



華電福新能源股份有限公司  
HUADIAN FUXIN ENERGY CORPORATION LIMITED

INTERIM  
REPORT 2015



(A joint stock limited company incorporated in the People's Republic of China with limited liability)

**Stock Code: 00816**

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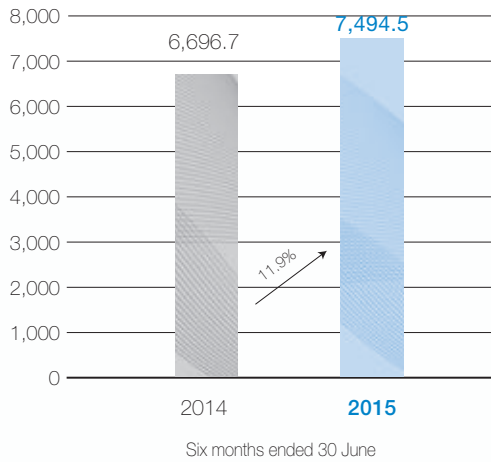
# Interim Results

The Board of the Company hereby announces the unaudited operating results of the Group for the six months ended 30 June 2015, together with the operating results for the Corresponding Period of 2014 for comparison. For the six months ended 30 June 2015, the revenue of the Group amounted to RMB7,494.5 million, representing an increase of 11.9% over the Corresponding Period of 2014; profit before taxation amounted to RMB1,520.5 million, representing an increase of 2.1% over the Corresponding Period of 2014; profit attributable to equity owners of the Company amounted to RMB1,169.3 million, representing an increase of 11.7% over the Corresponding Period of 2014; earnings per share amounted to RMB13.64 cents, representing an increase of 3.1% over the Corresponding Period of 2014.

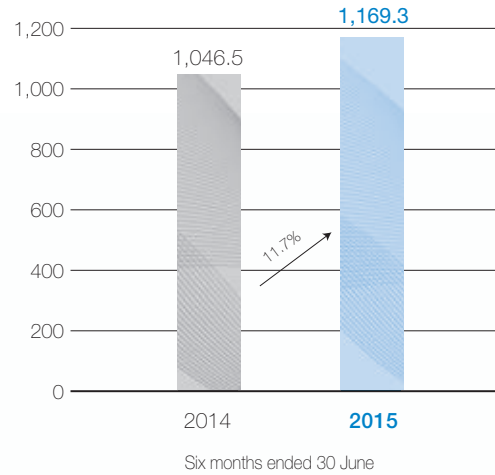


# Key Operating and Financial Information

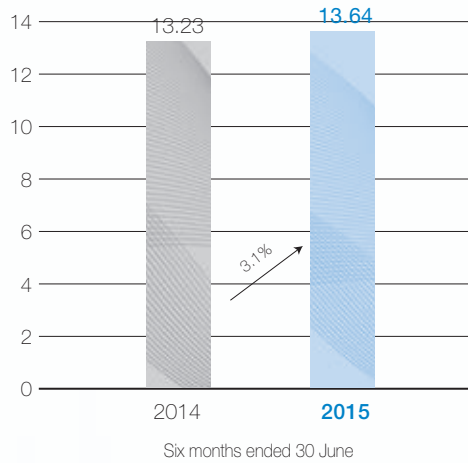
**Revenue (RMB in millions)**



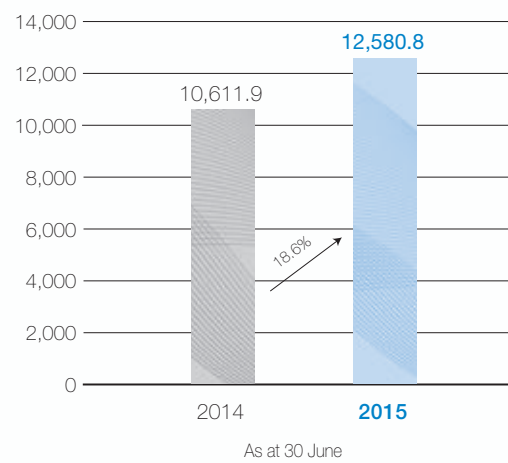
**Profit attributable to equity owners of the Company (RMB in millions)**



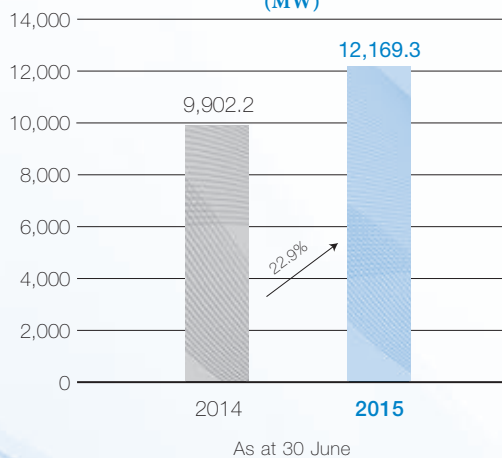
**Basic and diluted earnings per share (RMB cents/share)**



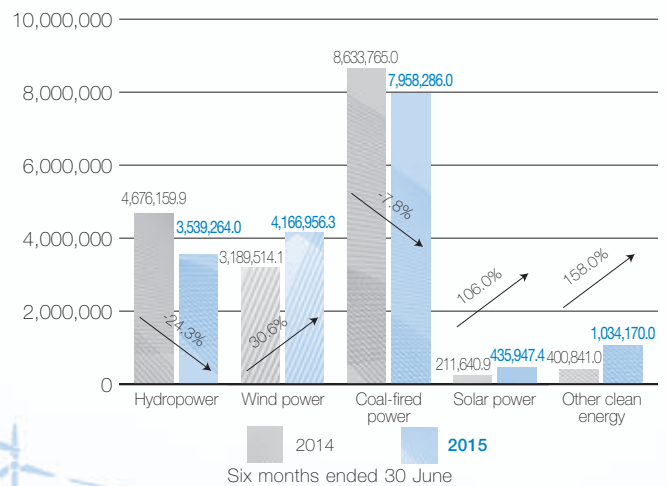
**Consolidated installed capacity (MW)**



**Attributable consolidated installed capacity (MW)**



**Total electricity sales (MWh)**



# Key Operating and Financial Information

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Revenue	7,494,541	6,696,653
Profit before taxation	1,520,492	1,488,735
Income tax	(238,154)	(269,969)
Profit for the period	1,282,338	1,218,766
<b>Profit attributable to:</b>		
Equity owners of the Company	1,169,277	1,046,511
Non-controlling interests	113,061	172,255
Basic and diluted earnings per share (RMB cents)	13.64	13.23

	At	At
	30 June 2015	31 December 2014
	RMB'000	RMB'000
Total non-current assets	83,316,297	76,185,892
Total current assets	9,604,072	9,749,230
Total assets	92,920,369	85,935,122
Total current liabilities	25,822,173	26,578,731
Total non-current liabilities	46,653,503	41,698,146
Total liabilities	72,475,676	68,276,877
Net assets	20,444,693	17,658,245
Total equity attributable to equity owners of the Company	17,772,531	15,012,724
Non-controlling interests	2,672,162	2,645,521
Total equity	20,444,693	17,658,245

# Management Discussion and Analysis

In the first half of 2015, the overall electricity consumption in China reached 2.7 trillion kWh, representing an increase of 1.3% over the Corresponding Period of 2014, with the growth rate decreasing by 4.0%. In the first half of 2015, the overall electricity consumption in Fujian province was about 88,190.0 GWh, representing an increase of approximately 3.6% over the Corresponding Period of 2014. It is expected that the growth rate of overall electricity consumption in China will increase in the second half of 2015, and the overall electricity consumption in China in 2015 will reach 5.7-5.8 trillion kWh, representing an increase of 3.0%-5.0% over the Corresponding Period of 2014.

