project, Shengqiu Waste-to-energy Power Generation Project and Pingdingshan Waste-to-energy Power Generation Project, ensure to obtain approval for 4 eco-power generation projects, namely Sichuan Deyang, Hebei Bazhou, Anhui Wuhu and Guizhou Renhuai. In addition, we will endeavor to obtain approval Guangdong Lisha Island Gas-fired Power Generation Project and ensure to obtain approval for Dafeng Wind Power Generation Project Phase II. For photovoltaic power generation projects, we will ensure to proceed with filing for Jiangxi Ji'an, Heilongjiang Tailai, Jiangsu Jianhu and Baiyin Phase III; obtain "road slip" approval for Shanxi Lingqiu, Yunnan Mengzi, Yunnan Gejiu and Yunnan Yingjiang. We will identify 1 or 2 potential acquisitions of mid-to-small sized hydro power generation projects.
3. Development in parallel with mergers and acquisitions. We will well develop major power grid regions and conduct development and mergers and acquisitions of projects in capacity-centered regions; properly conduct mergers and acquisitions of top-notch projects in new energies and clean energies at home and abroad, so as to improve economics forecasts in mergers and acquisitions of our projects, striving for benefit maximisation of assets acquired and disposal of low-efficient or non-performing assets.
4. We will continue its on-going go-global strategy by developing or acquiring hydro power generation, wind power generation, photovoltaic power generation and eco-power generation projects abroad in the next 3 to 5 years with an aim to fulfill our targets of 1 million kW for hydro power generation, 1 million kW in aggregate for wind power generation and photovoltaic power generation and 1 million kW for eco-power and natural gas power generation. In addition, we will continue to facilitate the progress of preliminary work for hydro power generation project in Laos.



## FINANCIAL REVIEW

### Revenue and Tariff Adjustment

For the six-month period ended 30 June 2015, revenue and tariff adjustment were approximately RMB1,233,235,000 (for the six-month period ended 30 June 2014: approximately RMB1,208,752,000), representing an increase of 2% over the same period last year. The increase was primarily attributed to an increase in power generation of new Anbei wind power generation units.

### Fuel Costs

For the six-month period ended 30 June 2015, fuel costs of the Group were approximately RMB308,923,000 (for the six-month period ended 30 June 2014: approximately RMB345,460,000), representing a decrease of 11% over the same period last year. The decrease was mainly attributed to a decrease in power consumption, a decrease in power generation and a decrease in cost of natural gas as a result of an increased downtrend pressure of the economy, resulting in a decrease in fuel costs.

### Depreciation and Amortisation

For the six-month period ended 30 June 2015, depreciation and amortisation of the Group were approximately RMB319,709,000 (for the six-month period ended 30 June 2014: approximately RMB263,001,000), representing an increase of 22% over the same period last year, which was mainly attributed to the provision for depreciation incurred on the newly operating projects, including Anbei wind power generation.

### Staff Costs

For the six-month period ended 30 June 2015, staff costs of the Group were approximately RMB106,871,000 (for the six-month period ended 30 June 2014: approximately RMB93,950,000), there was an increase of 14% over the same period last year. The increase in staff costs was mainly attributed to increase in number of staff members and rise in salary costs as a result of the commencement of production of newly established projects.

### Repairs and Maintenance

For the six-month period ended 30 June 2015, the expenditure on repairs and maintenance of the Group was approximately RMB25,038,000 (for the six-month period ended 30 June 2014: approximately RMB16,497,000), representing an increase of 52% over the same period last year. The increase mainly because a larger scale of inspection, maintenance and repair on individual power generation units has been conducted in the first half of 2015 in light of the increase in number of operating hours of those units for ensuring normal operation of the units and effectiveness of disposal of waste.



## Operating Profit

For the six-month period ended 30 June 2015, the operating profit of the Group was approximately RMB410,124,000 (for the six-month period ended 30 June 2014: approximately RMB416,053,000), representing a decrease of 1% over the same period last year. The decrease was mainly attributed to a decrease in power consumption and a decrease in power generation as a result of a downtrend pressure of the economy.

## Finance Costs, Net

For the six-month period ended 30 June 2015, the net finance costs of the Group amounted to approximately RMB226,810,000 (for the six-month period ended 30 June 2014: approximately RMB219,686,000), representing an increase of 3% over the same period last year. The increase in net finance costs was due to finance costs of the loans for new projects.

## Income Tax Expense

For the six-month period ended 30 June 2015, income tax expense of the Group was approximately RMB36,449,000 (for the six-month period ended 30 June 2014: approximately RMB46,252,000), representing a decrease of 21% over the same period last year. The decrease in income tax expense was primarily attributed to the decrease in total profit.

## Profit Attributable to the Equity Holders of the Company

For the six-month period ended 30 June 2015, profit attributable to equity holders of the Company was approximately RMB152,731,000 (for the six-month period ended 30 June 2014: approximately RMB162,312,000), representing a decrease of 6% over the same period last year, which was mainly attributable to, among others, a decrease in power consumption and power generation supply.

## Liquidity and Financial Resources

As at 30 June 2015, the Group had cash and cash equivalents of approximately RMB1,332,070,000 (31 December 2014: approximately RMB775,772,000). Increase in cash and cash equivalents was mainly from cash inflow from operation and bank financing.





## **Non-current assets classified as held for sale**

The non-current assets classified as held for sale represented a 20% equity interest in an associate. As at 31 December 2014, the equity investment has been presented as held for sale following the management's decision to sell the equity interest and the identification of potential buyers. The Group entered into a Share Transfer Memorandum with an independent third party on 13 February 2015 and further signed a Framework Agreement on 29 May 2015 to dispose of its entire equity interest in that associate at a consideration of RMB255,000,000. Management expects to complete the transaction by 31 December 2015.

## **Capital Expenditure**

For the six-month period ended 30 June 2015, the capital expenditure of the Group was approximately RMB2,190,102,000, spent mainly on developments of new projects, the purchase of equipment and technical renovation. The major sources of capital were the Group's cash balance and project financing of bank loans.

## **Borrowings**

As at 30 June 2015, total borrowings and corporate bond of the Group amounted to approximately RMB10,845,108,000 (31 December 2014: approximately RMB9,009,377,000), consisting of short-term bank and other borrowings, current portion of long-term bank and other borrowings of approximately RMB1,635,261,000, long-term bank and other borrowings of approximately RMB8,412,600,000 and corporate bond of approximately RMB797,247,000.

## **Gearing Ratio**

As at 30 June 2015, the net debt divided by total capital was 53% (31 December 2014: 51%).

## **Foreign Exchange and Currency Risks**

The Group's main business transactions, assets and liabilities are substantially measured in Renminbi and Hong Kong dollar. The Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure to be insignificant.



## Investment Risk of the Capital Market

The Group has some of its funds invested in securities. With its business being focused on clean energy related businesses, the Group will reduce its securities investment business.

For the six-month period ended 30 June 2015, the Group's fair value gain on financial assets at fair value through profit and loss amounted to approximately RMB3,103,000 (for the six-month period ended 30 June 2014: loss of approximately RMB1,707,000).

## Charge on the Group's Assets

As at 30 June 2015, certain bank deposits, accounts receivable, lease prepayments, property, plant and equipment and investment properties of the Group with an aggregate amount of approximately RMB3,117,053,000 (31 December 2014: approximately RMB2,337,966,000) were pledged as certain borrowings of the Group and securities for certain notes payable and bank borrowings granted by banks.

## Contingent Liabilities

The Group did not have any significant contingent liabilities as at the balance sheet date.

## EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2015, the Group had approximately 1,218 employees in Hong Kong and the PRC (31 December 2014: 1,268).

Remuneration of directors and employees is determined by the Group with reference to performance, experience and duties as well as industry and market standards. The Group provided appropriate emoluments and benefit packages to all employees of its operating power plants and new project developments in the PRC based on their respective duties and pursuant to the labour laws and regulations of the PRC.

The Group also provides Hong Kong employees with a mandatory provident fund scheme with defined contribution as required by the laws of Hong Kong. It also provides Hong Kong employees with medical insurance.



## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the directors of the Company below had the following interests in the underlying shares of the Company which were required, pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### Long position in underlying shares of the Company – physically settled unlisted equity derivatives

Pursuant to the Company's share option scheme, the Company has granted options to the following directors of the Company to subscribe for shares of the Company, details of which as at 30 June 2015 were as follows:

Name of director	Nature of interest	Number of underlying shares in respect of the share options granted	Percentage* of underlying shares over the Company's issued share capital
Ms. Li Xiaolin	Beneficial owner	73,000,000	0.62%
Mr. Zhao Xinyan	Beneficial owner	38,000,000	0.32%

+ The percentage represents the number of underlying shares interested divided by the number of the Company's issued shares as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, none of the directors or executives of the Company or their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Security Transactions by Directors prescribed by the Listing Rules, to be notified to the Company and the Stock Exchange.



## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme operated by the Company as set out in note 18 to the condensed consolidated interim financial information and save as disclosed in the section headed "Share option scheme" below, at no time during the six-month period ended 30 June 2015 was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Company. Further details of the Company's share option scheme are disclosed in note 18 to the condensed consolidated interim financial information.

The following table discloses movements in the Company's share options during the six-month period ended 30 June 2015:

Name or category of participant	Number of share options					Outstanding as at 30 June 2015	Date of grant of share options	Exercise period of share options*	Exercise price of share options** HK\$ per share
	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period <sup>1</sup>	Lapsed during the period	Cancelled during the period				
<b>Directors</b>									
Ms. Li Xiaolin	23,000,000	-	-	-	-	23,000,000	8 June 2007	26 June 2007 to 7 June 2017	0.836
	20,000,000	-	-	-	-	20,000,000	1 November 2010	1 November 2010 to 31 October 2020	0.78
	30,000,000	-	-	-	-	30,000,000	16 January 2013	16 January 2013 to 15 January 2023	0.514
<i>Subtotal:</i>	<u>73,000,000</u>	-	-	-	-	<u>73,000,000</u>			
Mr. Zhao Xinyan	18,000,000	-	-	-	-	18,000,000	8 June 2007	15 June 2007 to 7 June 2017	0.836
	8,000,000	-	-	-	-	8,000,000	1 November 2010	1 November 2010 to 31 October 2020	0.78
	12,000,000	-	-	-	-	12,000,000	16 January 2013	16 January 2013 to 15 January 2023	0.514
<i>Subtotal:</i>	<u>38,000,000</u>	-	-	-	-	<u>38,000,000</u>			



Name or category of participant	Number of share options					Outstanding as at 30 June 2015	Date of grant of share options	Exercise period of share options*	Exercise price of share options** HK\$ per share
	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period <sup>1</sup>	Lapsed during the period	Cancelled during the period				
Mr. Wang Hao <sup>1</sup>	30,000,000	-	30,000,000	-	-	-	9 March 2007	26 March 2007 to 8 March 2017	0.63
	8,000,000	-	-	8,000,000	-	-	1 November 2010	1 November 2010 to 31 October 2020	0.78
	10,000,000	-	10,000,000	-	-	-	16 January 2013	16 January 2013 to 15 January 2023	0.514
<b>Subtotal:</b>	<b>48,000,000</b>	<b>-</b>	<b>40,000,000</b>	<b>8,000,000</b>	<b>-</b>	<b>-</b>			
	<b>159,000,000</b>	<b>-</b>	<b>40,000,000</b>	<b>8,000,000</b>	<b>-</b>	<b>111,000,000</b>			
<b>Other employees working under continuous employment contracts</b>									
In aggregate	20,000,000	-	-	-	-	20,000,000	9 March 2007	23 March 2007 to 8 March 2017	0.63
	5,000,000	-	-	5,000,000	-	-	8 June 2007	28 June 2007 to 7 June 2017	0.836
	33,500,000	-	-	5,000,000	-	28,500,000	1 November 2010	1 November 2010 to 31 October 2020	0.78
	55,500,000	-	-	-	-	55,500,000	16 January 2013	16 January 2013 to 15 January 2023	0.514
<b>Subtotal for employees:</b>	<b>114,000,000</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>104,000,000</b>			
<b>TOTAL:</b>	<b>273,000,000</b>	<b>-</b>	<b>40,000,000</b>	<b>18,000,000</b>	<b>-</b>	<b>215,000,000</b>			

Notes to the table of movements in the Company's share options during the period:

1. Mr. Wang Hao resigned as an executive director of the Company with effect from 20 March 2015. Pursuant to the share option scheme, his share options lapsed in three months following the date of resignation.

\* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

\*\* The number and/or exercise price of the share options is/are subject to adjustment in the case of rights or bonus issues, or other changes in the Company's share capital.

As at the date of this interim report, a total of 215,000,000 shares (representing approximately 1.81% of the existing issued share capital of the Company as at the date of this interim report) may be issued by the Company if all the outstanding options under the Scheme have been exercised.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2015, the following parties had interests of 5% or more of the issued share capital of the Company according to the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Nature of interest	Notes	Number of shares interested or deemed to be interested	Percentage holding*
State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會)	Corporate interests	1, 2, 3 & 4	7,786,418,572	65.62%
State Power Investment Corporation	Corporate interests	1 & 2	3,330,749,231	28.07%
China Power International Holding Limited	Corporate interests	1	3,135,029,231	26.42%
	Beneficial owner	2	195,720,000	1.65%
			3,330,749,231	28.07%
Tianying Holdings Limited	Corporate interests	1	3,135,029,231	26.42%
China Power New Energy Limited	Beneficial owner	1	3,135,029,231	26.42%
China Three Gorges Corporation (中國長江三峽集團公司)	Beneficial owner	3	3,216,269,231	27.10%
China National Offshore Oil Corporation	Corporate interests	4	900,000,000	7.58%
Overseas Oil & Gas Corporation, Ltd.	Corporate interests	4	900,000,000	7.58%
Shining East Investments Limited	Beneficial owner	4	900,000,000	7.58%



Notes:

1. These 3,135,029,231 shares were held by China Power New Energy Limited, a wholly-owned subsidiary of Tianying Holdings Limited, which in turn was a wholly-owned subsidiary of China Power International Holding Limited. China Power International Holding Limited was a wholly-owned subsidiary of State Power Investment Corporation (Formerly known as China Power Investment Corporation) which in turn was wholly owned by State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會). Accordingly, Tianying Holdings Limited, China Power International Holding Limited, State Power Investment Corporation and State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會) were deemed to be interested in these shares pursuant to Part XV of the SFO.
  2. These 195,720,000 shares were held by China Power International Holding Limited. Based on the relations set out in note 1 above, State Power Investment Corporation and State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會) were deemed to be interested in these shares pursuant to Part XV of the SFO.
  3. These 3,216,269,231 shares were held by China Three Gorges Corporation (中國長江三峽集團公司), a wholly-owned subsidiary of State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會). Accordingly, State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會) was deemed to be interested in these shares pursuant to Part XV of the SFO.
  4. These 900,000,000 shares were held by Shining East Investments Limited, a wholly-owned subsidiary of Overseas Oil & Gas Corporation, Ltd., which in turn was a wholly-owned subsidiary of China National Offshore Oil Corporation. China National Offshore Oil Corporation was a wholly-owned subsidiary of State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會). Accordingly, Overseas Oil & Gas Corporation, Ltd., China National Offshore Oil Corporation and State-owned Assets Supervision and Administration Commission of The State Council, the PRC (中國國務院國有資產監督管理委員會) were deemed to be interested in these shares pursuant to Part XV of the SFO.
- † The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, no person had registered an interest or a short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.



## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six-month period ended 30 June 2015.

## **PUBLIC FLOAT**

Based on information that is publicly available to the Company and to the best knowledge of the directors of the Company, there was sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules throughout the six-month period ended 30 June 2015.

## **CORPORATE GOVERNANCE REPORT**

The Company complied with the Corporate Governance Code (the "CG Code"), contained in Appendix 14 to the Listing Rules throughout the six-month period ended 30 June 2015 except for the following deviations:

### **Term of Office of the Directors**

The code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company, except Dr. Li Fang and Ms. Ng Yi Kum, are not appointed for a specific term, but they are subject to retirement by rotation and re-election by shareholders at annual general meeting pursuant to the Bye-laws (the "Bye-laws"). Accordingly, the Board considers that the Company meets the objective of the code provision A.4.1.

