中國廣核美亞電力控股有限公司

CGN Meiya Power Holdings Co., Ltd.

(Incorporated in Bermuda with limited liability)

Stock Code : 1811.HK

2015 Interim Report

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Corporate Information

REGISTERED OFFICE

Victoria Place
31 Victoria Street
Hamilton
HM10, Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

STOCK CODES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

1811 (Shares)
5964 (Bonds due 2018)

COMPANY'S WEBSITE

www.cgnmeiyapower.com

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Sui *(Chairman)*
Mr. Lin Jian *(President)*

Non-executive Directors

Mr. Xu Yuan
Mr. Chen Qiming
Mr. Yin Engang
Mr. Dai Honggang
Mr. Xing Ping

Independent Non-executive Directors

Mr. Leung Chi Ching Frederick
Mr. Fan Ren Da Anthony
Mr. Wang Susheng
Mr. Zhang Dongxiao

Members of the Audit Committee

Mr. Leung Chi Ching Frederick *(Chairman)*
Mr. Fan Ren Da Anthony
Mr. Yin Engang

Corporate Information

Members of the Remuneration Committee

Mr. Zhang Dongxiao *(Chairman)*
Mr. Fan Ren Da Anthony
Mr. Dai Honggang

Members of the Nomination Committee

Mr. Chen Sui *(Chairman)*
Mr. Fan Ren Da Anthony
Mr. Zhang Dongxiao

Members of the Investment and Risk Management Committee

Mr. Dai Honggang *(Chairman)*
Mr. Yin Engang
Mr. Xing Ping

Members of the Strategy Development Committee

Mr. Dai Honggang *(Chairman)*
Mr. Chen Sui
Mr. Lin Jian
Mr. Chen Qiming
Mr. Wang Susheng

Company Secretary

Mr. Lee Kin

Authorized Representatives

Mr. Lin Jian (with Mr. Wat Chi Ping Isaac as his alternate)
Mr. Lee Kin

LEGAL ADVISER

Hong Kong Law

Eversheds
21/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Admiralty
Hong Kong

Corporate Information

COMPLIANCE ADVISER

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Center
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
9/F, Bank of China Tower
1 Garden Road
Hong Kong

China Development Bank Corporation, Hong Kong Branch
Suites 3307–3315
33/F One International Finance Center
1 Harbour View Street
Central, Hong Kong

Standard Chartered Bank (Hong Kong) Limited
13/F, Standard Chartered Bank Building
4–4A Des Voeux Road Central
Hong Kong

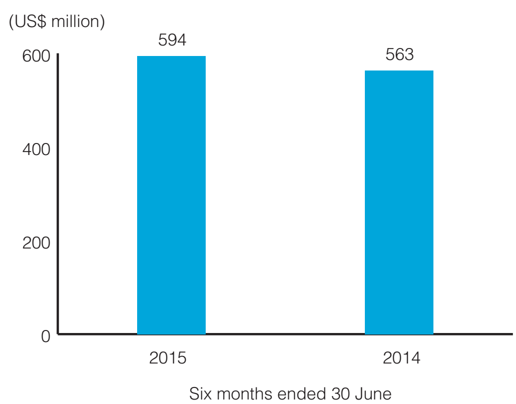
Notes: (i) Mr. Shen Zhongmin resigned as an independent non-executive Director with effect from 13 April 2015;

(ii) Mr. Lin Jian, an executive Director and the President, was appointed by Mr. Chen Sui, an executive Director and the chairman of the Board, as his alternate director for the period from 13 April 2015 to 12 July 2015 (both days inclusive); and

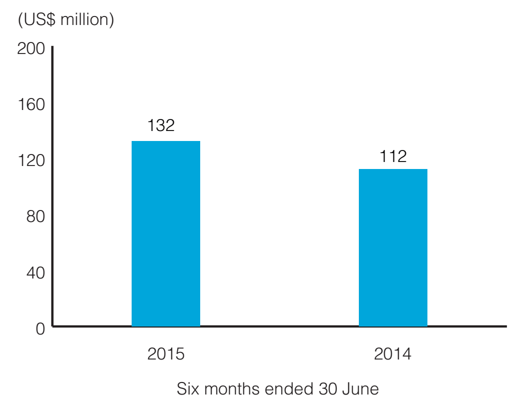
(iii) Mr. Zhang Dongxiao was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee with effect from 7 July 2015.

Financial and Operating Highlights[1]

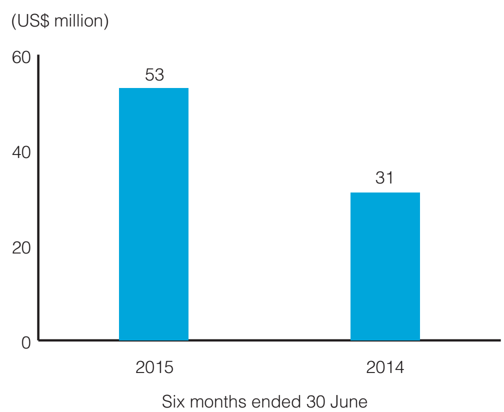
REVENUE



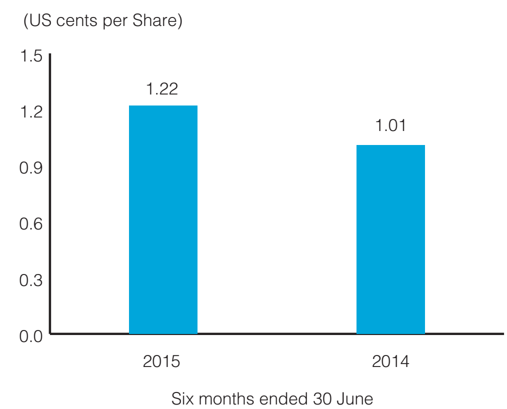
EBITDA[2]



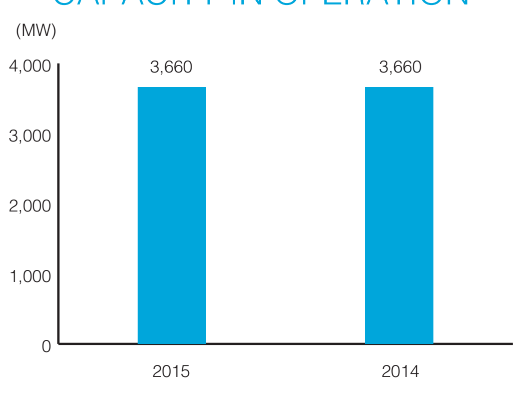
NET PROFIT ATTRIBUTABLE TO OWNER OF THE COMPANY



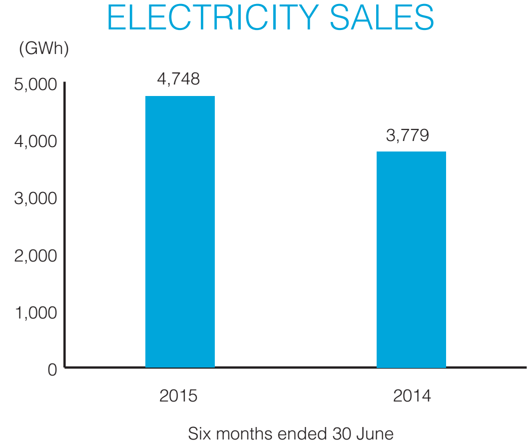
EPS



ATTRIBUTABLE INSTALLED CAPACITY IN OPERATION



ELECTRICITY SALES



Notes:

1. The above highlights pertain to CGN Meiya Power Holdings Co., Ltd. (the "**Company**") and its subsidiaries from time to time after a group reorganization underwent by the Company for the purpose of listing (the "**Group**" or the "**Remaining Group**").

2. EBITDA is calculated by adding depreciation and amortization to the operating profit.

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

For the recent years, the power structure of the PRC was rapidly developing towards the direction of clean and renewable non-fossil energy. As of 30 June 2015, the generation of wind power plants with nationwide scale amounted to 99 TWh, representing an increase of 26.2% over the corresponding period of 2014 and the growth was increased by 14.2 percentage points from the corresponding period of last year. In the first half of 2015, the new power generating capacity was increased year-on-year, among which, the commissioning of wind power and solar power amounted to 6.51 GW and 5.12 GW, respectively, representing an increase of 2.08 GW and 4.18 GW respectively over the corresponding period of last year. Under the background of slackened growth in the domestic electricity consumption, more intense competition is expected to be seen among power-generating enterprises in the second half of 2015.

In addition, coal, nuclear and gas are the focus in the Korean power industry and more emphasis has been placed on such fields in the national energy planning of Korea. Construction for additional nuclear power plants has been promoted in Korea in recent years in a bid to meet the demand for electricity supply in the power market, in turn continuously intensifying the competition in the Korean power market. The commissioning of new power plants lowered the system marginal price ("**SMP**") and the average SMP fell from KRW 141/kWh in 2014 to KRW 110/kWh over the first half of 2015 and its impact on earnings shall be offset by the drop in gas prices to some extent.

II. BUSINESS REVIEW

The principal businesses of the Group are operated in the Chinese and Korean power markets with balanced regional operations. As of 30 June 2015, the operations in the PRC and Korea accounted for approximately 44.2% and 55.8% of our attributable installed capacity of 3,659.5 MW respectively. Additionally, our business in the PRC covers 4 provinces, an autonomous region and a municipality. The principal businesses of the Group involve various fuels. As of 30 June 2015, clean and renewable energy projects, namely gas-fired, hydro and fuel cell projects, accounted for approximately 51.6% of our attributable installed capacity, and conventional energy projects, namely coal-fired, oil-fired and cogen projects, accounted for approximately 48.4% of our attributable installed capacity.