At present, the Chinese economy is in the process of “Growth-shifting Phase”, and the slowdown in the economic growth resulted in the decrease in the overall electricity consumption, the overall easing of the power supply and demand and the adequate power supply ability. In the first half of 2015, while the non-fossil energy generation maintained rapid growth continuously and the nuclear power generation increased with high speed, the coal-fired power generation and utilization hours of equipments decreased over that of the Corresponding Period of 2014. With the fast development of the new energy power generation in China, both the government and companies carried out various measures to facilitate the consumption, but the issue on wind, water and solar curtailment still existed. In order to further deepen and practice the reform on electricity system, feasibly improve grid operation and facilitate the sustainable and healthy development of the clean energy, the NDRC and National Energy Association (“NEA”) jointly issued the Directives for Improving Grid Operation and Promoting the Utilization of Clean Energy (《關於改善電力運行調節促進清潔能源多發滿發的指導意見》), which encouraged the consumption rate of the renewable energy and expressly required all regional governments, on the premise that the safety of grids shall be ensured, to create the favorable conditions for the market extension and the improvement of the clean energy by way of fully utilizing the benefit compensation mechanism and appropriate electrical load shifting to make sure that the incentive policies in relation to the clean energy could be practiced.

## I. BUSINESS REVIEW

In the first half of 2015, faced with various difficulties, such as the decline of the demand of the overall electricity consumption, less inflow from the main source flows and more power constraints in certain regions, the Group made great efforts to improve the operational efficiency, speed up the integration of excellent wind resource, optimize the regional structure of the wind power and steadily promote the differentiated development strategy. In addition, the Group actively performed the effective operational strategy, strictly control the operational cost and dig up the space for enlarging the finance to lay a solid fund foundation for the project construction.

For the six months ended 30 June 2015, profit attributable to the equity owners of the Company was RMB1,169.3 million, representing an increase of 11.7% over the first half of 2014; consolidated installed capacity was 12,580.8 MW, representing an increase of 18.6% over the Corresponding Period of 2014; gross power generation was 18,361,536.5 MWh, representing an increase of 3.0% over the Corresponding Period of 2014.



# Management Discussion and Analysis

The respective consolidated installed capacity of the power generating assets of the Group as at 30 June 2015 and 2014 by type was:

## Consolidated installed capacity (MW)

	As at 30 June 2015	As at 30 June 2014	Change ratio
Hydropower	2,457.0	2,457.0	0.0%
Wind power	4,997.3	3,634.3	37.5%
Coal-fired power	3,850.0	3,850.0	0.0%
Solar power	764.2	485.2	57.5%
Other clean energy	512.3	185.4	176.3%
<b>Total</b>	<b>12,580.8</b>	10,611.9	18.6%

The respective attributable consolidated installed capacity of the power generating assets of the Group as at 30 June 2015 and 2014 by type was:

## Attributable consolidated installed capacity (MW)

	As at 30 June 2015	As at 30 June 2014	Change ratio
Hydropower	1,817.6	1,817.6	0.0%
Wind power	4,550.9	3,234.5	40.7%
Coal-fired power	3,890.4	3,890.4	0.0%
Solar power	735.7	456.7	61.1%
Other clean energy	1,174.7	503.0	133.5%
<b>Total</b>	<b>12,169.3</b>	9,902.2	22.9%

The respective gross power generation of the power generating assets of the Group for the six months ended 30 June 2015 and 2014 by type was:

## Gross power generation (MWh)

	Six months ended 30 June 2015	Six months ended 30 June 2014	Change ratio
Hydropower	3,591,580.2	4,744,833.6	-24.3%
Wind power	4,848,963.0	3,350,235.5	44.7%
Coal-fired power	8,389,017.6	9,111,698.7	-7.9%
Solar power	467,499.9	216,957.2	115.5%
Other clean energy	1,064,475.8	406,715.1	161.7%
<b>Total</b>	<b>18,361,536.5</b>	17,830,440.1	3.0%

# Management Discussion and Analysis

## 1. Hydropower business

As at 30 June 2015, the Group had a consolidated hydropower installed capacity of 2,457.0 MW and a capacity under construction (renovation and expansion) of 110.0 MW. Currently, the construction of the projects runs smoothly, which is estimated to be connected to the grid and commence operation in the second half of 2015.

In the first half of 2015, the water inflow in Fujian province was 26% lower than that of the Corresponding Period of 2014. For the six months ended 30 June 2015, the Group recorded gross hydropower generation of 3,591,580.2 MWh, representing a decrease of 24.3% over the Corresponding Period of 2014. The average hydropower utilization hours were 1,466.6 hours, representing a decrease of 475.2 hours over the Corresponding Period of 2014, and the average on-grid tariff of hydropower was RMB328.6/MWh, representing an increase of RMB0.3/MWh over the Corresponding Period of 2014.

## 2. Wind power business

As at 30 June 2015, the Group had a consolidated wind power installed capacity of 4,997.3 MW, representing an increase of 37.5% compared with 30 June 2014. During the reporting period, the Group increased consolidated installed capacity from new wind power projects by 108.0 MW, and recorded gross wind power generation of 4,848,963.0 MWh, representing an increase of 44.7% over the Corresponding Period of 2014. The wind power capacity under construction was 2,210.5 MW, and the average on-grid tariff was RMB572.8/MWh, representing an increase of RMB6.6/MWh over the Corresponding Period of 2014. In the first half of 2015, the condition of wind in various regions across the country showed differentiated improvement over the Corresponding Period of 2014, however, with the influence by the capacity growth of wind power connected to the grid and the consumption of power grid, the curtailment rate of Three-North Regions, especially Gansu and Xinjiang, has been increasing day by day. The Company has strengthened equipment management, scheduled production plans scientifically and implemented wind power performance management, which resulted in an increase of 32 hours in the average wind power utilization hours over the Corresponding Period of 2014 to 991 hours. Moreover, the availability of wind turbines was 97.8%, merely at par with the Corresponding Period of 2014.

In the first half of 2015, 4 new projects with an aggregate capacity of 220.0 MW were approved. At present, wind power projects included in the fifth batch of the approved plans (including new and supplemental plans) of the NEA amount to a capacity of 813.4 MW, and cumulative wind power projects included in the first five batches of the approved plans (including new and supplemental plans) of the NEA, which are not yet in production, amount to a capacity of 3.4 GW.

## 3. Coal-fired power business

As at 30 June 2015, the Group had a consolidated installed coal-fired power capacity of 3,850.0 MW, at par with 30 June 2014.

For the six months ended 30 June 2015, the Group recorded gross coal-fired power generation of 8,389,017.6 MWh, representing a decrease of 7.9% over the Corresponding Period of 2014, mainly due to the growth of total electricity consumption in Fujian province underperformed caused by the national economic downturn. The average coal-fired power utilisation time was 2,179.0 hours; the coal consumption was 312.6 g/kWh. The average on-grid tariff of coal-fired power was RMB417.8/MWh, representing a decrease of RMB20.7/MWh over the Corresponding Period of 2014, mainly due to the decrease in on-grid tariff of coal-fired power in Fujian province of RMB4.5/MWh and RMB30.4/MWh respectively since 1 September 2014 and 20 April 2015. The standard coal cost was RMB563.6/ton (net of tax), representing a decline of RMB67.5/ton (net of tax) over the Corresponding Period of 2014.



# Management Discussion and Analysis

## 4. Solar power business

As at 30 June 2015, the Group recorded an increase of 40.0 MW in its consolidated installed capacity from the commenced operation in solar power business; As at 30 June 2015, the Group had a consolidated installed capacity of solar power projects in operation of 764.2 MW, representing an increase of 57.5% over the Corresponding Period of 2014. For the six months ended 30 June 2015, the Group's gross solar power generation was 467,499.9 MWh, and the average on-grid tariff was RMB1,038.6/MWh.

In the first half of 2015, the Group has obtained the approval of 4 new projects with consolidated installed capacity up to 50.0 MW. The capacity of the accumulated reserves of approved solar power projects is 337.8 MW.

## 5. Distributed energy and other clean energy projects

As at 30 June 2015, the Group had a consolidated installed capacity of distributed energy projects of 487.0 MW, increasing by 327.0 MW over the Corresponding Period of 2014; the consolidated installed capacity of the distributed energy projects under construction amounted to 34.4 MW. In the first half of 2015, there was one new approved distributed energy project of the Group. At present, the Group had 13 distributed energy projects approved by the NDRC with an accumulated capacity of 1,192.1 MW. For the six months ended 30 June 2015, the gross power generation of distributed energy and other clean energy projects was 1,064,475.8 MWh.