The code provision A.4.2 of CG Code requires every director, including those appointed for a specific term, to be subject to retirement by rotation at least once every three years. Pursuant to the Bye-laws, all directors, excluding the Chairman of the Board, shall retire from office by rotation at least once every three years. The Board considers that, though there is a deviation from the code provision A.4.2 of the CG Code, the aforementioned provision in the Bye-laws is appropriate to the Company since the continuous leadership by the Chairman of the Board allows for effective and efficient planning and implementation of business decisions and strategies which is vital for stability and growth of the Group.





## **Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ dealings in the Company’s securities. Having made specific enquiry of all the Company’s directors, they confirmed that they have complied with the Model Code throughout the six-month period ended 30 June 2015.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “Employees Written Guidelines”), governing securities transactions by employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by relevant employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its directors and relevant employees in advance.

## **BOARD COMMITTEES**

The Board has established five Board committees, namely, the Executive Committee, the Investment and Budget Management Committee, the Remuneration Committee, the Audit Committee and the Nomination Committee, for overseeing particular aspects of the Company’s affairs.

### **Executive Committee**

The Executive Committee comprises all the executive directors of the Company with the Chairman of the Board, Ms. Li Xiaolin, acting as the chairman of such Committee. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decision. It monitors the execution of the Company’s strategic plans and operations of all business units of the Company and discusses and makes decisions on matters relating to the management and day-to-day operations of the Company.



## **Investment and Budget Management Committee**

The Investment and Budget Management Committee comprises a total of six members, including three directors of the Company, namely Mr. Zhao Xinyan, Mr. He Hongxin and Dr. Li Fang, and three senior staff of the Group, namely Mr. Wang Zhiying (General Manager of China Power International New Energy Holding Limited (“CPINEHL”), an indirect wholly-owned subsidiary of the Company), Mr. Huang Yuanwang (Deputy General Manager of CPINEHL) and Mr. Chen Xuezhi (Chief Financial Officer of the Company and Deputy General Manager of CPINEHL). The chairman of the Committee is Mr. Zhao Xinyan. The Investment and Budget Management Committee is under the direct authority of the Board to increase the efficiency of investment and budgeting decisions. It reviews the execution of the Company’s investment and budgeting strategies and discusses and considers the recommendation of investment and budgeting relating matters of the Company.

## **Remuneration Committee**

The Remuneration Committee comprises the four independent non-executive directors of the Company and the chairman of the Committee is Mr. Chu Kar Wing.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company’s remuneration policy and structure and the remuneration packages of directors and members of senior management (i.e. the model described in the code provision B.1.2(c)(ii) is adopted). The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by the Board with reference to the performance of the individual and the Company as well as market practice and conditions.

During the six-month period ended 30 June 2015, the Remuneration Committee has held one meeting and generally reviewed and discussed the remuneration packages and benefits policies of the directors and senior staff of the Group.



## **Audit Committee**

The Audit Committee comprises the four independent non-executive directors of the Company with Mr. Wong Kwok Tai possessing the appropriate accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. The chairman of the Committee is Mr. Chu Kar Wing. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or external auditor before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making the relevant recommendation to the Board; and reviewing the Company's financial reporting system, internal control system and risk management system.

During the six-month period ended 30 June 2015, the Audit Committee has held one meeting and performed the following major works:

- Review and discussion of the annual financial statements, results announcement and report for the year ended 31 December 2014, the related accounting principles and practices adopted by the Group and internal controls related matters; and recommendation of the re-appointment of the external auditor.

The external auditor attended the above meeting to discuss with the Audit Committee on issues arising from the audit and financial reporting matters.

There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

The Audit Committee has reviewed the Group's unaudited interim financial information and results for the six-month period ended 30 June 2015 and this report.



## Nomination Committee

The Nomination Committee comprises a total of five members, being the Chairman of the Board and the four independent non-executive directors. Accordingly, a majority of the members are independent non-executive directors. The chairman of the Nomination Committee is Ms. Li Xiaolin.

The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and recommending any changes to the Board; identifying qualified and suitable individuals to become Board members and selecting and making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of independent non-executive directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the Chief Executive of the Company.

In selecting candidates for directorship of the Company, the Nomination Committee may make reference to certain criteria such as the Company's needs, the integrity, experience, skills, professional knowledge of the candidate and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

During the six-month period ended 30 June 2015, the Nomination Committee has held one meeting and performed the following major works:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;
- Recommendation of the re-election of the retiring directors standing for re-election at the Company's annual general meeting held on 27 May 2015 (the "2015 AGM"); and
- Assessment of the independence of all the Company's independent non-executive directors.



## **Interim Dividend**

The Board does not recommend the payment of an interim dividend for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: Nil).

## **INTERIM REPORT**

This interim Report is printed in English and Chinese languages and is available on the Stock Exchange's website at <http://www.hkexnews.hk> under "Listed Company Information" and our Company's website at <http://www.cpne.com.hk>. Printed copies in both languages are posted to shareholders.

On behalf of the Board

**Li Xiaolin**

*Chairman*

Hong Kong

19 August 2015



## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six-month period ended 30 June 2015

	Note	Unaudited Six-month period ended 30 June	
		2015 RMB'000	2014 RMB'000
Revenue	6	<b>1,163,807</b>	1,096,829
Tariff adjustment	6	<b>69,428</b>	111,923
		<b>1,233,235</b>	1,208,752
Other income	7	<b>30,997</b>	13,573
Other gains, net	8	<b>3,291</b>	7,033
Fuel costs		<b>(308,923)</b>	(345,460)
Depreciation and amortisation		<b>(319,709)</b>	(263,001)
Staff costs		<b>(106,871)</b>	(93,950)
Repairs and maintenance		<b>(25,038)</b>	(16,497)
Other operating expenses		<b>(96,858)</b>	(94,397)
Operating profit	9	<b>410,124</b>	416,053
Finance income	10	<b>10,480</b>	11,210
Finance costs	10	<b>(237,290)</b>	(230,896)
Share of profit/(loss) of an associate		<b>1,351</b>	(2,574)
Share of profits of joint ventures		<b>4,240</b>	16,467
Profit before tax		<b>188,905</b>	210,260
Income tax expense	11	<b>(36,449)</b>	(46,252)
Profit for the period		<b>152,456</b>	164,008
Attributable to:			
Equity holders of the Company		<b>152,731</b>	162,312
Non-controlling interests		<b>(275)</b>	1,696
		<b>152,456</b>	164,008
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
— basic	12(a)	<b>0.0129</b>	0.0141
— diluted	12(b)	<b>0.0129</b>	0.0141

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2015

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Profit for the period	<b>152,456</b>	164,008
Other comprehensive income that may be reclassified to condensed consolidated income statement:		
Currency translation difference	—	—
Total comprehensive income for the period	<b>152,456</b>	164,008
Attributable to:		
Equity holders of the Company	<b>152,731</b>	162,312
Non-controlling interests	<b>(275)</b>	1,696
	<b>152,456</b>	164,008

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.



## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2015

		<b>As at</b>	
	<i>Note</i>	<b>30 June 2015 Unaudited RMB'000</b>	31 December 2014 Audited RMB'000
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	14	<b>15,170,993</b>	13,316,945
Lease prepayments	14	<b>123,454</b>	125,066
Investment properties	14	<b>302,496</b>	302,496
Intangible assets	14	<b>1,060,828</b>	1,059,882
Interest in an associate		<b>114,342</b>	112,991
Interests in joint ventures		<b>220,286</b>	234,841
Long-term prepayments and deposits	15	<b>738,781</b>	1,133,581
Deferred income tax assets		<b>27,458</b>	27,458
		<b>17,758,638</b>	16,313,260
Current assets			
Inventories		<b>98,999</b>	99,534
Accounts receivable	16	<b>693,022</b>	653,182
Prepayments, deposits and other receivables	15	<b>744,830</b>	678,617
Financial assets at fair value through profit or loss		<b>7,979</b>	4,925
Pledged deposits		<b>2,000</b>	15,543
Cash and cash equivalents		<b>1,332,070</b>	775,772
		<b>2,878,900</b>	2,227,573
Non-current assets classified as held for sale	17	<b>255,000</b>	255,000
		<b>3,133,900</b>	2,482,573
Total assets		<b>20,892,538</b>	18,795,833

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.