The Group is positioned as China General Nuclear Power Corporation, Ltd. ("**CGN**")'s sole global platform for development and operation of non-nuclear clean and renewable power generation projects. The Group intends to selectively acquire clean and renewable power generation projects with solid returns from CGN with an aggregate installed capacity of 3.0 GW to 5.0 GW in several batches from 2015 to 2018. CGN New Energy Investment (Shenzhen) Company Limited, a wholly-owned subsidiary of the Company, entered into a Framework Agreement dated 17 June 2015 with CGN Wind Energy Ltd. and CGN Solar Energy Development Co., Ltd. to acquire certain wind power and solar power projects at an aggregated consideration of RMB3,965.5 million (the "**Acquisition**"). The Acquisition includes 13 wind power projects companies and 6 solar power projects companies, with an aggregate operational installed capacity of approximately 1,400 MW. It allows the Group to add quality wind power and solar power assets to its portfolio and further enhances the unique advantages of the platform for non-nuclear clean and renewable power generation projects so as to improve the competitiveness of the Group. The Acquisition was completed on 1 September 2015. Further details of the Acquisition and the completion thereof are set out in the Company's circular and announcement dated 22 July 2015 and 1 September 2015 respectively.

The following table sets out items selected by us from results of the Remaining Group (by fuel type):

US$' million	Gas-fired projects	Coal-fired, cogen and steam projects	Oil-fired project	Hydro projects	Corporate	Remaining Group total
For the six months ended 30 June 2015						
Revenue	**455.3**	**96.2**	**15.4**	**16.1**	**10.6**	**593.6**
Operating expenses	**399.8**	**71.4**	**10.3**	**9.3**	**16.6**	**507.4**
Operating profit	**55.5**	**24.8**	**5.1**	**6.8**	**(6.0)**	**86.2**
Profit for the period	**29.6**	**37.4**	**3.1**	**5.5**	**(14.4)**	**61.2**
Profit attributable to the owner of the Company	**26.7**	**31.6**	**3.1**	**5.5**	**(14.4)**	**52.5**
For the six months ended 30 June 2014						
Revenue	401.3	111.6	30.5	18.8	0.4	562.6
Operating expenses	357.0	86.2	26.8	10.0	13.9	493.9
Operating profit	44.3	25.4	3.7	8.8	(13.5)	68.7
Profit for the period	19.5	34.0	2.2	6.9	(23.2)	39.4
Profit attributable to the owner of the Company	16.7	28.6	2.2	6.9	(23.2)	31.2

The attributable installed capacity of the Group's power assets from the Remaining Group as at 30 June 2015 and 31 December 2014 by fuel type are set out as follows:

	30 June 2015 *(MW)*	31 December 2014 *(MW)*
Clean and renewable energy portfolio		
Gas-fired	**1,770.7**	1,770.7
Hydro	**119.3**	119.3
Subtotal	**1,890.0**	1,890.0
Conventional energy portfolio		
Coal-fired	**1,187.5**	1,187.5
Oil-fired	**507.0**	507.0
Cogen	**75.0**	75.0
Subtotal	**1,769.5**	1,769.5
Total attributable installed capacity	**3,659.5**	3,659.5

As at 30 June 2015, the attributable installed capacity of the Group's power plants reached 3,659.5 MW. The consolidated installed capacity of power plants of the Group reached 2,867.8 MW as at 30 June 2015.

In the first half of 2015, the net electricity generated from the consolidated power generation projects of the Group reached 4,748.1 GWh, representing an increase of 25.6% compared with the first half of 2014. It was mainly due to the commencement of the combined cycle operation of Yulchon II Power Project in March 2014. The total steam sold by the Group in the first half of 2015 amounted to 1,163,000 tons, representing a slight increase of 2.4% as compared with the first half of 2014.

Management Discussion and Analysis

The following table sets out the average utilization hour applicable to our projects for the Remaining Group:

	For the six months ended 30 June	
	2015	2014
Average utilization hour by fuel type[(1)]		
PRC Gas-fired Projects[(2)]	**544**	901
Korea Gas-fired Projects[(3)]	**2,352**	1,643
PRC Coal-fired Projects[(4)]	**1,753**	2,190
PRC Cogen Projects[(4)]	**2,619**	2,894
Korea Oil-fired Project[(5)]	**13**	24
PRC Hydro Projects	**1,801**	2,057

Notes:

(1) Utilization hour is the gross electricity generated in a specified period divided by the average installed capacity in the same period.

(2) Utilization hour for the PRC gas-fired projects decrease due to the cessation of operation from May 2014 by Hexie Power Project.

(3) Our Korea gas-fired power projects had higher utilization hour in the first half of 2015 mainly due to Yulchon II Power Project commencing combined cycle operation in March 2014.

(4) Average utilization hour for the PRC coal-fired and cogen projects decreased in the first half of 2015 attributable to a general weakness in industrial demand.

(5) Our Korea oil-fired power project (i.e. Daesan I Power Project) had lower utilization hour in the first half of 2015 since there was a much higher Reserve Margins in Korea comparing to the first half of 2014, so there was a lower demand on oil-fired power plant.

The table below sets out the weighted average tariffs (inclusive of value-added tax ("**VAT**")) applicable to our projects in the PRC and Korea for the Remaining Group for the periods indicated:

	Unit	For the six months ended 30 June 2015	2014
Weighted average tariff (inclusive of VAT)[(1)]			
PRC Gas-fired Projects[(2)]	RMB per kWh	**0.53**	0.60
Korea Gas-fired Projects[(3)]	KRW per kWh	**133.11**	176.05
PRC Coal-fired Projects[(4)]	RMB per kWh	**0.49**	0.50
PRC Cogen Projects[(4)]	RMB per kWh	**0.49**	0.51
Korea Oil-fired Project	KRW per kWh	**339.51**	457.20
PRC Hydro Projects	RMB per kWh	**0.39**	0.39
Weighted average tariff – steam (inclusive of VAT)			
PRC Cogen Projects[(5)]	RMB per ton	**178.14**	200.53

Notes:

(1) The weighted average tariffs are affected not only by the change in the tariff for each project but also the change in net power generation for each project.

(2) The tariff for PRC gas-fired projects decreased due to the cessation of operation from May 2014 by Hexie Power Project that had a comparatively higher power tariff, thus the average tariff became lower.

(3) The weighted average tariff (inclusive of VAT) for Korea gas-fired projects includes the tariff (inclusive of VAT) for the 10.4 MW fuel cell project owned by Yulchon I Power Project. The weighted average tariff for Korea gas-fired projects decreased in the first half of 2015 which was in line with the decrease in Korea gas price.

(4) The weighted average tariff (inclusive of VAT) for our PRC cogen projects excludes steam tariff (inclusive of VAT). The weighted average tariffs for the PRC coal-fired and PRC cogen projects decreased in the first half of 2015 since there have been national on-grid tariff downward adjustments directed by the National Development and Reform Commission of the PRC ("**NDRC**") in September 2014.

(5) The weighted average tariff-steam decreased in the first half of 2015 was in line with the decrease in PRC coal price.

Management Discussion and Analysis

The following table sets out the weighted average gas and standard coal and average oil prices (inclusive of VAT) applicable to our projects in the PRC and Korea for the Remaining Group for the periods indicated:

		For the six months ended 30 June	
	Unit	**2015**	2014
PRC weighted average gas price(1)(2)(3)	RMB per normal cubic meter (“**Nm**³”)	**2.72**	2.04
PRC weighted average standard coal price(1)(4)	RMB per ton	**560.39**	702.08
Korea weighted average gas price(1)(5)	KRW per Nm^3	**630.80**	835.00
Korea average oil price(6)	KRW per liter	**1,455.47**	1,427.04

Notes:

(1) The weighted average standard coal and the weighted average gas prices are weighted based on the consumption of gas or coal in each applicable period.

(2) The PRC weighted average gas price excludes the gas price for Weigang Power Project, which exclusively uses blast furnace gas.

(3) Our PRC weighted average gas price in the first half of 2015 increased compared to the first half of 2014 due to the directive issued by the NDRC to increase gas prices at gate stations by RMB0.4 per m^3 in August 2014, with effect from 1 September 2014.

(4) The PRC weighted average standard coal price in the first half of 2015 decreased compared to the first half of 2014 due to a general weakness in demand in the first half of 2015.

(5) Our Korea weighted average gas price in the first half of 2015 decreased compared to the first half of 2014 due to decreases in gas prices, as indicated by the Japanese Crude Cocktail, a measurement of average prices of crude oil imported into Japan and an important determinant of natural gas prices in Korean markets. Yulchon I Power Project PPA allows us to contractually incorporate fuel cost fluctuations in the tariff charged to our customers.

(6) We only purchase oil in Korea to supply Daesan I Power Project.

III. OPERATING RESULTS AND ANALYSIS

The following discussion and analysis pertains to the financial information of the Remaining Group.

In the first half of 2015, the revenue of the Group amounted to US$593.6 million, representing an increase of 5.5% compared with the first half of 2014. The profit attributable to the shareholders of the Company amounted to US$52.5 million, representing an increase of US$21.3 million or 68.3% as compared with the first half of 2014.

In the first half of 2015, the net profit of the Group amounted to US$61.2 million, representing an increase of US$21.8 million or 55.3% as compared with the first half of 2014.