As at 30 June 2015, the Group held 39.0% equity interest of Fuqing nuclear, which has 4 nuclear power units with 1,089.0 MW each unit and 2 nuclear power units with 1,250.0 MW each unit. the Unit I was put into commercial operation in 2014 and the Unit II was successfully grid-connected in August 2015.

As at 30 June 2015, we also had two biomass energy projects in operation, with a consolidated installed capacity of 25.3 MW.



# Management Discussion and Analysis

## II. FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited financial statements of the Group together with the accompanying notes.

### 1. Overview

For the six months ended 30 June 2015, the Group's profit before taxation for the period increased by 2.1% to RMB1,520.5 million as compared with RMB1,488.7 million in the Corresponding Period of 2014. Profit attributable to the equity owners of the Company for the period amounted to RMB1,169.3 million, representing an increase of 11.7% as compared with RMB1,046.5 million in the Corresponding Period of 2014.

### 2. Revenue

The Group's revenue increased by 11.9% to RMB7,494.5 million for the six months ended 30 June 2015 as compared with RMB6,696.7 million in the Corresponding Period of 2014.

The Group's revenue from sales of electricity increased by 6.0% to RMB6,885.6 million for the six months ended 30 June 2015 as compared with RMB6,492.8 million in the Corresponding Period of 2014, the increase in revenue from sales of electricity while the basically flat in the Group's electricity sales with that of the Corresponding Period of 2014 was primarily due to the structure change. The cumulative electricity sales of the Group's wind power and solar power segments increased by 35.3% over the Corresponding Period of 2014, which reflected the steady growth of the Group's businesses in those segments. The cumulative electricity sales of the Group's coal-fired power segment decreased by 7.8% over the Corresponding Period of 2014, which was affected by the slowdown in the growth of total electricity consumption caused by the economic downturn. The cumulative electricity sales of the Group's hydropower segment decreased by 24.3% over the Corresponding Period of 2014, which was affected by the decrease in water inflow.

The respective segment revenue of the Group for the six months ended 30 June 2015 and 2014 is as follows:

*Table of Segments Revenue*

	January to June of 2015 RMB in millions	January to June of 2014 RMB in millions	Change ratio
Hydropower	982.5	1,296.4	-24.2%
Wind power	1,989.9	1,539.0	29.3%
Coal-fired power	2,913.1	3,318.3	-12.2%
Solar power	391.9	225.2	74.0%
Other	1,160.4	282.0	311.5%

# Management Discussion and Analysis

## 3. Other net income

For the six months ended 30 June 2015, the Group's other net income decreased by 49.7% to RMB39.8 million as compared with RMB79.1 million in the Corresponding Period of 2014, primarily due to: (1) government grants of RMB18.7 million received by the Group for the six months ended 30 June 2015 as compared with government grants of RMB33.0 million in the Corresponding Period of 2014; and (2) no suppliers' compensation received by the Group for the six months ended 30 June 2015 as compared with suppliers' compensation of RMB41.5 million in the Corresponding Period of 2014.

## 4. Operating expenses

The Group's operating expenses increased by 18.5% to RMB4,994.1 million for the six months ended 30 June 2015 as compared with RMB4,214.7 million in the Corresponding Period of 2014. This increase was mainly attributable to the increases in: (1) depreciation and amortization expenses; and (2) labor costs.

The Group's depreciation and amortization expenses increased by 20.5% to RMB1,536.5 million for the six months ended 30 June 2015 as compared with RMB1,275.6 million in the Corresponding Period of 2014. This increase was primarily due to the expanded consolidated installed capacity of the Group.

The Group's labor costs increased by 11.9% to RMB506.3 million for the six months ended 30 June 2015 as compared with RMB452.3 million in the Corresponding Period of 2014, primarily due to additional staff required following the commencement of production of the Group's new generation units and additional staff recruited for business expansion.

## 5. Operating profit

The Group's operating profit decreased by 0.8% to RMB2,540.3 million for the six months ended 30 June 2015 as compared with RMB2,561.1 million in the Corresponding Period of 2014, primarily due to the decline in revenue from sales of electricity as a result of the decrease in electricity sales of coal-fired power and hydropower segments as compared with that of the Corresponding Period of 2014. The respective segment operating profit of the Group for the six months ended 30 June 2015 and 2014 is as follows:

*Table of Segments Operating Profit*

	<b>January to June of 2015</b>	January to June of 2014	Change ratio
	<b>RMB</b>	RMB	
	<b>in millions</b>	in millions	
Hydropower	<b>411.2</b>	721.3	-43.0%
Wind power	<b>1,145.7</b>	859.5	33.3%
Coal-fired power	<b>778.1</b>	872.5	-10.8%
Solar power	<b>222.3</b>	145.0	53.3%
Other	<b>53.9</b>	30.0	79.7%

# Management Discussion and Analysis

## 6. Finance income

The Group's finance income increased by 1.1% to RMB72.8 million for the six months ended 30 June 2015 as compared with RMB72.0 million in the Corresponding Period of 2014.

## 7. Finance expenses

The Group's finance expenses increased by 16.2% to RMB1,365.0 million for the six months ended 30 June 2015 as compared with RMB1,174.2 million in the Corresponding Period of 2014. This increase was primarily due to the interest capitalization as a result of the commencement of production of the Group's new generation units.

## 8. Share of profits less losses of associates

The Group's share of profits less losses of the associates was RMB272.4 million for the six months ended 30 June 2015 as compared with profits of RMB29.9 million in the Corresponding Period of 2014, primarily due to the increase in profits of RMB259.8 million as a result of the commencement of production of the first generation unit of Fuqing nuclear power project involved by an associate that we invested in.

## 9. Income tax

The Group's income tax decreased by 11.8% to RMB238.2 million for the six months ended 30 June 2015 as compared with RMB270.0 million in the Corresponding Period of 2014. This decrease was mainly due to the decrease in operating profit of the Group's coal-fired power and hydropower segments.

## 10. Profit for the period

The Group's profit for the period increased by 5.2% to RMB1,282.3 million for the six months ended 30 June 2015 as compared with RMB1,218.8 million in the Corresponding Period of 2014. Our profit as a percentage of our total revenue decreased to 17.1% for the six months ended 30 June 2015 from 18.2% in the Corresponding Period of 2014, primarily due to the following reasons: (1) the electricity sales in the coal-fired power and hydropower segments decreased by 7.8% and 24.3% respectively as compared with that of the Corresponding Period of 2014; and (2) the average unit price of electricity sales decreased by RMB20.7/MWh, which is resulted from the reduction in on-grid tariff of coal-fired power for two times since the second half of 2014. As the rapid growth of the installed capacity of the Group's wind power projects and solar power projects, the operating profit from wind power segment and solar power segment for the six months ended 30 June 2015 increased by 33.3% and 53.3% respectively as compared with that of the Corresponding Period of 2014. As great contribution were generated from the commencement of production of Fuqing nuclear power project, the profit for the period of the Group recorded a slightly increase.



# Management Discussion and Analysis

## 11. Profit attributable to the equity owners of the Company

The profit attributable to the equity owners of the Company increased by 11.7% to RMB1,169.3 million for the six months ended 30 June 2015 as compared with RMB1,046.5 million in the Corresponding Period of 2014. This increase was primarily due to the gain recorded from Fuqing nuclear power project and the increase in operating profit of wind power segment, leading to the increase in the profit attributable to the equity owners of the Company.

## 12. Profit attributable to non-controlling interests

The Group's profit attributable to non-controlling interests decreased by 34.4% to RMB113.0 million for the six months ended 30 June 2015 as compared with RMB172.3 million in the Corresponding Period of 2014. This decrease was primarily due to the lower profit of hydropower segment in the first half of 2015.

## 13. Liquidity and sources of capital

The Group's cash and cash equivalents amounted to RMB3,118.7 million as at 30 June 2015, representing a decrease of 5.2% as compared with the balance of RMB3,291.0 million as at 31 December 2014, primarily due to the Group strengthened its capital management and controlled its ending cash balance to improve the working capital turnover rate.