		<b>As at</b>	
	<i>Note</i>	<b>30 June 2015 Unaudited RMB'000</b>	31 December 2014 Audited RMB'000
<b>EQUITY</b>			
Capital and reserves attributable to equity holders of the Company			
Share capital	18	<b>1,077,101</b>	1,073,948
Share premium		<b>195,308</b>	175,156
Reserves		<b>6,606,160</b>	6,553,578
		<b>7,878,569</b>	7,802,682
Non-controlling interests		<b>24,098</b>	24,373
Total equity		<b>7,902,667</b>	7,827,055
<b>LIABILITIES</b>			
Non-current liabilities			
Long-term bank and other borrowings	19	<b>8,412,600</b>	6,658,824
Corporate bond	20	<b>797,247</b>	796,680
Construction costs payable	22	<b>570,150</b>	313,716
Consideration payable for the acquisition of subsidiaries	22	<b>155,171</b>	233,097
Deferred income tax liabilities		<b>64,914</b>	65,896
		<b>10,000,082</b>	8,068,213

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.



	<i>Note</i>	<b>As at</b>	
		<b>30 June 2015 Unaudited RMB'000</b>	31 December 2014 Audited RMB'000
Current liabilities			
Accounts payable	21	<b>26,879</b>	17,256
Construction costs payable	22	<b>1,139,738</b>	1,169,390
Other payables and accrued charges	22	<b>159,215</b>	124,662
Short-term bank borrowings	19	<b>718,160</b>	676,660
Current portion of long-term bank and other borrowings	19	<b>917,101</b>	877,213
Income tax payable		<b>28,696</b>	35,384
		<b>2,989,789</b>	2,900,565
Total liabilities		<b>12,989,871</b>	10,968,778
Total equity and liabilities		<b>20,892,538</b>	18,795,833
Net current assets/(liabilities)		<b>144,111</b>	(417,992)
Total assets less current liabilities		<b>17,902,749</b>	15,895,268

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2015

	Unaudited							
	Attributable to equity holders of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000			
<b>Balance at 1 January 2015</b>	<b>1,073,948</b>	<b>175,156</b>	<b>4,902,635</b>	<b>1,650,943</b>	<b>7,802,682</b>	<b>24,373</b>	<b>7,827,055</b>	
Profit and total comprehensive income for the period	-	-	-	152,731	152,731	(275)	152,456	
Dividend paid (note 13)	-	-	(95,793)	-	(95,793)	-	(95,793)	
Issue of ordinary shares upon exercise of share options	3,153	20,152	(4,356)	-	18,949	-	18,949	
Share options forfeited after the end of the vesting period	-	-	(2,783)	2,783	-	-	-	
<b>Balance at 30 June 2015</b>	<b>1,077,101</b>	<b>195,308</b>	<b>4,799,703</b>	<b>1,806,457</b>	<b>7,878,569</b>	<b>24,098</b>	<b>7,902,667</b>	
Balance at 1 January 2014	1,046,966	5,555,503	(254,112)	967,173	7,315,530	196,055	7,511,585	
Profit and total comprehensive income for the period	-	-	-	162,312	162,312	1,696	164,008	
Transfer from share premium to other reserve (note)	-	(5,555,503)	5,555,503	-	-	-	-	
Set off against accumulated loss (note)	-	-	(406,340)	406,340	-	-	-	
Acquisition of non-controlling interest	-	-	10,744	-	10,744	(176,822)	(166,078)	
Issue of ordinary shares upon exercise of share options	315	1,823	(521)	-	1,617	-	1,617	
Balance at 30 June 2014	1,047,281	1,823	4,905,274	1,535,825	7,490,203	20,929	7,511,132	

*Note:* The share premium account of the Company is attributable in the form of fully paid bonus shares. On 28 May 2014, a special resolution was passed on the annual general meeting to approve the cancellation of the amount of approximately RMB5,555,503,000 standing to the credit of the share premium account of the Company and transferred to the contributed surplus account of the Company. On the same date, another resolution was passed to approve to apply the amount of approximately RMB406,340,000 standing to the credit of the contributed surplus of the Company towards offsetting the accumulated losses of the Company. The reduction of share premium complied with the Companies Act 1981 of Bermuda.

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2015

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>589,377</b>	444,761
PRC income tax paid	<b>(44,119)</b>	(2,794)
Net cash generated from operating activities	<b>545,258</b>	441,967
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<b>(994,081)</b>	(918,192)
Payments for intangible assets	<b>(1,628)</b>	(1,224)
Dividends received from joint ventures	<b>2,000</b>	4,500
Acquisition of non-controlling interest	<b>–</b>	(166,078)
Interest received	<b>10,480</b>	11,210
(Increase)/decrease in pledged deposits	<b>(493,460)</b>	22,957
Net cash used in investing activities	<b>(1,476,689)</b>	(1,046,827)

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.



**Unaudited**  
**Six-month period ended**  
**30 June**

	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
<b>Cash flows from financing activities</b>		
Issue of ordinary shares upon exercise of share options	<b>18,949</b>	1,617
New bank and other borrowings	<b>3,328,652</b>	1,341,500
Repayment of bank and other borrowings	<b>(1,493,488)</b>	(563,883)
Repayment of corporate bond	-	(500,000)
Interest paid	<b>(270,591)</b>	(246,628)
Dividend paid	<b>(95,793)</b>	-
	<hr/>	<hr/>
Net cash generated from financing activities	<b>1,487,729</b>	32,606
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase/(decrease) in cash and cash equivalents	<b>556,298</b>	(572,254)
Cash and cash equivalents at 1 January	<b>775,772</b>	1,734,808
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	<b>1,332,070</b>	1,162,554
	<hr/>	<hr/>
Analysis of cash and cash equivalents:		
Cash and bank balances	<b>1,332,070</b>	1,162,554
	<hr/>	<hr/>

The notes on pages 37 to 64 are an integral part of this condensed consolidated interim financial information.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 General information

China Power New Energy Development Company Limited (the “Company”) is a limited liability company incorporated in Bermuda. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (together, the “Group”) are principally engaged in the development, construction, ownership and management of clean energy power plants in the People’s Republic of China (the “PRC”), including but not limited to the following types of energy generation — natural gas power generation, wind power generation, hydro power generation, waste-to-energy power generation, photovoltaic power generation and other power generation. The Group is also engaged in investment holding in clean energy power industry and property investments.

This condensed consolidated interim financial information is presented in thousands of Renminbi (*RMB’000*), unless otherwise stated, and have been approved by the Board of Directors for issue on 19 August 2015.

### 2 Basis of preparation

The Company has a financial year end date of 31 December. This condensed consolidated interim financial information for the six-month period ended 30 June 2015 has been prepared in accordance with HKAS 34 “Interim Financial Reporting”. This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The Group has several capital and other commitments that will fall due within the next twelve months. Based on the Group’s history of obtaining finance, its relationships with its bankers, banking facilities available and net operating cash inflow, the Directors consider that the Group will be able to obtain adequate financial resources to enable it to operate and meet its liabilities and commitments as and when they fall due within the next twelve months from the balance sheet date. Accordingly, the Directors have prepared this condensed consolidated interim financial information on a going concern basis.

### 3 Accounting policies

The accounting policies applied in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2014.



### 3 Accounting policies (Continued)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

#### (a) Effect of adopting new and amended standards and interpretations

The following new and amended standards and interpretations are mandatory for the financial year beginning on 1 January 2015, but do not have significant impact to the Group:

HKAS 19 (Amendment)	Defined benefit plans — employee contributions
Annual improvements 2012	Annual improvements to 2010–2012 cycle
Annual improvements 2013	Annual improvements to 2011–2013 cycle

#### (b) New and amended standards relevant to the Group that have been issued but are not effective

The following new and amended standards have been issued but are not effective and have not been early adopted:

		<b>Effective for accounting periods beginning on or after</b>
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Classification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: bearer plants	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: applying the consolidation exception	1 January 2016
HKAS 1 (Amendments)	Disclosure initiative	1 January 2016
Annual improvements 2014	Annual improvements to 2012–2014 cycle	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018



### 3 Accounting policies *(Continued)*

#### **(b) New and amended standards relevant to the Group that have been issued but are not effective** *(Continued)*

The Group will apply the above new standards and amendments to standards from 1 January 2016 or later period. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

### 4 Estimates

The preparation of interim financial information 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 this condensed consolidated interim financial information, 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 consolidated financial statements for the year ended 31 December 2014.