Revenue

In the first half of 2015, the revenue of the Group amounted to US$593.6 million, representing an increase of 5.5% compared with US$562.6 million of the first half of 2014. The increase in revenue was mainly due to an increase in revenue from Yulchon II Power Project, offset by a decrease in revenue from Yulchon I Power Project and Daesan I Power Project. The increase in revenue was also due to the recognition of management services fee income charged under the operation and management services framework agreements signed by the Company with CGN Energy Development Co., Ltd. and Huamei Holding Company Limited in 2014.

Operating Expenses

In the first half of 2015, the operating expenses of the Group amounted to US$507.4 million, representing an increase of 2.7% compared with US$493.9 million of the first half of 2014. The increase in operating expenses was mainly due to an increase in gas consumption and higher depreciation expenses in relation to Yulchon II Power Project, an increase in gas prices in the PRC, offset by the decrease in coal prices in the PRC.

Operating Profit

In the first half of 2015, the operating profit, which is equal to revenue minus operating expenses, of the Group amounted to US$86.2 million, representing an increase of 25.5% compared with US$68.7 million of the first half of 2014. The increase is in line with the increment in revenue and operating expenses for the current period.

Other Income

Other income mainly represented income from sales of scrapped materials, interest income and the refund of value added tax. Other income was stable in both periods. In the first half of 2015, the other income of the Group amounted to US$6.5 million, representing a slight decrease of US$0.6 million compared with US$7.1 million of the first half of 2014.

Finance Costs

In the first half of 2015, the finance costs of the Group amounted to US$28.7 million, representing a decrease of 5.9% compared with US$30.5 million of the first half of 2014. The decrease in finance costs was mainly due to the decrease in weighted average balances of bank borrowings and borrowings from related companies.

Share of Results of Associates

In the first half of 2015, the share of results of associates amounted to US$19.2 million, representing an increase of US$3.7 million compared with US$15.5 million in the first half of 2014. The increase in profit of the associates was mainly due to higher power generation from Huangshi II Coal-fired Project, the lower standard coal price in the PRC, offset by the lower power generation from Huangshi I Coal-fired Project and the national tariff reduction in September 2014 for all the PRC coal-fired plants.

Income Tax Expense

In the first half of 2015, the income tax expense of the Group amounted to US$22.2 million, representing an increase of US$2.1 million compared with US$20.1 million of the first half of 2014 which was due to the increased profits for the current period.

Management Discussion and Analysis

Liquidity and Capital Resources

The Group's fixed bank deposit, bank balances and cash together with the amount due from a fellow subsidiary (represent the deposits placed with CGNPC Huasheng Investment Limited ("**CGNPC Huasheng**")) increased from US$407.1 million as at 31 December 2014 to US$443.7 million as at 30 June 2015, primarily due to the cash generated from operation during the current period.

Net Debt/Equity Ratio

The Group's net debt/equity ratio decreased from 1.20 as at 31 December 2014 to 1.05 as at 30 June 2015 due to the decrease in net debt (which equals total debt less available cash) resulted by the repayment of bank borrowings and the cash generated from operation during the current period.

Interim Dividends

The Board does not recommend any interim dividend for the six months ended 30 June 2015.

Earnings per Share

	For the six months ended 30 June	
	2015	2014
	US cents	*US cents*
Earnings per share for the Remaining Group, basic – calculated based on the weighted average number of ordinary shares for the period	**1.22**	1.01
	US$'000	*US$'000*
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owner of the Remaining Group)	**52,504**	31,181
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**4,290,824**	3,101,800

No diluted earnings per share was presented for both periods as there was no potential ordinary share in issue.

The number of shares for the purpose of calculating basic earnings per share for the six months ended 30 June 2014 was calculated based on the 3,101,800,000 ordinary shares of the Company after retrospective adjustment and assuming the issuance of 3,101,800,000 ordinary shares of HK$0.0001 each and the repurchase of 100,000 ordinary shares of US$0.4 each pursuant to the written resolutions passed by the then sole shareholder of the Company on 15 September 2014, had been effective on 1 January 2014.

Trade Receivables

	As at 30 June 2015 US$'000	As at 31 December 2014 US$'000
Trade receivables	**89,597**	158,121
Less: allowance for doubtful debts	**(116)**	(118)
	89,481	158,003

The Group allowed a credit period from 30 to 90 days throughout the period to its trade customers. Over 99% (31 December 2014: 99%) of the trade receivables were neither past due nor impaired as at 30 June 2015. The management considers that these receivables have good credit scoring under the credit review policy adopted by the Group.

The following is an ageing analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates (which approximated the revenue recognition dates) at the end of the reporting period.

	As at 30 June 2015 US$'000	As at 31 December 2014 US$'000
0 – 60 days	**89,175**	156,856
61 – 90 days	**–**	371
Over 90 days	**306**	776
	89,481	158,003

Trade Payables

The following is an ageing analysis of trade payables presented based on the invoice dates at the end of the reporting period.

	As at	
	30 June 2015 *US$'000*	31 December 2014 *US$'000*
0 – 60 days	**77,201**	156,015
61 – 90 days	**–**	59
Over 90 days	**–**	933
Total	**77,201**	157,007

The average credit period for purchases of goods was 34 (31 December 2014: 33) days for the six months ended 30 June 2015. The Group has financial risk management policies in place to ensure all payables are settled within the credit frame.

Financial Position

Non-current assets decreased from US$1,699.5 million as at 31 December 2014 to US$1,656.4 million as at 30 June 2015. It was mainly due to the depreciation charges for the six months ended 30 June 2015.

Current assets decreased from US$787.4 million as at 31 December 2014 to US$745.9 million as at 30 June 2015. It was mainly attributable to the decreased trade receivables, offset by the increased cash and bank deposits. The decreased trade receivables was due to the faster settlement by major customers, while the increase in cash and bank deposits was mainly attributable to the cash generated from operation.

Current liabilities decreased from US$445.5 million as at 31 December 2014 to US$232.3 million as at 30 June 2015, which was mainly due to the decreased trade payables and repayment of China Development Bank Corporation, Hong Kong Branch ("**CDB**") bank loan of US$140.0 million during the six months ended 30 June 2015.

Non-current liabilities increased from US$1,225.4 million as at 31 December 2014 to US$1,315.6 million as at 30 June 2015, which was mainly attributable to the loans from an intermediate holding company and a fellow subsidiary of US$100.0 million and US$20.0 million, respectively, offset by the repayment of bank borrowings by Yulchon I Power Project and Daesan I Power Project.

Bank Borrowings

The Group's total bank borrowings decreased from US$1,035.8 million as at 31 December 2014 to US$864.0 million as at 30 June 2015. It was mainly due to the repayment of CDB bank loan of US$140.0 million in June 2015, and the repayment of bank borrowings by Yulchon I Power Project and Daesan I Power Project. Details of bank borrowings are as follows:

	As at	
	30 June 2015	31 December 2014
	US$'000	*US$'000*
Secured	**858,389**	1,030,128
Unsecured	**5,637**	5,720
	864,026	1,035,848
The maturity profile of bank borrowings is as follows:		
Within one year	**60,042**	197,819
More than one year but not exceeding two years	**106,594**	53,287
More than two years but not exceeding five years	**176,627**	226,435
Over five years	**520,763**	558,307
	864,026	1,035,848
Less: Amounts due for settlement within one year shown under current liabilities	**(60,042)**	(197,819)
Amounts due for settlement after one year	**803,984**	838,029

As at 30 June 2015, the Group had committed unutilised banking facilities of US$780.7 million.

Bond Payables

The Company issued bonds in an aggregate principal amount of US$350.0 million on 19 August 2013 priced at 99.686% of the principal amount that carries interest at 4% per annum and interest is payable semi-annually in arrears and will become mature on 19 August 2018, unless it is redeemed earlier. The carrying amount of the bond payables was US$353.9 million as at 30 June 2015.

Loan from a Fellow Subsidiary

During the six months ended 30 June 2015, US$20.0 million has been advanced from CGNPC Huasheng, which is unsecured, interest bearing at 2.38% and repayable in year 2018.

Loan from an Intermediate Holding Company

During the six months ended 30 June 2015, US$100.0 million has been advanced from CGNPC International Limited, an intermediate holding company, which is unsecured, interest bearing at 4.5% and repayable in year 2025.

Management Discussion and Analysis

Significant Investments

In August 2015, the Acquisition was approved by the independent Shareholders by way of ordinary resolution. All the conditions precedent of the Framework Agreement have been fulfilled and the completion took place on 1 September 2015 in accordance with the terms and conditions of the Framework Agreement. Please refer to the Company's announcement dated 1 September 2015 for details.

Capital Expenditures

The Group's capital expenditure decreased by US$120.1 million to US$11.2 million in the first half of 2015 from US$131.3 million in the first half of 2014, mainly due to the completion of construction of combined cycle operation of Yulchon II Power Project in March 2014.

Contingent Liabilities

As at 30 June 2015, the Group had no material contingent liabilities (as at 31 December 2014: nil).

Pledged Assets

The Group pledged certain property, plant and equipment, land use rights and bank deposits for credit facilities granted to the Group. As at 30 June 2015, the total book value of the pledged assets amounted to US$1,215.0 million.

Employees and Remuneration Policy

As at 30 June 2015, the Group had about 1,481 full-time employees, with the majority based in China. The Group provides its employees with salaries and bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes.

Employees located in China are covered by the mandatory social security schemes required by local practice and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC law to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the respective regulatory requirements of each city. The PRC government is directly responsible for the payment of the benefits to these employees.

In Korea, the Group is required by law to contribute 4.5% of the employees' monthly salaries for the national pension, 3.035% for national health insurance (6.55% of the national health insurance contribution for long term care insurance), 0.9% for unemployment insurance, 1.0% (Seoul Office)/0.7% (Yulchon)/0.8% (Daesan) for the industrial accident compensation insurance and 0.08% for a wage claim guarantee fund.