As at 30 June 2015, the Group's borrowings increased by 6.6% to RMB55,256.1 million as compared with RMB51,827.2 million as at 31 December 2014, of which RMB10,323.8 million was short-term borrowings (including current portion of long-term borrowings and short-term financing instruments payable), and RMB44,932.3 million was long-term borrowings (including bonds payable), primarily due to the increase in the balance of loans as a result of the growth in the scale of installed capacity.

The first batch of 2015 perpetual medium-term notes of RMB2,000.0 million was issued by the Group on 21 April 2015 at the annual distribution rate of 5.75%.

## 14. Capital expenditure

The Group's capital expenditure increased by 30.6% to RMB6,266.2 million for the six months ended 30 June 2015 as compared with RMB4,798.4 million in the Corresponding Period of 2014. Capital expenditure mainly comprises costs for purchase and construction of property, plant and equipment.

## 15. Net gearing ratio

As at 30 June 2015, the Group's net gearing ratio (net debt (i.e., total borrowings minus cash and cash equivalents) divided by total equity) was 255.0%, representing a decrease of 19.9 percentage points as compared with 274.9% as at 31 December 2014, which was mainly because: (1) the Group issued the perpetual medium-term notes of RMB2,000.0 million in April 2015, leading to an increase of RMB1,994.0 million in equity; and (2) the Group achieved net profit of RMB1,282.3 million in the first half of 2015 and the equity increased accordingly.

# Management Discussion and Analysis

## 16. Material acquisitions and disposals

In April 2015, the Group acquired 10% equity interest of Samen Nuclear Power Company Limited at the consideration of RMB1,115.9 million.

## 17. Pledge of assets

Some of the Group's loans are secured by property, plant and equipment. As at 30 June 2015, total net carrying value of the pledged assets amounted to RMB17,121.8 million.

## 18. Contingent liabilities

As at 30 June 2015, the Group provided external guarantee over the balance of bank loans amounting to RMB30.6 million.

## III. RISK FACTORS AND RISK MANAGEMENT

### 1. Industry risk

The development and profitability of our clean energy projects are significantly dependent on the policies and regulations that support such development in China. Since 2005, the Chinese government has promulgated a series of laws and regulations. The gross power generation and revenue of our hydropower projects rely upon hydrological conditions prevailing from time to time in the broad geographic regions in which our existing and future hydropower projects are located. In addition, the resettlement of relocated residents may cause significant cost increases and/or construction delays of our hydropower projects. Our wind power business is highly dependent on wind conditions. The gross power generation and revenue generated from a wind power project are highly dependent on wind conditions, which vary across seasons and regions. Our coal-fired power plants are fueled by coal and an increase in coal prices and a disruption in coal supply or its transportation could materially and adversely affect our coal-fired power business. Our distributed energy projects and other natural gas-fired power projects are fuelled by natural gas. As such, a sufficient and timely supply of natural gas is essential to our distributed energy business.

### 2. Competition risk

We may encounter competitions from electric power companies, which are mainly engaging in other clean energy businesses. In particular, other clean energy technologies may become more competitive and attractive. Competitions from such companies may increase if the technology used to generate electricity from these other clean energy sources becomes more sophisticated, or if the Chinese government decides to bolster its support of such other clean energy sources. Clean energy resources, such as hydropower and wind power, compete with conventional energy resources, including oil energy and coal energy.



# Management Discussion and Analysis

### 3. Risk related to power grids

In certain regions, power grids planning and construction lag behind wind power development layout. In view of the insufficient consumption capacity, it is inevitable that wind power will be abandoned in the short run. In addition, power grids with insufficient transmission capacity may not be able to deliver all the potential electricity that the wind farms could generate when operating under full load, which may decrease the gross power generation. In view of this, the Group flexibly adjusted construction strategies and rationally deployed new projects according to the power grid connection conditions. Meanwhile, the Group will continue improving technical innovation to reduce such impact.

### 4. Exchange rate risk

The Group's transactions are mainly denominated in Renminbi, Euros, United States dollars and Hong Kong dollars. Therefore, the Group is exposed to foreign currency exchange rate risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out and the management will consider hedging the foreign exchange exposure if it has material impact to the Group.

## IV. OUTLOOK AND PROSPECTS

With electricity supply and demand further easing and electricity consumption growth shifted to medium-speed level, the development focus of electric power industry has been transferred from mainly resolving the problem of “with or without” to mainly resolving the problem of “good or not”, that is, to focus on pushing electric power structure adjustment and promoting quality improvement and efficiency enhancement in the industry. The State Council, the NDRC and the NEA have issued various documents and guidance, which intended to further deepen the electric power system reform, adhere to energy conservation and emission reduction, improve grid operation and promote the sustained and healthy development of clean energy industry. The energy planning compiling work of the “13rd Five-Year Plan” has begun in 2015, the NEA cleared that during the “13rd Five-Year Plan” period, the substitution effect of non-fossil energy should be fully utilized, and energy structure adjustment should be vigorously promoted. The new demands for electricity in areas such as “Three-North” and “Southwest” will be mainly supplied by renewable energy, whereas new demands for electricity in mid-eastern regions will be mainly supplied by non-fossil energy and external electricity. Meanwhile, the renewable energy quota system is expected to be launched in 2015, as the Group's saleable quota is sufficient, the release of quota system will help to enhance the Group's profitability. With the further improvement of China's social financing environment, the Group will seize the opportunity to continue to broaden its financing channels, reduce financing costs and lower the debt to asset ratio, so as to provide a strong fund guarantee for project construction.

### 1. Hydropower business

The Group will actively demonstrate the leading advantage of hydropower resources in Fujian province, fully leverage upon our edges in key reservoirs and further strengthen the synergetic effect of cascade power stations, so as to further tap our potential and strive to dispatch more electricity by existing power stations. Meanwhile, we will continue to steadily promote Zhou Ning pumped storage power station pilot project, currently the preparatory work has been carried out smoothly.

# Management Discussion and Analysis

## 2. Wind power business

Following up the layout of the wind power industry in China, the Group will continue to implement the development strategy of “Expanding towards the South and East” to further improve the reserve, development and acquisition of wind power projects in the areas without power rationing such as Mid-eastern China and South China, optimize and adjust regional structure in wind power area. Meanwhile, the Group continues to closely monitor and reserve quality offshore wind power resources, of which 300 MW offshore wind power projects in Haitan Strait, Fujian was included in the “National Offshore Wind Power Development and Construction Plan (2014-2016)”.

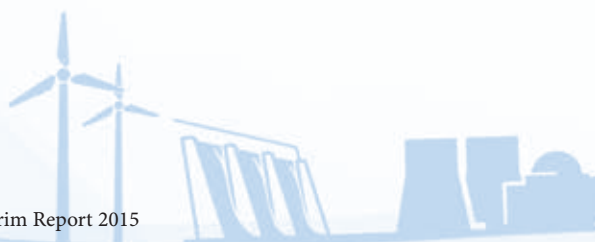
## 3. Coal-fired power business

While facing the challenges arising from weak electricity demand growth and the production of Fujian nuclear power, the Group will strive to obtain more market power and effectively expand market share in the coal-fired power business to promote scale-up development of large clean coal-fired power projects such as Kemen III and Shaowu III in a steady and orderly manner.

## 4. Other clean energy business

The Group’s solar power generation capacity has, by means of the last two years’ development and layout, evolved into a sizable scale which basically forms the development pattern with differentiation and diversification to build a stronger foundation for sustainable development of the following solar sectors.

Since many favorable policies about the gas distributed energy were launched in the first half of 2015, we estimate that the natural gas price will be in the development trend of long-term steady downward, and the profitability of gas distributed projects is expected to increase with development space expanded.





The Company has been committed to ever improving the corporate governance and regarded it as an indispensable part to creating values for shareholders. The Company has established a modern corporate governance structure which comprises a number of independently operated and effectively balanced bodies including general meetings, the Board, the board of Supervisors and senior management with reference to the code provisions as set out in the Corporate Governance Code and the requirements as set out in the Articles of Association. The Company has adopted the Corporate Governance Code as its code of corporate governance practices.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

During the reporting period, the Company was in compliance with the code provisions of the Corporate Governance Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES**

The Company has adopted the Model Code as the code of conduct and rules governing dealings by all of our Directors, Supervisors and relevant employees (as defined in the Corporate Governance Code) in the securities of the Company. Having made specific enquiry of the Directors and Supervisors of the Company, all Directors and Supervisors have confirmed that they have strictly complied with the required standards regarding securities transactions by Directors as set out in the Model Code and its code of conduct during the reporting period.