### 5 Financial risk management

#### **5.1 Financial risk factors**

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

The interim condensed consolidated financial information 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 have been no changes in the risk management policy since year end.

#### **5.2 Liquidity risk**

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been for construction of power plants, additions of and upgrades on property, plant and equipment, payment on related debts and payment for purchases and operating expenses. The Group finances its working capital requirements through a combination of internal resources, short-term and long-term bank borrowings and corporate bond.





## 5 Financial risk management (Continued)

### 5.3 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).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2015 and 31 December 2014.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>At 30 June 2015</b>				
<b>Assets</b>				
Financial assets at fair value				
through profit or loss	<b>7,979</b>	-	-	<b>7,979</b>
<b>At 31 December 2014</b>				
<b>Assets</b>				
Financial assets at fair value				
through profit or loss	4,925	-	-	4,925

There were no transfers between Levels 1, 2 and 3 during the period.

There were no other changes in valuation techniques during the period.

### 5.4 Group's valuation processes

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO, the valuation team and valuer at least every six months in line with the Group's semi-annually reporting dates.



## 6 Revenue, tariff adjustment and segment information

(a) Revenue and tariff adjustment recognised during the period are as follows:

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Sales of electricity to provincial power grid companies <i>(note (i))</i>	<b>1,089,113</b>	1,011,402
Heat supply by thermal power plants to other companies	<b>39,795</b>	50,607
Waste handling income	<b>29,209</b>	29,507
Rental income from investment properties	<b>5,690</b>	5,313
Total revenue	<b>1,163,807</b>	1,096,829
Tariff adjustment <i>(note (ii))</i>	<b>69,428</b>	111,923
	<b>1,233,235</b>	1,208,752

Notes:

- (i) Pursuant to the power purchase agreements entered into between the Group and the respective 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 provincial power grid companies as approved by the relevant government authorities.
- (ii) The amount represents tariff received and receivable from the relevant local government authorities.



## 6 Revenue, tariff adjustment and segment information *(Continued)*

### **(b) Segment information**

The chief operating decision-maker has been identified as the executive directors and certain senior management of the Group (together, the "CODM") that makes strategic decisions. The CODM reviews the internal reporting of the Group in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM assesses the performance of the operating segments based on each segment's profit/(loss) before income tax and share of results of an associate and joint ventures ("segment results").

The Group has the following major segments: power generation, property investments and securities investments.

The Group is principally engaged in the development, construction, ownership and management of clean energy power plants in the PRC. The power generation business is further evaluated based on the types of energy generation (natural gas power generation business, wind power generation business, hydro power generation business, waste-to-energy power generation business, photovoltaic power generation business and other power generation business).

The property investments segment is engaged in the leasing of properties to generate rental income. The securities investments segment is engaged in securities trading. These segments do not meet the quantitative thresholds required by HKFRS 8 "Operating Segments" for reportable segments. Their financial information is included in the others segment and the corresponding comparatives have been restated.

No sales between operating segments are undertaken.

Unallocated income mainly refers to interest income earned from cash and cash equivalents held at corporate level. Unallocated expenses mainly refer to general and administrative expenses incurred at corporate level.

Segment assets exclude interest in an associate, interests in joint ventures, deferred income tax assets and corporate assets, all of which are managed on a central basis.

Other unallocated assets mainly comprise property, plant and equipment, prepayments, deposits and other receivables, and cash and cash equivalents held at corporate level.



## 6 Revenue, tariff adjustment and segment information (Continued)

### (b) Segment information (Continued)

The segment information provided to the CODM for the reportable segments for the six-month periods ended 30 June 2015 and 30 June 2014 is as follows:

	Power generation						Others	Unallocated	Total
	Natural gas power generation business RMB'000	Wind power generation business RMB'000	Hydro power generation business RMB'000	Waste-to-energy power generation business RMB'000	Photovoltaic power generation business RMB'000	Other power generation business RMB'000			

#### For the six-month period ended 30 June 2015

Segment revenue	308,738	466,572	181,522	99,721	53,359	48,205	5,690	-	1,163,807
Tariff adjustment	69,428	-	-	-	-	-	-	-	69,428
	<u>378,166</u>	<u>466,572</u>	<u>181,522</u>	<u>99,721</u>	<u>53,359</u>	<u>48,205</u>	<u>5,690</u>	<u>-</u>	<u>1,233,235</u>
Results of reportable segments	77,565	118,381	(1,000)	19,957	15,722	(2,238)	56	-	228,443

A reconciliation of results of reportable segments to profit for the period is as follows:

Results of reportable segments	228,443
Unallocated income	7,983
Unallocated expenses	(53,112)
Share of profit of an associate	1,351
Share of profits of joint ventures	4,240

Profit before tax	188,905
Income tax expense	(36,449)

Profit for the period	<u>152,456</u>
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#### Segment results included:

Depreciation and amortisation	(15,940)	(186,104)	(65,901)	(17,490)	(22,862)	(5,495)	(4,889)	(1,028)	(319,709)
Interest income	471	732	332	614	291	21	36	7,983	10,480
Interest expense	(10,397)	(129,628)	(50,608)	(11,140)	(10,223)	(2,574)	(1,764)	(20,956)	(237,290)

## 6 Revenue, tariff adjustment and segment information (Continued)

### (b) Segment information (Continued)

	Power generation							Unallocated	Total
	Natural gas power generation business	Wind power generation business	Hydro power generation business	Waste-to-energy power generation business	Photovoltaic power generation business	Other power generation business	Others (Restated)		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the six-month period ended 30 June 2014									
Segment revenue	336,804	337,745	194,459	108,146	57,112	57,250	5,313	-	1,096,829
Tariff adjustment	111,923	-	-	-	-	-	-	-	111,923
	<u>448,727</u>	<u>337,745</u>	<u>194,459</u>	<u>108,146</u>	<u>57,112</u>	<u>57,250</u>	<u>5,313</u>	<u>-</u>	<u>1,208,752</u>
Results of reportable segments	<u>97,856</u>	<u>63,763</u>	<u>17,621</u>	<u>37,284</u>	<u>31,023</u>	<u>2,777</u>	<u>(7,545)</u>	<u>-</u>	<u>242,779</u>
A reconciliation of results of reportable segments to profit for the period is as follows:									
Results of reportable segments									242,779
Unallocated income									9,135
Unallocated expenses									(55,547)
Share of loss of an associate									(2,574)
Share of profits of joint ventures									16,467
Profit before tax									210,260
Income tax expense									(46,252)
Profit for the period									<u>164,008</u>
Segment results included:									
Depreciation and amortisation	(15,179)	(138,043)	(64,992)	(17,309)	(20,409)	(5,592)	(626)	(851)	(263,001)
Interest income	768	910	131	157	77	27	5	9,135	11,210
Interest expense	(9,318)	(98,036)	(53,798)	(14,376)	(3,299)	(3,297)	(11,683)	(37,089)	(230,896)



**6 Revenue, tariff adjustment and segment information (Continued)**  
**(b) Segment information (Continued)**

	Power generation							Unallocated	Total
	Natural gas power generation business	Wind power generation business	Hydro power generation business	Waste-to-energy power generation business	Photovoltaic power generation business	Other power generation business	Others (Restated)		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
<b>As at 30 June 2015</b>									
Segment assets	2,942,163	9,241,759	3,819,149	1,151,245	1,199,164	205,854	406,096	-	18,965,430
Interest in an associate								114,342	114,342
Interests in joint ventures								220,286	220,286
Deferred income tax assets								27,458	27,458
Non-current assets classified as held for sale								255,000	255,000
Other unallocated assets								1,310,022	1,310,022
Total assets per condensed consolidated balance sheet									20,892,538
Additions to non-current assets	1,072,869	661,388	323	167,389	268,765	5,635	35	13,698	2,190,102
<b>As at 31 December 2014</b>									
Segment assets	2,412,006	8,669,124	3,823,605	889,285	903,394	206,279	411,559	-	17,315,252
Interest in an associate								112,991	112,991
Interests in joint ventures								234,841	234,841
Deferred income tax assets								27,458	27,458
Non-current assets classified as held for sale								255,000	255,000
Other unallocated assets								850,291	850,291
Total assets per consolidated balance sheet									18,795,833
Additions to non-current assets	212,954	590,957	3,418	6,267	426	2,836	24	9,070	825,952



## 6 Revenue, tariff adjustment and segment information (Continued)

### (b) Segment information (Continued)

Substantially all of the Group's revenue and assets are generated or located in the PRC except that bank and cash balances held at corporate level in the amount of approximately RMB839,834,000 (31 December 2014: RMB485,959,000) were deposited in Hong Kong, an investment property of approximately RMB26,496,000 (31 December 2014: RMB26,496,000) is situated in Hong Kong and financial assets at fair value through profit or loss in the current assets of approximately RMB7,979,000 (31 December 2014: RMB4,925,000) relating to equity securities listed in Hong Kong.