In Hong Kong, the Group participates in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). Employees contribute 5.0% of their relevant income to the mandatory provident fund scheme and the Group contributes 10.0% of each employee's monthly base salary.

IV. RISK FACTORS AND MANAGEMENT

Risks Relating to the Industry

Our power projects are located in the PRC and Korea, both of which have undergone, and may continue to undergo, regulatory changes. Governmental regulations affect all aspects of our power project operations, including the amount and timing of electricity generation, the setting of tariffs, compliance with power grid controls, dispatch directives and environmental protection. Regulatory changes in the PRC and Korea can affect, among other things, dispatch policies, clean and renewable energy and environmental compliance policies and tariffs, and may result in a change of tariff-setting procedures or mandatory installation of costly equipment and technologies to reduce environmental pollutants.

Risk Relating to Fuel Cost

The non-renewable energy power projects of the Group require supplies of coal, oil and gas as fuel. Fuel costs represent a significant portion of our operating expenses and the operating expenses of our associates. The extent to which our profit is ultimately affected by the cost of fuel depends on our ability to pass through fuel costs to our customers as set out under the relevant regulatory guidelines and the terms of our power purchase agreement ("**PPA**") for a particular project, as we currently do not hedge our exposure to fuel price fluctuations. Our fuel costs are also affected by the volume of electricity generated because the coal consumption rate of coal-fired and cogen power projects decrease when we generate more electricity as a result of economies of scale. In the PRC, government tariff regulations limit our ability to pass through changes in fuel costs. In Korea, while our Yulchon I Power Project is able to pass through our exposure to fuel price fluctuations through fuel cost pass-through provisions in the tariff formula, our Yulchon II and Daesan I Power Projects receive payments based on the SMP, which is influenced by market demand and supply, and may not fully reflect the power plants' respective fuel price fluctuations. Our diversified generation portfolio enables us to diversify the risks that we would face to utilize a single resource for electricity generation. In particular, our exposure to several fuel types mitigates risks such as price increases in or the availability of any particular fuel source.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our debt with floating interest rates based on market prevailing rates. We undertake debt obligations to support general corporate purposes including capital expenditures and working capital needs. Certain of our indebtedness is calculated in accordance with floating interest rate or interest that are subject to adjustment by our lenders. We periodically review the ratio of debt with floating interest rates to debt with fixed rates, taking into account the potential impact on our profit, interest coverage and cash flows.

Foreign Exchange Risk

The functional currency of the Group is U.S. dollars, and our profit is affected by fluctuations in foreign currency exchange rates. We collect most of our revenue from our projects in Renminbi and Korean Won, some of which are converted into foreign currencies to (1) purchase foreign-made equipment and parts for repair and maintenance, (2) make investments in certain joint ventures or acquire interests from other companies, (3) pay out dividends to the shareholders of our project companies, and (4) service our outstanding debt. By managing and monitoring the risks of foreign currency, we ensure that appropriate measures are adopted effectively in a timely manner. We have in the past and may in the future enter into foreign currency hedges if and when it becomes economical to do so.

V. PROSPECTS

Facing the ever-changing international market environment, challenges and opportunities, the Group will always adhere to the working principle of "Doing Things Right in One Go", giving full play as CGN's sole global platform for development and operation of non-nuclear clean and renewable power generation projects. CGN will fully support the Group to become a first-class domestic and world-renowned non-nuclear clean energy developer and operator in terms of, among other things, strategic management, continuous supply chain, preferred option of non-nuclear clean energy assets and excellent talent and others.

The Group will continue to selectively acquire clean and renewable power generation projects with solid returns from CGN with an aggregate installed capacity of 3.0 GW to 5.0 GW in several batches from 2015 to 2018. It believes that it will enable the Group to further expand its business scale and market share, which will in turn improve the competitiveness, profitability and shareholders' return of the Group, and accordingly, strive to become one of the independent clean and renewable energy power producers with excellent profitability in Asia.

EVENT OCCURRING AFTER THE REPORTING PERIOD

Saved as disclosed in the paragraph headed "Significant Investments" in the section headed "Management Discussion and Analysis", no other important events or transactions affecting the Remaining Group has taken place since 30 June 2015.

Other Information

CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the six months ended 30 June 2015, save for code provision A.5.1 with particular reference to the following:

Mr. Shen Zhongmin resigned as independent non-executive Director with effect from 13 April 2015, and ceased to be the chairman of the remuneration committee of the Company (the "**Remuneration Committee**") and a member of the nomination committee of the Company (the "**Nomination Committee**"). Following the resignation of Mr. Shen, the independent non-executive Directors did not represent at least one-third of the Board as required under Rule 3.10A of the Listing Rules. In addition, the composition of the Remuneration Committee and the Nomination Committee fell below the requirements under Rule 3.25 of the Listing Rules and code provision A.5.1 of the CG Code.

On 7 July 2015, the Board appointed Mr. Zhang Dongxiao as an independent non-executive Director as well as the chairman of the Remuneration Committee and a member of the Nomination Committee to fill in the vacancy. The Company has complied with the requirement in relation to the independent non-executive directors as required under Rule 3.10A of the Listing Rules. In addition, the Company has complied with the requirements in relation to the composition of the Remuneration Committee and the Nomination Committee as required under Rule 3.25 of the Listing Rules and code provision A.5.1 of the CG Code.

COMPLIANCE WITH MODEL CODE

The Company has adopted its own Code for Securities Transactions by Directors (the "**Code**"), the stipulations of which are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), as a code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with the Directors, and all Directors confirmed in writing that they have complied with the required standards in respect of securities transactions by the Directors set out in the Model Code and the Code during the six months ended 30 June 2015.

REVIEW OF INTERIM RESULTS

The Group's interim results and the unaudited consolidated interim financial report for the six months ended 30 June 2015 have been reviewed by the audit committee of the Company.

DIRECTORS' OR CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As of 30 June 2015, none of the Directors or the chief executive of the Company has any interest and/or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "**SFO**")) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Code to be notified to the Company.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as the Directors are aware, as of 30 June 2015, the following persons, other than the Directors and the chief executive of the Company, have or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Capacity/Nature of Interest	Number of Shares	Approximate % of Shareholding
China General Nuclear Power Corporation, Ltd. ("**CGN**")[(1)(2)]	Interests in controlled corporation (long position)	3,101,800,000	72.29%
CGNPC International Limited[(2)]	Interests in controlled corporation (long position)	3,101,800,000	72.29%
CGNPC Huamei Investment Limited ("**CGNPC Huamei**")	Beneficial owner (long position)	3,101,800,000	72.29%

Notes:

(1) CGN indirectly holds 100% of the issued share capital of CGNPC Huamei, which directly holds approximately 72.29% of the issued share capital of the Company, through its wholly-owned subsidiary CGNPC International Limited. Accordingly, CGN is deemed to have an interest in all shares held by CGNPC Huamei.

(2) CGNPC International Limited directly holds 70.59% of the issued share capital of CGNPC Huamei, which directly holds approximately 72.29% of the issued share capital of the Company, and indirectly holds 29.41% of the issued share capital of CGNPC Huamei, through its wholly-owned subsidiary Gold Sky Capital Limited. Accordingly, CGNPC International Limited is deemed to have an interest in all shares held by CGNPC Huamei.

CHANGE IN INFORMATION OF DIRECTOR

The change in information of the Director, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

Commencing 1 April 2015, the monthly salary and allowances for Mr. Lin Jian, the President and Executive Director, amounts to HKD69,280.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

Other Information

USE OF PROCEEDS

The Company was listed on the Main Board of the Stock Exchange on 3 October 2014. Net proceeds from the global offering (including the proceeds from the exercise of the over-allotment option) were approximately HK$1,966.1 million (after deducting the underwriting fees and commissions and other listing-related expenses). As at 30 June 2015, the unutilised proceeds of approximately HK$1,961.7 million were kept in a current account with banks.

Use of net proceeds from global offering

	Percentage to total amount	Net proceeds *(HK$ million)*	Utilised amount (up to 30 June 2015) *(HK$ million)*	Unutilised amount (up to 30 June 2015) *(HK$ million)*
Selective acquisition of clean and renewable power projects from CGN, the parent company of the Company	70%	1,376.3	2.1	1,374.2
Acquisition of operational power projects and development of greenfield projects acquired from independent third parties	30%	589.8	2.3	587.5
		1,966.1	4.4	1,961.7

SHARE OPTION SCHEME

The Company does not have any share option scheme.

Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF CGN MEIYA POWER HOLDINGS CO., LTD.
中國廣核美亞電力控股有限公司
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of CGN Meiya Power Holdings Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 23 to 48, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 August 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	NOTES	Six months ended 30 June 2015 US$'000 (Unaudited)	2014 US$'000 (Unaudited)
Revenue	3	**593,587**	571,775
Operating expenses:			
Coal, oil and gas		**396,963**	392,655
Depreciation of property, plant and equipment		**44,403**	43,591
Repair and maintenance		**11,424**	12,066
Staff costs		**30,864**	28,631
Others		**23,764**	26,213
Total operating expenses		**507,418**	503,156
Operating profit		**86,169**	68,619
Other income		**6,461**	7,383
Other gains and losses		**272**	1,883
Finance costs		**(28,733)**	(30,729)
Share of results of associates		**19,185**	17,189
Share of results of a joint venture		**–**	22,170
Initial public offering expenses		**–**	(3,112)
Profit before tax		**83,354**	83,403
Income tax expense	4	**(22,200)**	(22,407)
Profit for the period	5	**61,154**	60,996
Other comprehensive (expenses) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign subsidiaries, associates and a joint venture		**(13,161)**	(11,903)
Reclassification adjustments for amounts transferred to profit or loss			
– release of hedging reserve		**(65)**	(45)
– deferred tax credit arising on release of hedging reserve		**16**	41
Other comprehensive expenses for the period		**(13,210)**	(11,907)
Total comprehensive income for the period		**47,944**	49,089
Profit for the period attributable to:			
Owner of the Company		**52,504**	52,560
Non-controlling interests		**8,650**	8,436
		61,154	60,996
Total comprehensive income attributable to:			
Owner of the Company		**40,989**	42,201
Non-controlling interests		**6,955**	6,888
		47,944	49,089
Earnings per share, basic *(US cents)*	7	**1.22**	1.69

Condensed Consolidated Statement of Financial Position

At 30 June 2015

	NOTES	As at 30 June 2015 US$'000 (Unaudited)	As at 31 December 2014 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	**1,434,984**	1,483,283
Prepaid lease payments		**12,688**	13,794
Goodwill		**844**	844
Interests in associates		**182,432**	168,271
Amounts due from non-controlling shareholders		**838**	860
Deferred tax assets		**1,485**	1,356
Other assets		**23,115**	31,086
		1,656,386	1,699,494
CURRENT ASSETS			
Inventories		**28,652**	30,830
Prepaid lease payments		**1,921**	1,938
Trade receivables	9	**89,481**	158,003
Other receivables and prepayments		**16,852**	8,976
Amount due from a non-controlling shareholder		**2,373**	1,936
Amount due from an associate	10	**517**	37,090
Amounts due from fellow subsidiaries	10	**87,449**	87,943
Tax recoverable		**73**	658
Pledged bank deposits	11	**136,892**	118,132
Fixed deposits with bank	11	**–**	36,098
Bank balances and cash	11	**362,270**	284,673
		726,480	766,277
Disposal entity classified as held-for-sale	16	**19,463**	21,163
		745,943	787,440
CURRENT LIABILITIES			
Trade payables	12	**77,201**	157,007
Other payables and accruals		**55,646**	62,005
Amounts due to fellow subsidiaries	10	**6,233**	90
Amounts due to non-controlling shareholders		**11,216**	7,470
Advances from non-controlling shareholders – due within one year		**7,424**	7,533
Bank borrowings – due within one year	13	**60,042**	197,819
Bond payables – due within one year		**4,718**	4,718
Deferred connection charges		**86**	175
Tax payable		**9,161**	7,842
		231,727	444,659
Liabilities associated with disposal entity classified as held-for-sale	16	**539**	821
		232,266	445,480
NET CURRENT ASSETS		**513,677**	341,960
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,170,063**	2,041,454

Condensed Consolidated Statement of Financial Position

At 30 June 2015

	NOTES	As at 30 June 2015 US$'000 (Unaudited)	As at 31 December 2014 US$'000 (Audited)
NON-CURRENT LIABILITIES			
Advances from non-controlling shareholders – due after one year		**779**	791
Loan from a fellow subsidiary	10	**20,000**	–
Loan from an intermediate holding company	10	**100,000**	–
Bank borrowings – due after one year	13	**803,984**	838,029
Bond payables – due after one year		**349,197**	349,008
Deferred connection charges		**274**	278
Deferred tax liabilities		**41,388**	37,258
		1,315,622	1,225,364
NET ASSETS		**854,441**	816,090
CAPITAL AND RESERVES			
Share capital	14	**55**	55
Reserves		**749,982**	708,993
Equity attributable to owner of the Company		**750,037**	709,048
Non-controlling interests		**104,404**	107,042
TOTAL EQUITY		**854,441**	816,090

Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 2015

	Attributable to owner of the Company									
	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000 (Note a)	Other non-distributable reserves US$'000 (Note b)	Hedging reserve US$'000	Translation reserve US$'000	Accumulated profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2014 (Audited)	40	–	141,466	27,294	1,219	236,066	372,456	778,541	159,317	937,858
Profit for the period	–	–	–	–	–	–	52,560	52,560	8,436	60,996
Exchange difference arising on translation of foreign subsidiaries, associates and a joint venture	–	–	–	–	–	(10,355)	–	(10,355)	(1,548)	(11,903)
Release of hedging reserve	–	–	–	–	(45)	–	–	(45)	–	(45)
Deferred tax credit arising on release of hedging reserve	–	–	–	–	41	–	–	41	–	41
Total comprehensive (expenses) income for the period	–	–	–	–	(4)	(10,355)	52,560	42,201	6,888	49,089
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	(8,681)	(8,681)
At 30 June 2014 (Unaudited)	40	–	141,466	27,294	1,215	225,711	425,016	820,742	157,524	978,266
At 1 January 2015 (Audited)	55	250,406	–	7,798	1,113	112,804	336,872	709,048	107,042	816,090
Profit for the period	–	–	–	–	–	–	52,504	52,504	8,650	61,154
Exchange difference arising on translation of foreign subsidiaries and associates	–	–	–	–	–	(11,466)	–	(11,466)	(1,695)	(13,161)
Release of hedging reserve	–	–	–	–	(65)	–	–	(65)	–	(65)
Deferred tax credit arising on release of hedging reserve	–	–	–	–	16	–	–	16	–	16
Total comprehensive income (expenses) for the period	–	–	–	–	(49)	(11,466)	52,504	40,989	6,955	47,944
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	(9,593)	(9,593)
Transfer of non-distributable reserves	–	–	–	181	–	–	(181)	–	–	–
At 30 June 2015 (Unaudited)	55	250,406	–	7,979	1,064	101,338	389,195	750,037	104,404	854,441

Notes:

(a) The contributed surplus of the Company represents cash contributions to the Company made by the shareholder other than for subscription of shares, net of dividends declared. In addition to accumulated profits, the contributed surplus of the Company is also available for distribution to shareholder under the Companies Act 1981 of Bermuda. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(b) Other non-distributable reserves principally represent statutory reserves required to be appropriated from profit after income tax of the subsidiaries established in the People's Republic of China (the "**PRC**"), under the relevant laws and regulations. Allocation to the statutory reserves shall be approved by the board of directors of the relevant subsidiaries. The appropriation to statutory reserves may cease if the balance of the statutory reserves has reached 50% of the registered capital of the respective subsidiaries. The statutory reserves may be used to make up losses or for conversion into capital. The relevant subsidiaries may, upon the approval by a resolution of shareholders' general meeting/board of directors' meeting, convert their statutory reserves into capital in proportion to their then existing shareholdings. However, when converting the statutory reserves into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Six months ended 30 June 2015 US$'000 (Unaudited)	Six months ended 30 June 2014 US$'000 (Unaudited)
OPERATING ACTIVITIES		
Profit before tax	**83,354**	83,403
Adjustments for:		
Depreciation of property, plant and equipment	**44,403**	43,591
Release of prepaid lease payments	**1,058**	1,041
Loss on disposal of property, plant and equipment	**26**	–
Change in fair value of derivative financial instruments, net	**–**	(1,264)
Amortisation of deferred connection charges	**(86)**	(97)
Interest income	**(2,847)**	(2,528)
Finance costs	**28,733**	30,729
Share of results of associates	**(19,185)**	(17,189)
Share of results of a joint venture	**–**	(22,170)
Operating cashflows before movements in working capital	**135,456**	115,516
Decrease (increase) in other assets	**7,554**	(1,908)
Decrease (increase) in inventories	**1,843**	(2,291)
Decrease (increase) in trade receivables	**66,296**	(37,750)
Increase in other receivables and prepayments	**(8,019)**	(1,687)
(Increase) decrease in amount due from a non-controlling shareholder	**(456)**	4,382
Increase in amount due from an associate	**–**	(37,084)
(Decrease) increase in trade payables	**(64,358)**	18,904
(Decrease) increase in other payables and accruals	**(6,472)**	6,666
Increase in amounts due to fellow subsidiaries	**6,245**	1,077
(Decrease) increase in amounts due to non-controlling shareholders	**(27)**	3,029
Increase in deferred connection charges	**–**	213
Cash generated from operations	**138,062**	69,067
Income taxes paid	**(16,204)**	(16,945)
NET CASH FROM OPERATING ACTIVITIES	**121,858**	52,122
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(11,196)**	(132,416)
Advance to fellow subsidiaries	**–**	(21,579)
Repayment from fellow subsidiaries	**494**	–
Interest received	**2,847**	2,528
Dividends received from associates	**39,637**	39,166
Withdrawal of fixed deposits with bank	**36,098**	–
Placement of pledged bank deposits	**(574,496)**	(536,637)
Withdrawal of pledged bank deposits	**551,590**	563,700
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**44,974**	(85,238)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Repayment of bank borrowings	**(166,601)**	(37,185)
Interest paid	**(28,460)**	(39,633)
Dividends paid to non-controlling shareholders	**(4,137)**	(8,681)
Advance to non-controlling shareholders	**(1,574)**	–
Repayment to non-controlling shareholders	**–**	(293)
Loan from an intermediate holding company	**100,000**	–
Loan from a fellow subsidiary	**20,000**	–
New bank borrowings raised	**4,019**	53,322
NET CASH USED IN FINANCING ACTIVITIES	**(76,753)**	(32,470)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**90,079**	(65,586)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**284,673**	208,708
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(1,253)**	(1,961)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**373,499**	141,161
Represented by:		
Bank balances and cash	**362,270**	141,161
Bank balances and cash under disposal entity classified as held-for-sale	**11,229**	–
	373,499	141,161

Notes to the Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

The Company is a public limited company incorporated in Bermuda and its shares are listed on the Stock Exchange.