The Board will examine the corporate governance practices and operation of the Company from time to time so as to ensure its compliance with the relevant requirements under the Listing Rules and to protect shareholders' interests.

## **RESPONSIBILITY STATEMENT BY THE DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS**

The Directors confirm that they shall assume the relevant responsibility in relation to the preparation of the financial statements of the Company, ensure that the preparation of the financial statements of the Company complies with the relevant laws and regulations and the applicable accounting standards and also warrant that the financial statements of the Company will be published in a timely manner.

## **INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or related financial management expertise in accordance with the requirements of the Listing Rules. The Company appointed a total of three independent non-executive Directors, namely Mr. Zhou Xiaoqian, Mr. Zhang Bai and Mr. Tao Zhigang.



## AUDIT COMMITTEE

The Company has established the audit committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the audit committee are to make recommendations to engage or replace its external auditing firm; to oversee the internal audit system of the Company and its implementation, to ensure that the internal audit function of the Company is adequately resourced for operation in the Company, and to monitor the effectiveness of the internal audit function; to coordinate the communication between the internal audit and the external audit functions; to review the Company's financial information and respective disclosure, to examine the Company's accounting practices and policies; to review the Company's internal control system, and to provide advises and recommendations on the soundness and completeness of such system; to make comments and proposals on the appraisal and replacement of the head of the internal audit department of the Company. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

The audit committee consists of three Directors: Mr. Zhang Bai (independent non-executive Director), Mr. Zong Xiaolei (non-executive Director) and Mr. Tao Zhigang (independent non-executive Director). Mr. Zhang Bai serves as the chairman of the audit committee.

On 20 March 2015, the Company held the second meeting of the audit committee of the second session of the Board, at which the report from the external auditing firm in respect of the auditing of the Company's financial statements for the twelve months ended 31 December 2014 was deliberated, and the following resolutions were considered and approved:

- (1) the resolutions in relation to the final accounts of the Company for 2014;
- (2) the resolutions in relation to the annual report and results announcement of the Company for 2014;
- (3) the resolutions in relation to the audited financial statements of the Company for 2014;
- (4) the resolutions in relation to the profit distribution plan of the Company for 2014; and
- (5) the resolutions in relation to the engagement of auditing firm for the financial report for 2015.

On 21 August 2015, the audit committee reviewed and confirmed the Group's interim results announcement for the six months ended 30 June 2015, the 2015 interim report and the unaudited interim financial statements for the six months ended 30 June 2015 prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

## NOMINATION COMMITTEE

The Company has established the nomination committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the nomination committee are: to review the size, structure and composition of the Board at least annually and make recommendations on any proposed changes to the Board, having regard to the operating activities, asset scale and shareholding structure of the Company; to assess the independence of independent non-executive Directors; to study the criteria and procedures for selecting Directors and senior management of the Company and to make recommendations thereon to the Board; to widely identify qualified candidates for Directors and senior management; and conduct review on candidates of Directors and senior management and to make recommendations to the Board on the appointment, reappointment or succession of Directors and senior management; and to examine the candidates for other senior management members that must be recommended to the Board for appointment, and make suggestions thereon. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

The nomination committee consists of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director), Mr. Fang Zheng (executive Director) and Mr. Tao Zhigang (independent non-executive Director). Mr. Zhou Xiaoqian serves as the chairman of the nomination committee.

During the reporting period, the Company did not hold any meeting of nomination committee.

## REMUNERATION AND ASSESSMENT COMMITTEE

The Company has established the remuneration and assessment committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the remuneration and assessment committee are: to determine remuneration plans or packages in accordance with the main scope, duties and importance of the management positions held by Directors and senior management as well as the remuneration packages of comparable positions of comparable enterprises; to review the performance of the Directors (non-independent Directors) and senior management of the Company and to conduct annual performance appraisal thereof; to monitor the implementation of the Company's remuneration system; and to ensure that no Directors or any of their associates determine their own remunerations. The remuneration plans or packages shall mainly include, but are not limited to, performance appraisal criteria and procedures, the main appraisal system, as well as the major proposals and system of incentives and punishment. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

The remuneration and assessment committee consists of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director), Mr. Zhang Bai (independent non-executive Director) and Mr. Jiang Bingsi (executive Director). Mr. Zhou Xiaoqian serves as the chairman of the remuneration and assessment committee.

On 20 March 2015, the Company held the first meeting of the remuneration and assessment committee of the second session of the Board, at which the following resolutions were considered and approved:

- (1) the resolutions in relation to the remunerations of the Directors and Supervisors of the Company for 2014; and
- (2) the resolutions in relation to the remunerations of the senior management of the Company for 2014.

## STRATEGIC COMMITTEE

The primary responsibilities of the strategic committee are: to review the long term development strategic planning and approach of the Company and make suggestions thereon; review the material strategic investments and financing proposals which were subject to the approval of the Board in accordance with the requirement of the Articles of Association and make suggestions thereon; review the material capital operation and assets operation projects which were subject to the approval of the Board in accordance with the requirement of the Articles of Association and make suggestions thereon; and follow up the implementation of the aforesaid matters.

The strategic committee consists of three Directors: Mr. Fang Zheng (executive Director), Mr. Chen Bin (non-executive Director, from 1 January 2015 to 26 June 2015) and Mr. Zhou Xiaoqian (independent non-executive Director). Mr. Fang Zheng serves as the chairman of the strategic committee.

On 20 March 2015, the Company held the second meeting of the strategic committee of the second session of the Board, at which the following resolutions and reports were considered and approved:

- (1) the resolution in relation to the grant of the general mandate to issue domestic shares and H shares of the Company to the Board at the annual general meeting;
- (2) the resolution in relation to the banking facility of the Company for 2015;
- (3) the resolution in relation to the general mandate to issue the domestic and overseas debt financing instruments by the Company;
- (4) the resolution in relation to the establishment of Xinjiang Branch and other branches of Huadian Fuxin Energy Corporation Limited;
- (5) the resolution in relation to the acquisition of 10% equity interest of Sanmen Nuclear Power;
- (6) the financial budget report of the Company for 2015; and
- (7) the project development report of the Company for 2015.

## SHARE CAPITAL

As at 30 June 2015, the total share capital of the Company was RMB8,407,961,520, divided into 8,407,961,520 shares of RMB1.0 each (among which, 5,837,738,400 shares were domestic shares and 2,570,223,120 shares were H shares).

## INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2015.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

## INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

On 30 June 2015, none of the Directors, Supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

On 30 June 2015, so far as known to the Directors, the following persons (other than the Directors, chief executives or Supervisors of the Company) held 5% or above shares or underlying shares of the Company and according to the records in the register required to be kept by the Company pursuant to Section 336 of the SFO had interest or short positions which should be disclosed to the Company:

Name of Shareholder	Class of Share	Capacity	Number of Shares/ Underlying Shares Held (Share)	Percentage in the Relevant Class of Share Capital (%)	Percentage in the Total Share Capital (%)
Huadian <sup>(1)</sup>	Domestic Shares	Beneficial owner/Interest of corporation controlled by the substantial shareholder	5,276,907,638 (Long position)	90.40	62.76
Wellington Management Group LLP	H Shares	Interest of corporation controlled by the substantial shareholder	283,319,173 (Long position)	11.02	3.37
			28,610,107 (Short position)	1.11	0.34

# Other Information

Name of Shareholder	Class of Share	Capacity	Number of Shares/ Underlying Shares Held (Share)	Percentage in the Relevant Class of Share Capital (%)	Percentage in the Total Share Capital (%)
Value Partners Group Limited	H Shares	Interest of corporation controlled by the substantial shareholder	205,872,000 (Long position)	8.01	2.45
BlackRock, Inc.	H Shares	Interest of corporation controlled by the substantial shareholder	153,148,749 (Long position)	5.96	1.82
			6,604,000 (Short position)	0.26	0.08
HSBC Global Asset Management (Hong Kong) Limited	H Shares	Investment manager	130,454,000 (Long position)	5.08	1.55
Credit Suisse Group AG	H Shares	Interest of corporation controlled by the substantial shareholder	128,701,642 (Long position)	5.01	1.53
			99,295,642 (Short position)	3.86	1.18

*Note:*

- (1) Huadian had an interest in the domestic shares of the Company, with 5,008,785,336 domestic shares (long position) being held in its capacity as beneficial owner. Huadian, through various subsidiaries, had an interest in the domestic shares of the Company, with 268,122,302 domestic shares (long position) being held in its capacity as interest of corporation controlled by the substantial shareholder.