For the six-month period ended 30 June 2015, external revenue of approximately RMB695,631,000 (six-month period ended 30 June 2014: RMB770,426,000) is generated from 2 (six-month period ended 30 June 2014: 3) major customers, each of which accounts for 10% or more of the Group's external revenue. The revenue is attributable to the power generation segment.

## 7 Other income

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Refund of value added taxes (note)	<b>29,036</b>	11,534
Others	<b>1,961</b>	2,039
	<b>30,997</b>	13,573

Note: It represents the value added taxes refunded from the relevant government authorities as an incentive for the Group's operation.



## 8 Other gains, net

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Gain on sale of power generation quota ( <i>note</i> )	–	8,480
Fair value gains/(losses) on financial assets at fair value through profit or loss	<b>3,103</b>	(1,707)
Others	<b>188</b>	260
	<b>3,291</b>	7,033

*Note:* During the period ended 30 June 2014, the Group, a subsidiary of State Power Investment Corporation (國家電力投資集團公司) (formerly known as China Power Investment Corporation (中國電力投資集團公司) (the “Subcontractor”), a shareholder of the Group and a provincial power grid company (the “Purchaser”) entered into agreements pursuant to which the Subcontractor agreed to generate and supply power on behalf of the Group, and the Purchaser agreed to purchase all the power generated from the Subcontractor at a consideration of approximately RMB24,156,000. The Group paid an amount of approximately RMB15,676,000 to the Subcontractor for power generation and supply.

## 9 Operating profit

Operating profit is stated after charging the following:

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Amortisation of lease prepayments	<b>1,612</b>	1,514
Amortisation of intangible assets	<b>682</b>	413
Depreciation of property, plant and equipment	<b>317,415</b>	261,074
Operating lease rental in respect of leasehold land and buildings	<b>4,982</b>	3,405
Staff costs including directors' emoluments	<b>106,871</b>	93,950





## 10 Finance income and costs

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Interest income from bank deposits	<b>10,480</b>	11,210
Interest expense on		
— bank borrowings	<b>(226,038)</b>	(193,870)
— other borrowings	<b>(28,216)</b>	(18,455)
— corporate bond	<b>(26,355)</b>	(32,760)
	<b>(280,609)</b>	(245,085)
Less: Amounts capitalised in property, plant and equipment	<b>43,319</b>	14,189
	<b>(237,290)</b>	(230,896)
Finance costs, net	<b>(226,810)</b>	(219,686)

The weighted average interest rate on capitalised borrowing cost is approximately 5.53% (six-month period ended 30 June 2014: 6.42%) per annum.



## 11 Income tax expense

No Hong Kong profits tax has been provided for as the Group did not have any assessable profit in Hong Kong for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (six-month period ended 30 June 2014: 25%) on the estimated assessable income for the period.

Certain subsidiaries of the Group are entitled to a three-year exemption from income tax when their power generation started followed by a 50% reduction in income tax rate at 12.5% for another three years, and then taxed at 25% thereafter.

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

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
PRC current income tax	<b>37,431</b>	47,234
Deferred income tax	<b>(982)</b>	(982)
	<b>36,449</b>	46,252

There is no tax impact relating to components of other comprehensive income for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: Nil).



## 12 Earnings per share

### (a) Basic

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

	<b>Unaudited Six-month period ended 30 June</b>	
	<b>2015</b>	2014
Profit attributable to equity holders of the Company (RMB'000)	<b>152,731</b>	162,312
Weighted average number of shares in issue (shares in thousands)	<b>11,829,034</b>	11,486,580
Basic earnings per share (RMB)	<b>0.0129</b>	0.0141

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options.

	<b>Unaudited Six-month period ended 30 June</b>	
	<b>2015</b>	2014
Profit attributable to equity holders of the Company (RMB'000)	<b>152,731</b>	162,312
Weighted average number of ordinary shares in issue (shares in thousands)	<b>11,829,034</b>	11,486,580
Adjustments for share options (shares in thousands)	<b>10,551</b>	14,013
Weighted average number of ordinary shares for diluted earnings per share (shares in thousands)	<b>11,839,585</b>	11,500,593
Diluted earnings per share (RMB)	<b>0.0129</b>	0.0141



### 13 Dividend

The Board of Directors of the Company does not recommend the payment of an interim dividend for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: Nil).

The final dividend for the year ended 31 December 2014 of RMB0.0081 (equivalent to HK\$0.01022 at the exchange rate announced by the People's Bank of China on 20 March 2015) per ordinary share, totaling RMB95,793,000 (equivalent to HK\$120,865,000) which was based on 11,826,334,172 shares in issue on 20 March 2015 was approved by the shareholders in the Annual General Meeting on 27 May 2015. This final dividend was paid out of the contributed surplus.

### 14 Capital expenditure

	<b>Property, plant and equipment RMB'000</b>	<b>Lease prepayments RMB'000</b>	<b>Investment properties RMB'000</b>	<b>Intangible assets RMB'000</b>
<b>Six-month period ended</b>				
<b>30 June 2015</b>				
Balance at 1 January 2015	<b>13,316,945</b>	<b>125,066</b>	<b>302,496</b>	<b>1,059,882</b>
Additions	<b>2,171,463</b>	-	-	<b>1,628</b>
Depreciation and amortisation	<b>(317,415)</b>	<b>(1,612)</b>	-	<b>(682)</b>
Balance at 30 June 2015	<b>15,170,993</b>	<b>123,454</b>	<b>302,496</b>	<b>1,060,828</b>
	Property, plant and equipment RMB'000	Lease prepayments RMB'000	Investment properties RMB'000	Intangible assets RMB'000
<b>Six-month period ended</b>				
<b>30 June 2014</b>				
Balance at 1 January 2014	11,619,407	123,236	302,496	1,052,332
Additions	172,757	3,215	-	1,224
Depreciation and amortisation	(261,074)	(1,514)	-	(413)
Balance at 30 June 2014	11,531,090	124,937	302,496	1,053,143



## 15 Prepayments, deposits and other receivables

	As at	
	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Prepayments for construction of power plants	138,316	1,045,597
Value added tax receivable	677,403	630,377
Pledged deposits ( <i>notes 19(a) and (d)</i> )	546,074	39,071
Others	121,818	97,153
	<b>1,483,611</b>	1,812,198
Less: Non-current portion	<b>(738,781)</b>	(1,133,581)
Current portion	<b>744,830</b>	678,617

## 16 Accounts receivable

	As at	
	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Accounts receivable from provincial power grid companies	498,621	462,053
Accounts receivable from other companies	45,204	65,485
	<b>543,825</b>	527,538
Tariff adjustment receivable from the relevant government authorities	93,836	112,078
Notes receivable ( <i>note</i> )	55,361	13,566
	<b>693,022</b>	653,182

The carrying values of accounts receivable approximate their fair values due to their short maturities. Substantially all accounts receivable are denominated in RMB.