As at 30 June 2015, the Company's ultimate and immediate holding company are China General Nuclear Power Corporation, Ltd. ("**CGN**") and CGNPC Huamei Investment Limited ("**CGNPC Huamei**") respectively.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards ("**IFRSs**") issued by the IASB that are relevant for the preparation of the Group's condensed consolidated financial statements:

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

The application of the above new amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosure as set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on geographical location are set out below.

Segment revenue and segment results

The board of directors of the Company review operating results and financial information of the Group based on individual power plant, management companies and on a location basis. Each power plant and management company constitutes an operating segment. For certain operating segments that exhibit similar long-term financial performance as they have similar economic characteristics, produce electricity and/or steam by using similar production processes and all of electricity and/or steam are distributed and sold to similar classes of customers, provide similar consulting services to customers, their segment information is aggregated into a single reportable operating segment. The Group has three reportable segments as follows:

(1) Power plants in the PRC – Generation and supply of electricity;

(2) Power plants in Republic of Korea – Generation and supply of electricity; and

(3) Management companies in the PRC – Provision of management services to power plants operated by CGN and its subsidiaries.

The following is an analysis of the Group's revenue and results by reportable segment:

Six months ended 30 June 2015 (Unaudited)

	Power plants in the PRC US$'000	Power plants in republic of Korea US$'000	Management companies in the PRC US$'000	Total US$'000
Segment revenue – external	129,930	453,095	10,562	593,587
Segment results	40,942	37,574	503	79,019
Unallocated other income				919
Unallocated operating expenses				(6,566)
Unallocated finance costs				(9,475)
Other gains and losses				272
Share of results of associates				19,185
Profit before tax				83,354

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and segment results *(Continued)*

Six months ended 30 June 2014 (Unaudited)

	Power plants in the PRC *US$'000*	Power plants in republic of Korea *US$'000*	Management companies in the PRC *US$'000*	Total *US$'000*
Segment revenue – external	169,222	402,110	443	571,775
Segment results	40,321	24,009	21	64,351
Unallocated other income				23
Unallocated operating expenses				(8,658)
Unallocated finance costs				(10,443)
Other gains and losses				1,883
Share of results of associates				17,189
Share of results of a joint venture				22,170
Initial public offering expenses				(3,112)
Profit before tax				83,403

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represents the profit earned by each segment without allocation of certain other income, other gains and losses, share of results of associates and a joint venture, certain operating expenses, certain finance costs and initial public offering expenses. This is the measure reported to the directors of the Company for the purposes of resource allocation and performance assessment.

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Sales of electricity	**478,928**	460,415
Sales of steam	**39,184**	49,526
Capacity charges	**64,759**	61,179
Connection charges and others	**154**	212
Management service fee	**10,562**	443
	593,587	571,775

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period	**12,742**	15,267
Overprovision in prior periods	**(543)**	(14)
	12,199	15,253
Dividend withholding tax – current period	**8,588**	5,883
Deferred tax:		
Current period	**1,413**	1,271
	22,200	22,407

The Company is exempted from taxation in Bermuda.

Current tax provision represents provision for PRC Enterprise Income Tax ("**PRC EIT**"), Hong Kong Profits Tax and Korean Corporate Income Tax ("**KCIT**").

4. INCOME TAX EXPENSE *(Continued)*

Under the Law of People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% from 1 January 2008 onwards, except for those subsidiaries described below.

Certain subsidiaries of the Group in the PRC are under the Western China Development Plan and a preferential tax rate of 15% is granted for an extended period from 2011 to 2020. As a result, the tax rate of 15% is used to calculate the amount of current taxation.

Pursuant to KCIT law, the statutory income tax of the Group's Korean subsidiaries was calculated at a rate of 24.2% of the estimated assessable profit for the six months ended 30 June 2015 and 2014.

Pursuant to Hong Kong tax law, the statutory income tax was calculated at a rate of 16.5% of the estimated assessable profit for the six months ended 30 June 2015. No provision for Hong Kong Profits Tax had been made for the six months ended 30 June 2014 as the Group had no assessable profit in Hong Kong.

Pursuant to the tax laws in Republic of Malta and in Mauritius, the statutory income tax was calculated at a rate of 35% and 15%, respectively, for the six months ended 30 June 2015 and 2014. However, subsidiaries of the Group operating in these jurisdictions have not generated taxable income during both periods and therefore, no tax provision has been made by the Group in relation to these subsidiaries.

The Group's subsidiaries, associates and a joint venture that are tax residents in the PRC are subject to the PRC dividend withholding tax ranging from 5% to 10% for those non-PRC tax resident immediate holding companies incorporated in Hong Kong and other jurisdictions, when and if undistributed earnings are declared and to be paid as dividends out of profits that arose on or after 1 January 2008.

The Group's subsidiaries that are tax residents in Korea are subject to a 10% Korean dividend withholding tax based on the PRC-Korea Tax Treaty when and if undistributed earnings are declared and to be paid to non-PRC or non-Korea residents as dividends out of profits.

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Release of prepaid lease payments	**1,058**	1,041
Staff costs		
– salaries and wages	**26,004**	22,979
– retirement benefits scheme contributions, excluding directors	**4,455**	3,424
Total staff costs, excluding directors	**30,459**	26,403

6. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

7. EARNINGS PER SHARE

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Earnings per share, basic *(US cents) (note)*	**1.22**	1.69

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owner of the Company)	**52,504**	52,560

	Six months ended 30 June	
	2015	2014
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**4,290,824,000**	3,101,800,000

Note: The number of shares for the purpose of basic earnings per share for the six months ended 30 June 2014 is calculated based on the 3,101,800,000 ordinary shares of the Company after retrospective adjustment and assuring the issuance of 3,101,800,000 ordinary shares of HK$0.0001 each and the repurchase of 100,000 ordinary shares of US$0.4 each pursuant to the written resolutions passed by the then sole shareholder of the Company on 15 September 2014, had been effective on 1 January 2014.

No diluted earnings per share is presented for the six months ended 30 June 2015 and 2014 as there was no potential ordinary share in issue.

8. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group disposed of certain plant and machinery with aggregate carrying amount of US$26,200 (six months ended 30 June 2014: US$nil) for cash proceeds of US$133 (six months ended 30 June 2014: US$4,029), resulting in a loss on disposal of US$26,067 (six months ended 30 June 2014: gain of US$4,029).

9. TRADE RECEIVABLES

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
Trade receivables	89,597	158,121
Less: allowance for doubtful debts	(116)	(118)
	89,481	158,003

The Group allows a credit period from 30 to 90 days throughout the period to its trade customers. Over 99% (31 December 2014: 99%) of the trade receivables are neither past due nor impaired as at 30 June 2015. The management considers that these receivables have good credit scoring under the credit review policy used by the Group.

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the revenue recognition dates.

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
0–60 days	89,175	156,856
61–90 days	–	371
Over 90 days	306	776
	89,481	158,003

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately US$306,000 (31 December 2014: US$1,030,000) as at 30 June 2015, which are past due as at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these past due receivables is 270 days (31 December 2014: 95 days) as at 30 June 2015.

9. TRADE RECEIVABLES *(Continued)*

Ageing of trade receivables which are past due but not impaired

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
Past due for:		
1–90 days	–	644
91–180 days	–	17
Over 181 days	306	369
Total	306	1,030

The Group has provided fully for all receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

Movement in the allowance for doubtful debts

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
At beginning of the period/year	118	121
Exchange differences	(2)	–
Recovery of bad debts	–	(3)
At end of the period/year	116	118

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit initially granted up to the end of the reporting period.

In order to minimise credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment loss provisions are made for irrecoverable amounts. Accordingly, the directors of the Company believe that no further allowance is required in excess of the existing allowance for bad and doubtful debts.

10. BALANCES WITH AN ASSOCIATE/FELLOW SUBSIDIARIES/AN INTERMEDIATE HOLDING COMPANY

As at 30 June 2015 and 31 December 2014, included in the amounts due from fellow subsidiaries, US$75,467,000 (31 December 2014: US$86,272,000) are deposited to CGNPC Huasheng Investment Limited ("**CGNPC Huasheng**") in relation to the cash-pool arrangement, which are unsecured, interest bearing ranging from 0.01% and 0.25% (31 December 2014: ranging from 0.01% to 1.64%), recoverable on demand (31 December 2014: within 3 months).

During the six months ended 30 June 2015, US$20,000,000 has been advanced from CGNPC Huasheng, which is unsecured, interest bearing at 2.38% and repayable in year 2018. As the amount is not repayable within twelve months from the end of the reporting period, the entire amount has been classified as non-current liability in the condensed consolidated statement of financial position.

During the six months ended 30 June 2015, US$100,000,000 has been advanced from CGNPC International Limited, an intermediate holding company, which is unsecured, interest bearing at 4.5% and repayable in year 2025. As the amount is not repayable within twelve months from the end of the reporting period, the entire amount has been classified as non-current liability in the condensed consolidated statement of financial position.

For the remaining balances, all amounts are non-trade nature, unsecured, non-interest bearing and recoverable/repayable on demand as at 30 June 2015 and 31 December 2014.

11. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS/FIXED DEPOSITS WITH BANK

Bank balances carry interest at market rates which range from 0% to 3.25% (31 December 2014: 0% to 3.25%) per annum as at 30 June 2015. The pledged bank deposits carry interest at market rates ranging from 0.95% to 1.37% (31 December 2014: 1.2% to 2.05%) per annum as at 30 June 2015.