## **CHANGE OF DIRECTOR, SUPERVISORS AND MEMBERS OF THE BOARD COMMITTEE**

On 2 February 2015, Mr. Yan Zhongjun was appointed as the employee representative Supervisor of the Company from 2 February 2015 until the expiration of the term of the second session of the board of Supervisors.

On 30 March 2015, Mr. Chen Bin resigned as the non-executive director of the Company and a member of the strategic committee with effect on 26 June 2015.

At the annual general meeting of the Company held on 26 June 2015, a resolution was passed to appoint Mr. Hou Jiawei as a Supervisor of the Company from 26 June 2015 until the expiration of the term of the second session of the board of Supervisors.

At the annual general meeting of the Company held on 26 June 2015, a resolution was passed to appoint Ms. Zhang Liying as an independent Supervisor of the Company from 26 June 2015 until the expiration of the term of the second session of the board of Supervisors.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2015, the Group had a total of 9,010 employees. The employee remuneration of the Group comprises basic salary and bonus payment, which is made with reference to the operating results of the Group and results of performance assessment on the employees.

For the six months ended 30 June 2015, staff costs of the Group amounted to RMB506.3 million, representing an increase of 11.9% over the Corresponding Period of 2014, during which, the staff costs of the Group was RMB452.3 million. The increase in staff costs was primarily due to more employees hired by the Group for managing its expanded business as a result of newly operated generation units and business expansion.

## **MATERIAL LITIGATION**

As at 30 June 2015, the Company was not involved in any material litigation or arbitration. So far as the Directors are aware of, no material litigation or claims are pending or threatened against the Company.



# Review Report



To the board of directors of  
**Huadian Fuxin Energy Corporation Limited**  
*(Incorporated in the People's Republic of China with limited liability)*

## INTRODUCTION

We have reviewed the interim financial report set out on pages 24 to 61 which comprises the consolidated statement of financial position of Huadian Fuxin Energy Corporation Limited (the "Company") as of 30 June 2015 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, "*Interim financial reporting*", issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report 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 the interim financial report consists of making enquiries, 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 report as at 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "*Interim financial reporting*".

### KPMG

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

21 August 2015





# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015 – unaudited  
(Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
<b>Revenue</b>	4	<b>7,494,541</b>	6,696,653
<b>Other net income</b>	5	<b>39,818</b>	79,122
<b>Operating expenses</b>			
Cost of fuel		(2,063,937)	(2,001,662)
Depreciation and amortization		(1,536,455)	(1,275,550)
Service concession construction costs		(56,830)	(35,808)
Personnel costs		(506,281)	(452,292)
Repairs and maintenance		(130,200)	(134,086)
Coal sales costs		(370,177)	–
Administration expenses		(169,442)	(152,897)
Other operating expenses		(160,735)	(162,430)
		<b>(4,994,057)</b>	(4,214,725)
<b>Operating profit</b>		<b>2,540,302</b>	2,561,050
Finance income		72,803	71,966
Finance expenses		(1,365,001)	(1,174,207)
<b>Net finance expenses</b>	6	<b>(1,292,198)</b>	(1,102,241)
Share of profits less losses of associates		272,388	29,926
<b>Profit before taxation</b>	7	<b>1,520,492</b>	1,488,735
Income tax	8	(238,154)	(269,969)
<b>Profit for the period</b>		<b>1,282,338</b>	1,218,766
<b>Attributable to:</b>			
Equity shareholders of the Company and the holders of perpetual medium-term notes		1,169,277	1,046,511
Non-controlling interests		113,061	172,255
<b>Profit for the period</b>		<b>1,282,338</b>	1,218,766
<b>Basic and diluted earnings per share</b> (RMB cents)	9	<b>13.64</b>	13.23

The notes on pages 31 to 61 form part of this interim financial report.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015 – unaudited  
(Expressed in RMB)

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
<b>Profit for the period</b>	<b>1,282,338</b>	1,218,766
<b>Other comprehensive income for the period (after tax):</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of overseas subsidiaries	(1,869)	–
<b>Total comprehensive income for the period</b>	<b>1,280,469</b>	1,218,766
<b>Attributable to:</b>		
Equity shareholders of the Company and the holders of perpetual medium-term notes	1,167,408	1,046,511
Non-controlling interests	113,061	172,255
<b>Total comprehensive income for the period</b>	<b>1,280,469</b>	1,218,766

The notes on pages 31 to 61 form part of this interim financial report.

# Consolidated Statement of Financial Position

At 30 June 2015 – unaudited  
(Expressed in RMB)

	Note	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	11	70,835,403	66,073,607
Lease prepayments		1,166,615	1,079,767
Intangible assets	12	1,142,416	1,100,009
Interests in associates and joint ventures		5,087,099	4,433,280
Other non-current assets	13	4,783,014	3,195,240
Deferred tax assets		301,750	303,989
<b>Total non-current assets</b>		<b>83,316,297</b>	<b>76,185,892</b>
<b>Current assets</b>			
Inventories		339,770	426,543
Trade debtors and bills receivable	14	3,823,703	3,491,733
Prepayments and other current assets	15	1,532,580	1,854,416
Tax recoverable		28,416	17,627
Restricted deposits		760,884	667,924
Cash and cash equivalents	16	3,118,719	3,290,987
<b>Total current assets</b>		<b>9,604,072</b>	<b>9,749,230</b>
<b>Current liabilities</b>			
Borrowings	17(b)	10,323,825	11,996,949
Obligations under finance leases	18	44,195	64,321
Trade creditors and bills payable	19	2,732,269	2,915,176
Other payables	20	12,526,100	11,245,660
Deferred income		20,236	28,412
Tax payable		175,548	328,213
<b>Total current liabilities</b>		<b>25,822,173</b>	<b>26,578,731</b>
<b>Net current liabilities</b>		<b>(16,218,101)</b>	<b>(16,829,501)</b>
<b>Total assets less current liabilities</b>		<b>67,098,196</b>	<b>59,356,391</b>

The notes on pages 31 to 61 form part of this interim financial report.

# Consolidated Statement of Financial Position

At 30 June 2015 – unaudited  
(Expressed in RMB)

	Note	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
<b>Non-current liabilities</b>			
Borrowings	17(a)	44,932,268	39,830,284
Obligations under finance leases	18	488,488	677,947
Deferred income		399,093	369,705
Deferred tax liabilities		833,654	820,210
<b>Total non-current liabilities</b>		<b>46,653,503</b>	41,698,146
<b>NET ASSETS</b>		<b>20,444,693</b>	17,658,245
<b>CAPITAL AND RESERVES</b>			
Share capital	21	8,407,962	8,407,962
Reserves		7,370,569	6,604,762
Perpetual medium-term notes	22	1,994,000	–
<b>Total equity attributable to equity shareholders of the Company and the holders of perpetual medium-term notes</b>		<b>17,772,531</b>	15,012,724
<b>Non-controlling interests</b>		<b>2,672,162</b>	2,645,521
<b>TOTAL EQUITY</b>		<b>20,444,693</b>	17,658,245

Approved and authorised for issue by the board of directors on 21 August 2015.