## 16 Accounts receivable (Continued)

The Group normally grants 30 to 60 days credit period to customers from the end of the month in which the relevant sales are made. The aging analysis of the accounts receivable is as follows:

	<b>As at</b>	
	<b>30 June 2015 Unaudited RMB'000</b>	31 December 2014 Audited RMB'000
Current to 3 months	<b>362,122</b>	271,102
4 to 6 months	<b>139,370</b>	91,113
7 to 12 months	<b>9,362</b>	85,963
Over 1 year	<b>32,971</b>	79,360
	<b>543,825</b>	527,538

Note: As at 30 June 2015 and 31 December 2014, notes receivable represent commercial acceptance notes and are with maturity period of 90 to 180 days (31 December 2014: 180 to 360 days).

## 17 Non-current assets classified as held-for-sale

	<b>As at</b>	
	<b>30 June 2015 Unaudited RMB'000</b>	31 December 2014 Audited RMB'000
Non-current assets classified as held-for-sale	<b>255,000</b>	255,000

The above non-current assets classified as held for sale represented a 20% equity interest in an associate. As at 31 December 2014, the equity investment has been presented as held for sale following the management's decision to sell the equity interest and the identification of potential buyers. The Group entered into a share Transfer Memorandum with an independent third party on 13 February 2015 and further signed a Framework Agreement on 29 May 2015 to dispose of its entire equity interest in that associate at a consideration of RMB255,000,000. Management expects to complete the transaction by 31 December 2015.



## 18 Share capital

### (a) Authorised and issued capital

	Number of shares (HK\$0.10 each)	Nominal value RMB'000
<b>Authorised:</b>		
At 1 January 2014, 30 June 2014, 31 December 2014 and 30 June 2015	20,000,000,000	1,759,154
<b>Issued and fully paid:</b>		
At 1 January 2014	11,482,934,062	1,046,966
Issue of shares upon exercise of share options (note (i))	4,000,000	315
Issue of ordinary shares (note (ii))	339,400,110	26,667
At 31 December 2014 and 1 January 2015	11,826,334,172	1,073,948
Issue of shares upon exercise of share options (note (i))	40,000,000	3,153
At 30 June 2015	11,866,334,172	1,077,101

#### Notes:

- (i) During the period ended 30 June 2015, the Company issued 40,000,000 (six-month period ended 30 June 2014: 4,000,000) ordinary shares of HK\$0.1 each for cash at the exercise prices ranging from HK\$0.514 to HK\$0.63 (six-month period ended 30 June 2014: HK\$0.514) per share as a result of the exercise of the share options. The related weighted average prices at the time of exercise ranged from HK\$0.6467 to HK\$0.66 (six-month period ended 30 June 2014: HK\$0.58) per share. These shares rank pari passu in all respects with the existing shares.
- (ii) On 1 August 2014, the Company issued 339,400,110 ordinary shares of HK\$0.10 each to 中國能源建設集團廣東省電力設計研究院 (China Energy Engineering Group Guangdong Electric Power Design Institute) at the price of HK\$0.75 per share while the closing price of HK\$0.405 per share as quoted on the Stock Exchange on the last trading day. The proceeds from the issuance of the shares amounted to RMB200,000,000 (equivalent to HK\$254,550,083). These shares rank pari passu in all respects with the existing shares. The Directors considered to raise capital for future business development of the Group by way of the subscription which the net proceeds of approximately RMB200,000,000 for investing in power generating projects and green energy projects to be identified by the Group.



## 18 Share capital (Continued)

### (b) Share option scheme

Details of the options granted under the share option scheme of the Company outstanding as at 30 June 2015 and 31 December 2014 are as follows:

Date of grant	Expiry date	Exercise price HK\$	Number of shares subject to the options at 30 June 2015	Number of shares subject to the options at 31 December 2014
Directors				
9 March 2007	8 March 2017	0.630	–	30,000,000
8 June 2007	7 June 2017	0.836	41,000,000	41,000,000
1 November 2010	31 October 2020	0.780	28,000,000	36,000,000
16 January 2013	15 January 2023	0.514	42,000,000	52,000,000
			111,000,000	159,000,000
Senior management and other employees				
9 March 2007	8 March 2017	0.630	20,000,000	20,000,000
8 June 2007	7 June 2017	0.836	–	5,000,000
1 November 2010	31 October 2020	0.780	28,500,000	33,500,000
16 January 2013	15 January 2023	0.514	55,500,000	55,500,000
			104,000,000	114,000,000
			215,000,000	273,000,000

#### Notes:

- (i) 40,000,000 options (six-month period ended 30 June 2014: 4,000,000 options) were exercised by the senior management and other employees during the six-month period ended 30 June 2015.
- (ii) 18,000,000 options (six-month period ended 30 June 2014: 7,000,000 options) were lapsed during the six-month period ended 30 June 2015.





## 19 Bank and other borrowings

Bank and other borrowings are analysed as follows:

	As at	
	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Non-current borrowings		
Long-term bank borrowings, secured (note (a))	<b>2,804,818</b>	2,609,241
Long-term bank borrowings, unsecured (note (b))	<b>5,433,379</b>	4,296,966
Long-term other borrowings, unsecured (note (c))	<b>70,000</b>	–
Obligation under finance lease (note (d))	<b>1,021,504</b>	629,830
	<b>9,329,701</b>	7,536,037
Less: Current portion of long-term borrowings		
– secured bank borrowings	<b>(366,008)</b>	(349,508)
– unsecured bank borrowings	<b>(353,289)</b>	(405,590)
– obligation under finance lease	<b>(197,804)</b>	(122,115)
	<b>(917,101)</b>	(877,213)
Non-current portion	<b>8,412,600</b>	6,658,824
Current borrowings		
Short-term bank borrowings, unsecured	<b>552,000</b>	557,500
Short-term bank borrowings, secured (note (e))	–	15,000
Short-term other borrowings, unsecured (note (c))	<b>134,160</b>	4,160
Obligation under finance lease, unsecured (note (d))	<b>32,000</b>	100,000
	<b>718,160</b>	676,660
Current portion of long-term borrowings	<b>917,101</b>	877,213
Current portion	<b>1,635,261</b>	1,553,873
Total borrowings	<b>10,047,861</b>	8,212,697



## 19 Bank and other borrowings (Continued)

Movements in bank and other borrowings are analysed as follows:

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Balance as at 1 January	<b>8,212,697</b>	6,636,439
Additions	<b>3,328,652</b>	1,341,500
Repayments	<b>(1,493,488)</b>	(563,883)
Balance as at 30 June	<b>10,047,861</b>	7,414,056

Except for the long-term bank borrowings of approximately RMB6,224,000 (31 December 2014: RMB6,397,000) which are denominated in HK\$, long-term bank borrowings of approximately RMB32,826,000 (31 December 2014: RMB35,365,000) which are denominated in EURO and long-term bank borrowings of approximately RMB760,093,000 (31 December 2014: RMB334,674,000) which are denominated in US\$, all borrowings are denominated in RMB.

All of the bank and other borrowings, other than the obligation under finance lease, are interest bearing at floating rates. The effective interest rates of the Group's HK\$-denominated, EURO-denominated and US\$-denominated long-term bank borrowing is 0.74% per annum (31 December 2014: 0.74% per annum), 4.65% per annum (31 December 2014: 4.64% per annum) and 2.65% per annum (31 December 2014: 2.58% per annum) respectively. The effective interest rates of the Group's RMB-denominated bank and other borrowings are as follows:

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2015</b>	2014
	<b>Unaudited</b>	Audited
Long-term bank borrowings	<b>5.61%</b>	6.03%
Long-term other borrowings	<b>5.40%</b>	–
Short-term bank borrowings	<b>5.60%</b>	6.06%
Short-term other borrowings	<b>5.28%</b>	3.00%
Obligation under finance lease	<b>5.59%</b>	5.72%



## 19 Bank and other borrowings (Continued)

Notes:

- (a) Secured long-term bank borrowings are secured by:
- all investment properties of the Group with a carrying amount of approximately RMB302,496,000 (31 December 2014: RMB302,496,000);
  - certain property, plant and equipment of the Group with a carrying amount of approximately RMB1,965,702,000 (31 December 2014: RMB1,785,662,000);
  - accounts receivable with a carrying amount of approximately RMB300,781,000 (31 December 2014: RMB183,757,000);
  - corporate guarantee given by a shareholder; and
  - pledged deposits with a carrying amount of approximately RMB499,750,000 (31 December 2014: Nil).
- (b) Unsecured long-term bank borrowings amounting to approximately RMB776,000,000 (31 December 2014: RMB1,024,000,000) are guaranteed by a shareholder.
- (c) Included in the balance were entrusted loans amounted to approximately RMB204,160,000 (31 December 2014: RMB4,160,000) from a subsidiary of a shareholder.
- (d) As at 30 June 2015, the cost and accumulated depreciation of property, plant and equipment held by the Group under finance lease amounted to approximately RMB1,630,241,000 (31 December 2014: RMB1,166,989,000) and RMB519,024,000 (31 December 2014: RMB394,526,000) respectively. The obligation under finance lease is secured by a long-term deposits with carrying amount of approximately RMB46,324,000 (31 December 2014: RMB39,071,000). Included in the balance was an obligation under finance lease from a subsidiary of a shareholder amounted to RMB200,000,000 as at 30 June 2015 (31 December 2014: Nil).
- (e) As at 31 December 2014, short-term bank borrowings of RMB15,000,000 were secured by certain lease prepayments of the Group with a carrying amount of RMB1,745,000 and property, plant and equipment of the Group with a carrying amount of RMB9,692,000.