As at 30 June 2015, US$52,935,000 (31 December 2014: US$43,803,000) of the bank and cash balance are deposited in CGN Finance Co. Ltd. 中廣核財務有限責任公司 ("**CGN Finance**"), a fellow subsidiary established in the PRC with limited liability and a non-banking financial institution subject to the regulations of the People's Bank of China and the China Banking Regulatory Commission, in the PRC.

Pledged bank deposits are pledged to banks to secure bank borrowings granted to the Group.

Fixed deposits at 31 December 2014 with bank represented deposits with maturity over three months with bank carry interest at market rate at 1.48% per annum with original maturity dates of 182 days. There are no fixed deposits with bank with maturity over three months as at 30 June 2015.

12. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
0–61 days	**77,201**	156,015
61–90 days	**–**	59
Over 90 days	**–**	933
Total	**77,201**	157,007

The average credit period on purchases of goods is 34 (31 December 2014: 33) days for the period ended 30 June 2015. The Group has financial risk management policies in place to ensure all payables are settled within the credit time frame.

13. BANK BORROWINGS

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
Secured	**858,389**	1,030,128
Unsecured	**5,637**	5,720
	864,026	1,035,848
The maturity profile of bank borrowings is as follows:		
Within one year	**60,042**	197,819
More than one year but not exceeding two years	**106,594**	53,287
More than two years but not more than five years	**176,627**	226,435
Over five years	**520,763**	558,307
	864,026	1,035,848
Less: Amounts due for settlement within one year shown under current liabilities	**(60,042)**	(197,819)
Amounts due for settlement after one year	**803,984**	838,029

13. BANK BORROWINGS *(Continued)*

All bank borrowings at the end of the reporting period are denominated in the functional currency of the respective group entities. The bank borrowings of the Group carry interest rates which range from 1.75% to 6.62% (31 December 2014: 1.75% to 6.62%) per annum during the six months ended 30 June 2015.

The Group pledged the following assets to banks for credit facilities granted to the Group:

	30 June 2015 *US$'000* (Unaudited)	31 December 2014 *US$'000* (Audited)
Property, plant and equipment	**1,075,809**	1,126,062
Land use rights	**2,295**	2,475
Bank deposits	**136,892**	118,132
	1,214,996	1,246,669

14. SHARE CAPITAL

	Notes	**Number of shares**	**Share capital** *US$'000*	**Share capital** *HK$'000*
Ordinary shares of HK$0.0001 each				
Authorised:				
At 1 January 2014		125,000	50	N/A
Cancellation of authorised share capital	(a)	(125,000)	(50)	N/A
Increased in authorised share capital	(a)	250,000,000,000	N/A	25,000
At 31 December 2014 and 30 June 2015		250,000,000,000	N/A	25,000
Issued and fully paid:				
At 1 January 2014		100,000	40	N/A
Repurchase and cancellation of shares	(a)	(100,000)	(40)	N/A
Issuance of shares on 15 September 2014	(a)	3,101,800,000	N/A	310
Issuance of shares on 3 October 2014	(b)	1,033,934,000	N/A	103
Issuance of shares on 27 October 2014	(b)	155,090,000	N/A	16
At 31 December 2014 and 30 June 2015		4,290,824,000	N/A	429

	US$'000
Shown in the consolidated financial statements as	55

14. SHARE CAPITAL *(Continued)*

During year ended 31 December 2014, the movements in share capital were as follows:

(a) Pursuant to the then sole member's resolutions passed on 15 September 2014, (i) the authorised share capital of the Company was increased by HK$25,000,000 by the creation of 250,000,000,000 shares of a nominal of HK$0.0001 each (the "**Increase**"); (ii) following the Increase, 3,101,800,000 shares of HK$0.0001 each, being allotted and issued to CGNPC Huamei (the "**Issue**"), nil-paid at a price of HK$0.0001 each, being an aggregate subscription price of HK$310,180 (the "**Subscription Price**"); (iii) following the Issue, 100,000 shares of US$0.4 each (the "**Existing Shares**") in the share capital of the Company in issue immediately prior to the Increase were repurchased by the Company (the "**Repurchase**") at US$0.4 each, being an aggregate repurchase price of US$40,000 (the "**Repurchase Price**") and the Existing Shares were cancelled; (iv) the Subscription Price was set-off against the Repurchase Price and the 3,101,800,000 nil-paid Shares of par value of HK$0.0001 each was credited as fully paid; and (v) following the Repurchase, the authorised but unissued share capital of the Company was diminished by the cancellation of all 125,000 unissued shares of US$0.4 each in the capital of the Company after which the Company has an authorised share capital of HK$25,000,000 divided into 250,000,000,000 shares of HK$0.0001 each.

(b) In connection with the Company's initial public offering, 1,033,934,000 and 155,090,000 ordinary shares were issued at HK$1.71 per share for a total cash consideration, before expenses, of approximately HK$1,768,027,000, equivalent to approximately US$228,000,000 and HK$265,204,000, equivalent to approximately US$34,200,000 on 3 October 2014 and 27 October 2014, respectively.

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The directors of the Company would engage an independent valuer, whenever necessary, which is liaised with the chief financial officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will engage the independent valuation team to perform the valuation. The valuation will establish the appropriate valuation techniques and inputs to the model. The chief financial officer reports the valuation team's findings to the board of directors of the Company semi-annually to explain the cause of fluctuations in the fair value of the assets and liabilities. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

16. DISPOSAL ENTITY CLASSIFIED AS HELD-FOR-SALE

On 3 December 2014, the Group released a public tender in relation to the disposal of Hexie, an indirect wholly-owned subsidiary of the Company on the China Beijing Equity Exchange (the "**Beijing Exchange**"), in accordance with the relevant laws and regulations of the PRC governing the equity transfer of state-owned assets and enterprises. Hexie is engaged in the generation and supply of electricity. The assets and liabilities attributable to Hexie, which as at 30 June 2015 and 31 December 2014 were expected to be sold within twelve months have been classified as disposal entity held for sale and are presented separately in the consolidated statement of financial position as at 30 June 2015 and 31 December 2014 (see below). The estimated fair value of the assets included in the disposal entity held-for-sale are higher than the carrying amount of the relevant assets and accordingly, no impairment loss has been recognised.

16. DISPOSAL ENTITY CLASSIFIED AS HELD-FOR-SALE *(Continued)*

On 4 May 2015, the Group entered into an agreement with a potential buyer which agrees to acquire the entire equity interest of Hexie though participation in a public tender process conducted on the Beijing Exchange with a tender price of RMB230 million (equivalent to approximately US$38 million). As at 30 June 2015, this transaction is still under process.

The major classes of assets and liabilities of Hexie as at 30 June 2015 and 31 December 2014 have been presented separately in the consolidated statement of financial position and are set out below.

	30 June 2015 ***US$'000*** **(Unaudited)**	31 December 2014 *US$'000* (Audited)
Bank balances and cash	**11,229**	11,288
Inventories	**433**	439
Prepaid lease payments *(note a)*	**277**	315
Trade receivables	**–**	65
Other receivables and prepayments	**485**	449
Property, plant and equipment	**7,039**	8,511
Amount due from CGN Finance	**–**	96
Disposal entity classified as held-for-sale	**19,463**	21,163
Trade payables	**1**	1
Other payables and accruals	**3**	4
Deferred tax liabilities	**535**	816
Liabilities associated with disposal entity classified as held-for-sale	**539**	821

Note:

(a) The amount represents the prepaid land use rights and is released to profit or loss on a straight-line basis, over 20 years which is equal to the original period stated in the land use rights certificates granted for usage to the Entity.

17. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
Minimum lease payments under operating leases during the period/year in respect of premises	**2,562**	4,257

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of premises which fall due as follows:

	30 June 2015 US$'000 (Unaudited)	31 December 2014 US$'000 (Audited)
Within one year	**3,241**	3,272
In the second to fifth year inclusive	**2,350**	2,152
Over five years	**1,557**	2,527
	7,148	7,951

Operating lease payments represent rentals payable by the Group for certain of its premises. Leases are negotiated and rentals are fixed for two to ten years.

In accordance with the power purchase agreement ("**PPA**") entered into between MPC Korea Holdings Co., Ltd. ("**MPC Korea**") and Korea Electric Power Corporation ("**KEPCO**") in 1996 (the PPA was subsequently transferred from MPC Korea to MPC Yulchon Generation Company Limited ("**MPC Yulchon**") upon the restructuring of the Group's operations in South Korea in July 2009), MPC Korea was required to construct electricity transmission facilities for connection of MPC Korea's power plant ("**Yulchon Plant**") to the power grid of KEPCO and MPC Korea was obligated under the PPA to sell such facilities to KEPCO within six months of commencing operation of Yulchon Plant. MPC Korea constructed electricity transmission facilities with a net book value of approximately US$2,862,000, which was subsequently disposed of to KEPCO in 2005 for an amount approximate to US$1,365,000, resulting in a loss on disposal of approximately KRW1,707 million (equivalent to approximately US$1,497,000) in 2005. The sales proceeds had been fully settled as of 31 December 2008.

17. COMMITMENTS *(Continued)*

(a) Operating lease commitments *(Continued)*

The Group as lessee *(Continued)*

In connection with such disposition of the electricity transmission facilities to KEPCO in 2005, MPC Korea has a right of use of the facilities for 20 years, which is the term of the PPA. Accordingly, it is considered as a sale and leaseback transaction and results in an operating lease. The difference between the net book value of the facilities and the related proceeds of approximately US$1,497,000 was considered as future lease payments and was recorded as long-term prepaid expenses. The carrying value of the long-term prepaid expenses as at 30 June 2015 is approximately KRW702 million (equivalent to approximately US$640,000) (31 December 2014: KRW745 million (equivalent to approximately US$680,000)). These long-term prepaid expenses are to be amortised over the term of the PPA.