**Fang Zheng**  
Chairman

**Li Lixin**  
Director

The notes on pages 31 to 61 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015 – unaudited  
(Expressed in RMB)

	Attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes								
	Share	Capital	Reserve	Exchange	Retained	Perpetual	Subtotal	Non-controlling	Total
	Capital	reserve	fund	reserve	earnings	medium-term			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	interests	equity
<b>Balance at 1 January 2014</b>	7,622,616	345,794	89,582	-	3,152,940	-	11,210,932	2,499,960	13,710,892
<b>Changes in equity for the six months ended 30 June 2014:</b>									
Profit and total comprehensive income for the period	-	-	-	-	1,046,511	-	1,046,511	172,255	1,218,766
Capital contributions	-	-	-	-	-	-	-	19,920	19,920
Issuance of shares upon placing, net of issuing expenses	356,976	552,570	-	-	-	-	909,546	-	909,546
Dividends by subsidiaries to non-controlling equity owners	-	-	-	-	-	-	-	(71,381)	(71,381)
Dividends approved in respect of the previous year	-	-	-	-	(304,820)	-	(304,820)	-	(304,820)
Acquisition of non-controlling interests	-	(487)	-	-	-	-	(487)	(5,000)	(5,487)
Acquisition of subsidiaries	-	-	-	-	-	-	-	420	420
Transfer to reserve fund	-	-	32,451	-	(32,451)	-	-	-	-
<b>Balance at 30 June 2014 and 1 July 2014</b>	7,979,592	897,877	122,033	-	3,862,180	-	12,861,682	2,616,174	15,477,856
<b>Changes in equity for the six months ended 31 December 2014:</b>									
Profit and total comprehensive income for the period	-	-	-	-	820,703	-	820,703	107,843	928,546
Capital contributions	-	-	-	-	-	-	-	40,400	40,400
Issuance of shares upon placing, net of issuing expenses	428,370	906,421	-	-	-	-	1,334,791	-	1,334,791
Dividends by subsidiaries to non-controlling equity owners	-	-	-	-	-	-	-	(121,076)	(121,076)
Acquisition of non-controlling interests	-	(4,452)	-	-	-	-	(4,452)	(490)	(4,942)
Acquisition of subsidiaries	-	-	-	-	-	-	-	2,670	2,670
Transfer to reserve fund	-	-	81,179	-	(81,179)	-	-	-	-
<b>Balance at 31 December 2014</b>	8,407,962	1,799,846	203,212	-	4,601,704	-	15,012,724	2,645,521	17,658,245

The notes on pages 31 to 61 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015 – unaudited  
(Expressed in RMB)

Attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes

	Share Capital RMB'000	Capital reserve RMB'000	Reserve fund RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Perpetual medium-term notes RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2015	8,407,962	1,799,846	203,212	-	4,601,704	-	15,012,724	2,645,521	17,658,245
<b>Changes in equity for the six months ended 30 June 2015:</b>									
Profit for the period	-	-	-	-	1,147,235	22,042	1,169,277	113,061	1,282,338
Other comprehensive income	-	-	-	(1,869)	-	-	(1,869)	-	(1,869)
Total comprehensive income	-	-	-	(1,869)	1,147,235	22,042	1,167,408	113,061	1,280,469
Issuance of perpetual medium-term notes, net of issuing expenses (note 22)	-	-	-	-	-	1,994,000	1,994,000	-	1,994,000
Capital contributions	-	-	-	-	-	-	-	69,513	69,513
Dividends by subsidiaries to non-controlling equity owners	-	-	-	-	-	-	-	(76,564)	(76,564)
Dividends approved in respect of the previous year	-	-	-	-	(365,746)	-	(365,746)	-	(365,746)
Acquisition of non-controlling interests	-	(13,813)	-	-	-	-	(13,813)	(79,819)	(93,632)
Acquisition of subsidiaries	-	-	-	-	-	-	-	450	450
Distribution for perpetual medium-term notes (note 22)	-	-	-	-	-	(22,042)	(22,042)	-	(22,042)
Transfer to reserve fund	-	-	55,167	-	(55,167)	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>8,407,962</b>	<b>1,786,033</b>	<b>258,379</b>	<b>(1,869)</b>	<b>5,328,026</b>	<b>1,994,000</b>	<b>17,772,531</b>	<b>2,672,162</b>	<b>20,444,693</b>

The notes on pages 31 to 61 form part of this interim financial report.

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2015 – unaudited  
(Expressed in RMB)

	Note	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
<b>Operating activities</b>			
Cash generated from operations		4,293,982	3,269,330
Income tax paid		(385,937)	(342,086)
<b>Net cash generated from operating activities</b>		<b>3,908,045</b>	2,927,244
<b>Investing activities</b>			
Payment for the purchase of property, plant and equipment, lease prepayments, and intangible assets		(6,087,163)	(4,109,905)
Other cash flows arising from investing activities		(1,465,269)	(703,813)
<b>Net cash used in investing activities</b>		<b>(7,552,432)</b>	(4,813,718)
<b>Financing activities</b>			
Net proceeds from issuance of shares upon placing		–	909,546
Net proceeds from issuance of perpetual medium-term notes		1,994,000	–
Proceeds from borrowings		10,332,511	8,966,629
Repayment of borrowings		(6,891,583)	(4,510,635)
Interest paid		(1,652,226)	(1,397,429)
Other cash flows used in financing activities		(316,006)	(108,898)
<b>Net cash generated from financing activities</b>		<b>3,466,696</b>	3,859,213
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(177,691)</b>	1,972,739
Cash and cash equivalents at 1 January	16	3,290,987	1,768,747
<b>Effect of foreign exchanges rates changes</b>		<b>5,423</b>	3,488
<b>Cash and cash equivalents at 30 June</b>	16	<b>3,118,719</b>	3,744,974

The notes on pages 31 to 61 form part of this interim financial report.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 1 PRINCIPAL ACTIVITIES AND ORGANISATION

Huadian Fuxin Energy Corporation Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 19 August 2011 as a joint stock limited company. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”) on 28 June 2012. The Company and its subsidiaries (together the “Group”) are mainly engaged in the generation and sale of hydropower, wind power, coal-fired power, solar power and other clean power in the PRC.

## 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKSE, including compliance with International Accounting Standard (“IAS”) 34, “*Interim financial reporting*”, issued by the International Accounting Standards Board (“IASB”). It was authorised for issuance on 21 August 2015.

The interim financial report has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group at 30 June 2015 amounting to RMB16,218,101,000. The directors of the Company are of the opinion that, based on a review of the forecasted cash flows, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG 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. KPMG’s independent review report to the Board of Directors is included on page 23.

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial report as being previously reported information does not constitute the Company’s annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2014 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 20 March 2015.



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group and the Company:

- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4 REVENUE

The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Sales of electricity	6,885,589	6,492,820
Service concession construction revenue (note (i))	56,830	35,808
Sales of coal	376,945	–
Others	175,177	168,025
	<b>7,494,541</b>	6,696,653

Note:

- (i) The Group entered into several service concession agreements with local government (the "Grantor") to construct and operate wind power plants during the concession period. The Group is responsible for construction, maintenance and operation of the wind power plants during the concession period. At the end of the concession period, the Group needs to either dismantle the wind power plants or transfer the ownership of the plants at request of Grantor. Service concession construction revenue recorded during the period represents the revenue recognised during the construction stage of the service concession period. The same amount of cost is recorded since substantially all construction activities are sub-constructed.

The Group has recognised intangible assets related to the service concession arrangement representing the right the Group receives to charge a fee for sales of electricity during the concession period (note 12). The Group has not recognised service concession receivables as the Grantor will not provide the Group any guaranteed minimum payment for the operating period of the wind power plants.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 5 OTHER NET INCOME

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Government grants	18,679	32,976
Net gain on disposal of property, plant and equipment	7,152	9
Penalty income from equipment suppliers (note (i))	–	41,457
Others	13,987	4,680
	<b>39,818</b>	<b>79,122</b>

Note:

- (i) Penalty income from equipment suppliers mainly represents the amounts received/receivable from the third party equipment suppliers to compensate the losses incurred by the Group due to unfavorable warranty services provided by the suppliers.

## 6 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Interest income on financial assets	34,602	33,292
Dividend income from other investments	30,167	35,186
Foreign exchange gains	8,034	3,488
Finance income	<b>72,803</b>	<b>71,966</b>
Interest on bank and other borrowings wholly repayable within five years	338,740	287,967
Interest on other loans	1,218,617	1,005,637
Finance charges on obligations under finance leases	21,452	25,512
Less: interest expenses capitalized into property, plant and equipment	(220,664)	(150,902)
	<b>1,358,145</b>	<b>1,168,214</b>
Bank charges and others	6,856	5,993
Finance expenses	<b>1,365,001</b>	<b>1,174,207</b>
Net finance expenses recognised in profit or loss	<b>(1,292,198)</b>	<b>(1,102,241)</b>

The borrowing costs have been capitalized at rates ranging from 5.23% to 6.88% per annum for the six months ended 30 June 2015 (six months ended 30 June 2014: 4.83% to 7.40%).