## 20 Corporate bond

	<b>As at</b>	
	<b>30 June 2015</b>	31 December 2014
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
RMB denominated corporate bond — unsecured	<b>797,247</b>	796,680

On 9 January 2012, the Company issued RMB800,000,000 corporate bond, due in April 2017. The bond is unsecured and carried an effective interest rate of 6.78% per annum, with the interest being payable semi-annually.

As at 30 June 2015, the fair value of corporate bond amounted to approximately RMB822,272,000 (31 December 2014: RMB821,137,000). The fair value is calculated using cash flows discounted at a rate based on the borrowings rate at 6.8% (31 December 2014: 6.8%) and are within level 2 of the fair value hierarchy.

## 21 Accounts payable

The carrying amounts of accounts payable approximate their fair values due to their short maturities. All these accounts payable are denominated in RMB.

The aging analysis of accounts payable is as follows:

	<b>As at</b>	
	<b>30 June 2015</b>	31 December 2014
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
Current to 3 months	<b>24,830</b>	16,961
4 to 6 months	<b>914</b>	252
7 to 12 months	<b>1,004</b>	–
Over 1 year	<b>131</b>	43
	<b>26,879</b>	17,256



## 22 Construction costs payable, other payables and accrued charges

	As at	
	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Construction costs payable	<b>1,709,888</b>	1,483,106
Salaries and staff welfare payable	<b>14,312</b>	6,458
Value added tax payable	<b>35,567</b>	20,570
Repairs and maintenance expenses payable	<b>4,000</b>	8,420
Consideration payables for acquisitions of subsidiaries	<b>155,171</b>	233,097
Other payables and accrued operating expenses	<b>44,676</b>	38,572
Interest payable	<b>60,660</b>	50,642
	<b>2,024,274</b>	1,840,865
Less: Non-current portion		
Construction costs payable ( <i>note</i> )	<b>(570,150)</b>	(313,716)
Consideration payable for acquisition of subsidiaries	<b>(155,171)</b>	(233,097)
Current portions	<b>1,298,953</b>	1,294,052

*Note:* Non-current portions of construction costs payable will not be repayable within one year from the date of balance sheet in accordance with the terms of the construction agreements.

## 23 Commitments

### (a) Capital commitments

	As at	
	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Contracted but not provided for in respect of — property, plant and equipment	<b>1,488,611</b>	2,727,102



## 23 Commitments (Continued)

### (b) Commitments under operating leases

Future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2015</b>	2014
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
Land and buildings		
Not later than one year	<b>7,443</b>	4,663
Later than one year and not later than five years	<b>12,624</b>	555
	<b>20,067</b>	5,218

The Group's commitments under operating leases are for terms of 1 to 3 years (31 December 2014: 1 to 4 years).

### (c) Future operating lease agreements

Future aggregate minimum lease receivables under non-cancellable operating lease are as follows:

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2015</b>	2014
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
Land and buildings		
Not later than one year	<b>8,724</b>	11,534
Later than one year and not later than five years	<b>18,185</b>	21,116
Later than five years	<b>4,266</b>	5,112
	<b>31,175</b>	37,762

The Group's future operating leases are for terms of 1 to 8 years (31 December 2014: 1 to 8 years).



## 24 Related party transactions

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 this condensed consolidated interim financial information.

### (i) Transactions with related parties

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Repair and maintenance expenses to a subsidiary of a shareholder (note (I))	<b>718</b>	3,619
Interest expense to a subsidiary of a shareholder (note (II))	<b>3,015</b>	4,996
Interest expense to a subsidiary of a shareholder (note (III))	<b>3,062</b>	2,633

Notes:

- (I) The Group has entered into agreements for the provision of repair and maintenance service from a subsidiary of a shareholder, the terms of which were mutually agreed between the parties.
- (II) The Group has entered into loan agreements with a subsidiary of a shareholder (note 19(c)), the terms of which were mutually agreed between the parties.
- (III) The Group has entered into a finance lease agreement with a subsidiary of a shareholder (note 19(d)), the terms of which were mutually agreed between the parties.



**24 Related party transactions** *(Continued)*  
**(ii) Period-end balances with related parties**

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2015</b>	2014
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
Included in:		
<u>Other receivables</u>		
Amount due from a shareholder <i>(note)</i>	<b>1,261</b>	1,258
Dividend receivable from a joint venture <i>(note)</i>	<b>26,531</b>	9,736
<u>Other payables</u>		
Amounts due to a shareholder and certain of subsidiaries <i>(note)</i>	<b>10,288</b>	10,847
Amounts due to non-controlling interests <i>(note)</i>	<b>543</b>	543
Amounts due to a joint venture <i>(note)</i>	<b>344</b>	–

*Note:* The balances with these related parties are unsecured, interest-free and repayable on demand.

*Transactions with government-related enterprises*

For the six-month period ended 30 June 2014 and 2015, the Company and its domestic subsidiaries sold substantially all their products to local government-related power grid companies. Please refer to note 6 for details of sales information to major power grid companies. The Company and its domestic subsidiaries maintained most of its bank deposits in government-related financial institutions while lenders of most of the Company and its subsidiaries' loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

For the six-month period ended 30 June 2014 and 2015, other collectively-significant transactions with government-related enterprises also included a large portion of fuel purchases, property, plant and equipment construction and related labour employed.





**24 Related party transactions** *(Continued)*  
**(iii) Key management compensation**

	<b>Unaudited</b>	
	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Basic salaries, housing allowance, other allowances, discretionary bonus and benefits in kind	<b>2,315</b>	2,379
Employer's contributions to pension scheme	<b>11</b>	12
	<b>2,326</b>	2,391

**25 Acquisition of additional interest in a subsidiary without change of control**

On 28 January 2014, the Group entered into a purchase and sale agreement with the non-controlling interest of Dongguan China Power New Energy Heat and Power Plant to acquire the remaining 9.9% equity interests for a cash consideration of RMB166,078,000. The carrying amount of the non-controlling interests in Dongguan China Power New Energy Heat and Power Plant on the date of acquisition was approximately RMB176,822,000. The Group recognised a decrease in non-controlling interests of the same amount and an increase in equity attributable to equity holders of the Company of approximately RMB10,744,000. The effect of changes in the ownership interest of Dongguan China Power New Energy Heat and Power Plant on the equity attributable to equity holders of the Company during the period is summarised as follows:

	<b>Unaudited</b>
	<b>Six-month</b>
	<b>period ended</b>
	<b>30 June</b>
	<b>2014</b>
	<b>RMB'000</b>
Carrying amount of non-controlling interests acquired	<b>176,822</b>
Consideration paid to non-controlling interests	<b>(166,078)</b>
Discount on acquisition recognised within equity	<b>10,744</b>

There is no acquisition of interests in subsidiaries for the six-month period ended 30 June 2015.



**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF CHINA POWER NEW ENERGY  
DEVELOPMENT COMPANY LIMITED**

*(incorporated in Bermuda with limited liability)*

**INTRODUCTION**

We have reviewed the interim financial information set out on pages 29 to 64, which comprises the condensed consolidated balance sheet of China Power New Energy Development Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The 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” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information 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 interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

### **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 19 August 2015