The Group as lessor

Certain of the Group's equipment is held for rental purpose under operating lease since 2007 with a carrying amount of approximately US$1,313,000 (2014: US$1,403,000) as at 30 June 2015, and expected to generate rental yield of 7% on an ongoing basis.

Further, the Group has signed long-term electricity supply contracts with power purchasers since 2005 which, among other matters, require the Group to make some of its generation capacity available for a fixed capacity charge for 20 years.

At the end of each reporting period, the Group had contracted with lessees for future minimum lease payments in respect of leasing of equipment and power purchasers for capacity charge payments as follows:

	30 June 2015 *US$'000* **(Unaudited)**	31 December 2014 *US$'000* (Audited)
Leasing of equipment		
Within one year	**161**	163
In the second to fifth year inclusive	**123**	201
	284	364
Leasing of generation capacity		
Within one year	**41,851**	42,221
In the second to fifth year inclusive	**167,405**	168,888
After five years	**209,256**	232,220
	418,512	443,329

17. COMMITMENTS *(Continued)*

(b) Capital commitments

	30 June 2015 ***US$'000*** **(Unaudited)**	31 December 2014 *US$'000* (Audited)
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	**5,012**	11,758

(c) Acquisition of Xinjiang Project

On 22 December 2011, the Company entered into a joint development agreement (the "**Joint Development Agreement**") with an independent third party being the vendor (the "**Vendor**") and an individual who is a director of the target company (the "**Target Company**") (collectively, the "**Parties**"), upon the satisfaction of certain conditions, to acquire 100% equity interest of the Target Company at a consideration of RMB10 million (the "**Proposed Acquisition**").

The Target Company, through its 93% shareholding in the project company (the "**Project Company**"), owns the right to develop a wind farm project in the north eastern part of Xinjiang Autonomous Region of the PRC (the "**Xinjiang Project**"). The other 7% interest in the Project Company is owned by an independent third party.

At 30 June 2015, the Proposed Acquisition is still pending and has not yet completed as the Parties are still undertaking steps to obtain all of the requisite regulatory approvals for the development and construction of the Xinjiang Project and final negotiation.

18. RELATED PARTY DISCLOSURES

The Company is ultimately controlled by CGN, which is a state-owned enterprise under the direct supervision of the State Council of the PRC.

Apart from details of the balances with related parties disclosed in the condensed consolidated statements of financial position and other details disclosed elsewhere in the condensed consolidated financial statements, the Group also entered into the following significant transactions with related parties during the period:

			Six months ended 30 June	
			2015	2014
			US$'000	*US$'000*
Name of related company	*Note*	**Nature of transactions**	**(Unaudited)**	(Unaudited)
Hubei Xisaishan Power Generation Co. Ltd.	(i)	Management service fee income	**27**	28
CGN Finance	(ii)	Interest income	**508**	136
		Financial advisory fee expense	**–**	38
中廣核中煤能源哈密煤電項目籌建處 ("**CGN Hami Coal Project Preparatory Office**")	(iii)	Management service fee income	**197**	367
CGN Energy Development Ltd ("**CGN Energy**") and its subsidiaries	(ii)	Management service fee income	**5,020**	–
CGNPC Huasheng	(ii)	Interest income	**209**	92
		Interest expense	**9**	–
Huamei Holding Company Limited ("**Huamei Holding**") and its subsidiaries	(ii)	Management service fee income	**5,345**	76
中廣核中電能源服務（深圳）有限公司	(ii)	Consultancy service expense	**36**	–
CGNPC International Limited	(iv)	Interest expense	**75**	–

Notes:

(i) Hubei Xisaishan Power Generation Co. Ltd. is an associate of the Group.

(ii) CGN Finance, CGN Energy and its subsidiaries, 中廣核中電能源服務（深圳）有限公司, CGNPC Huasheng and Huamei Holding and its subsidiaries are fellow subsidiaries of the Company.

(iii) CGN Hami Coal Project Preparatory Office is a temporary office established by CGN and is responsible for the project development relating to a coal power project, which is located in Hami City, Xinjiang Uyghur Autonomous Region, the PRC. CGN proposes to hold, through CGN Energy, 70% interest in such coal power project.

(iv) CGNPC International Limited is an intermediate holding company of the Company.

18. RELATED PARTY DISCLOSURES *(Continued)*

The Group has entered into various transactions including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are PRC government-related entities in its ordinary course of business. A majority of the bank deposits and about 2.28% (31 December 2014: 16%) of borrowings the Group are with the PRC government-related entities as at 30 June 2015.

Also, the Group's transactions with other PRC government-related entities include sales of electricity to local power bureau and a state-owned entity. About 15% (31 December 2014: 16%) of its sales of electricity and capacity charges are to the PRC government-related entities for the six months ended 30 June 2015.

Certain directors have also been employed by CGN and its subsidiaries and the payments of their emoluments were borne by CGN and its subsidiaries for the period.

19. SUBSEQUENT EVENT

Subsequent to 30 June 2015, the proposed acquisition of Target Companies as defined in the circular dated 22 July 2015 (the "**Circular**") was approved, and the relevant ordinary resolution was passed, by the independent shareholders of the Company on 10 August 2015. The proposed acquisition remains subject to satisfaction or waiver of certain conditions precedents as per the Framework Agreement as defined in the Circular. The acquisition is expected to complete before 31 December 2015.

20. FINANCIAL SUMMARY

During the year ended 31 December 2014, the Group underwent a group restructuring, that the Group transferred 100% equity interests in certain of its wholly-owned subsidiaries together with the net balances of amounts due from certain wholly-owned subsidiaries and certain subsidiaries of these wholly-owned subsidiaries of the Company, to CGNPC Huamei Investment Limited with all rights and obligations transferred with effect from 1 July 2014 (collectively referred to as the "**Disposal Group**").

The directors of the Company has prepared the results and cash flows of the Disposal Group and the remaining group which is defined as the Group excluding the Disposal Group (the "**Remaining Group**") for the six months ended 30 June 2014 as additional information on a combined basis before elimination of transactions between the Disposal Group and Remaining Group.

20. FINANCIAL SUMMARY *(Continued)*

Financial performance

For the six months period ended 30 June 2014

	Remaining Group US$'000	Disposal Group US$'000	Intergroup Elimination US$'000	The Group US$'000
Revenue	562,560	9,215	–	571,775
Operating expenses:				
Coal, oil and gas	386,448	6,207	–	392,655
Depreciation of property, plant and equipment	42,216	1,375	–	43,591
Repair and maintenance	11,851	215	–	12,066
Staff costs	27,447	1,184	–	28,631
Others	25,944	269	–	26,213
Total operating expenses	493,906	9,250	–	503,156
Operating profit (loss)	68,654	(35)	–	68,619
Other income	7,138	245	–	7,383
Other gains and losses	1,883	–	–	1,883
Finance costs	(30,536)	(193)	–	(30,729)
Share of results of associates	15,467	1,722	–	17,189
Share of results of a joint venture	–	22,170	–	22,170
Initial public offering expenses	(3,112)	–	–	(3,112)
Profit before tax	59,494	23,909	–	83,403
Income tax expense	(20,129)	(2,278)	–	(22,407)
Profit for the period	39,365	21,631	–	60,996
Profit for the period attributable to:				
Owner of the Company	31,181	21,379	–	52,560
Non-controlling interests	8,184	252	–	8,436
	39,365	21,631	–	60,996
Earnings per share, basic *(US cent) (note a)*	1.01	0.68	–	1.69

Notes:

a. The earnings per share presented here is for illustrative purpose only. It is calculated based on weighted average number of shares of 3,101,800,000 (Note 7).

20. FINANCIAL SUMMARY *(Continued)*

Financial performance *(Continued)*

For the six months period ended 30 June 2014 *(Continued)*

	Remaining Group *US$'000*	Disposal Group *US$'000*	Intergroup Elimination *US$'000*	The Group *US$'000*
Other information				
Revenue from major products and services				
Sales of electricity	456,889	3,526	–	460,415
Sales of steam	43,837	5,689	–	49,526
Capacity charges	61,179	–	–	61,179
Connection charges and others	212	–	–	212
Management service fee	443	–	–	443
	562,560	9,215	–	571,775
Other income				
Government grant	357	–	–	357
Income on sales of scrap materials	1,703	214	–	1,917
Value added tax refund	1,652	–	–	1,652
Interest income	2,526	2	–	2,528
Equipment rental income	409	–	–	409
Others	491	29	–	520
	7,138	245	–	7,383
Finance costs				
Interest on bank and other borrowings	(33,816)	(2,792)	–	(36,608)
Less: amounts capitalised	3,280	2,599	–	5,879
	(30,536)	(193)	–	(30,729)

Cash flows

For the six months period ended 30 June 2014

	Remaining Group *US$'000*	Disposal Group *US$'000*	Intergroup Elimination *US$'000*	The Group *US$'000*
Net cash from (used in) operating activities	53,220	(1,098)	–	52,122
Net cash used in investing activities	(32,511)	(24,458)	(28,269)	(85,238)
Net cash (used in) from financing activities	(45,344)	12,874	–	(32,470)
Net decrease in cash and cash equivalents	(24,635)	(12,682)	(28,269)	(65,586)
Cash and cash equivalents at beginning of period	167,629	41,079	–	208,708
Effect of foreign exchange rate changes	(1,833)	(128)	–	(1,961)
Cash and cash equivalents at end of period	141,161	28,269	(28,269)	141,161