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

### (a) Personnel costs

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Salaries, wages and other benefits	441,257	389,777
Contributions to defined contribution retirement plans	65,024	62,515
	506,281	452,292

### (b) Other items

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Amortization		
– lease prepayments	9,959	8,291
– intangible assets	17,841	15,996
Depreciation		
– property, plant and equipment	1,508,655	1,251,263
Operating lease charges		
– hire of machinery	3,246	3,396
– hire of properties	30,254	11,760

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for the period	209,037	242,314
Under provision in respect of prior years	13,463	622
	222,500	242,936
<b>Deferred tax</b>		
Origination and reversal of temporary differences	15,654	27,033
	238,154	269,969

The provision for the PRC corporate income tax of the Group is calculated based on a statutory rate of 25% of the assessable profit of the Group, except for certain subsidiaries of the Group which are tax exempted or taxed at preferential rates, as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2015 and 2014.

Huadian Fuxin International Investment Company Limited, a subsidiary of the Group incorporated in Hong Kong, is subject to Hong Kong profits tax which is calculated at 16.5% of its assessable profit for the period. The subsidiary had no assessable profit for the six months ended 30 June 2015 and 2014.

Elecdey Barchin, S.A. – Sociedad Unipersonal, a subsidiary of the Group incorporated in Spain, is subject to Spain profits tax which is calculated at 30% of its estimated assessable profit for the period.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

### (b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Profit before taxation	1,520,492	1,488,735
Applicable tax rate	25%	25%
Notional tax on profit before taxation	380,123	372,184
Tax effect of non-deductible expenses	8,904	1,186
Tax effect of non-taxable income	(81,019)	(16,382)
Tax effect of PRC tax concessions (note (i))	(130,739)	(93,614)
Tax effect of unused tax losses not recognised	63,537	19,719
Tax credits for purchase of environmental protection equipments	(9,939)	(11,720)
Under provision in respect of prior years	13,463	622
Others	(6,176)	(2,026)
	238,154	269,969

Note:

- (i) Pursuant to CaiShui [2011] No.58, the Group's subsidiaries established in the Western Region of the PRC are entitled to the preferential income tax rate of 15% from 2011 to 2020.

Certain subsidiaries of the Group, being enterprises engaged in public infrastructure projects, under the relevant tax regulations, are entitled to tax holidays of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective years in which their first operating income was derived.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2015 of RMB1,147,235,000 (six months ended 30 June 2014: RMB1,046,511,000) and the weighted average of 8,407,962,000 ordinary shares (six months ended 30 June 2014: 7,910,563,000) in issue during the six months ended 30 June 2015, calculated as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Profit attributable to equity shareholders of the Company and the holders of perpetual medium-term notes	1,169,277	1,046,511
Less: distribution to the holders of perpetual medium-term notes (note 22)	(22,042)	–
Profit attributable to ordinary equity shareholders of the Company	1,147,235	1,046,511

The weighted average number of ordinary shares in issue:

	Six months ended 30 June	
	2015	2014
	'000	'000
Issued ordinary shares at 1 January	8,407,962	7,622,616
Effects of shares issued in 2014	–	287,947
Weighted average number of ordinary shares at 30 June	8,407,962	7,910,563

There was no difference between the basic and diluted earnings per share as there were no dilutive potential shares outstanding for the periods presented.

## 10 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

- Hydropower: this segment constructs, manages and operates hydropower plants and generates electric power for sale to power grid companies.
- Wind power: this segment constructs, manages and operates wind power plants and generates electric power for sale to power grid companies.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 10 SEGMENT REPORTING (continued)

- Coal-fired power: this segment constructs, manages and operates coal-fired power plants and generates electric power for sale to power grid companies.
- Solar power: this segment constructs, manages and operates solar power plants and generates electric power for sale to power grid companies.
- Other business: this segment mainly constructs, manages and operates other clean energy power and heat plants and generates electric power for sale to power grid companies or heat for sale to the customers, and others.

With the development of solar power business, the Group began to present the information of solar power business as an individual reporting segment in the annual financial statement for the year ended 31 December 2014. In this interim financial report, the comparative information of solar power business for the six months ended 30 June 2014 has also been presented separately.

### (a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates and joint ventures, investments in financial assets, tax recoverable, deferred tax assets and other corporate assets. Segment liabilities include trade and bills payable, other payables and borrowings, obligations under finance leases and deferred income managed directly by the segments. Segment liabilities do not include tax payable, deferred tax liabilities and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments. Segment revenue and expenses do not include the Group's share of profits less losses of associates, net finance expenses, service concession construction revenue and cost, and unallocated head office and corporate revenue and expenses.

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2015 and 2014 is set out below:



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 10 SEGMENT REPORTING (continued)

### (a) Segment results, assets and liabilities (continued)

For the six months ended 30 June 2015

	Hydropower RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Solar power RMB'000	Other business RMB'000	Total RMB'000
Revenue from external customers						
– Sales of electricity	978,461	1,976,684	2,817,788	391,769	720,887	6,885,589
– Sales of others	4,053	13,191	95,267	110	439,501	552,122
<b>Reportable segment revenue</b>	<b>982,514</b>	<b>1,989,875</b>	<b>2,913,055</b>	<b>391,879</b>	<b>1,160,388</b>	<b>7,437,711</b>
<b>Reportable segment profit (operating profit)</b>	<b>411,156</b>	<b>1,145,680</b>	<b>778,092</b>	<b>222,334</b>	<b>53,868</b>	<b>2,611,130</b>
Depreciation and amortization	(233,565)	(758,689)	(324,024)	(133,490)	(84,835)	(1,534,603)
Interest income	3,829	24,365	4,536	1,507	1,824	36,061
Interest expenses	(95,890)	(705,331)	(222,659)	(116,441)	(45,420)	(1,185,741)
Expenditures for reportable segment's non-current assets during the period	145,923	5,204,656	223,954	383,989	301,487	6,260,009

As at 30 June 2015

	Hydropower RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Solar power RMB'000	Other business RMB'000	Total RMB'000
<b>Reportable segment assets</b>	<b>10,430,408</b>	<b>50,221,342</b>	<b>11,976,305</b>	<b>7,583,171</b>	<b>5,459,106</b>	<b>85,670,332</b>
<b>Reportable segment liabilities</b>	<b>4,028,421</b>	<b>41,683,772</b>	<b>8,700,038</b>	<b>6,098,403</b>	<b>4,180,892</b>	<b>64,691,526</b>



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 10 SEGMENT REPORTING (continued)

### (a) Segment results, assets and liabilities (continued)

For the six months ended 30 June 2014

	Hydropower RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Solar power RMB'000	Other business RMB'000	Total RMB'000
Revenue from external customers						
– Sales of electricity	1,292,797	1,527,009	3,217,841	217,571	237,602	6,492,820
– Sales of others	3,555	11,952	100,503	7,595	44,420	168,025
<b>Reportable segment revenue</b>	<b>1,296,352</b>	<b>1,538,961</b>	<b>3,318,344</b>	<b>225,166</b>	<b>282,022</b>	<b>6,660,845</b>
<b>Reportable segment profit (operating profit)</b>	<b>721,346</b>	<b>859,501</b>	<b>872,457</b>	<b>145,014</b>	<b>30,012</b>	<b>2,628,330</b>
Depreciation and amortization	(237,312)	(606,888)	(322,951)	(75,196)	(31,465)	(1,273,812)
Interest income	2,716	15,191	2,271	445	488	21,111
Interest expenses	(125,977)	(596,006)	(229,943)	(63,994)	(15,241)	(1,031,161)
Expenditures for reportable segment's non-current assets during the period	85,849	3,162,976	49,908	1,123,707	368,261	4,790,701

As at 31 December 2014

	Hydropower RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Solar power RMB'000	Other business RMB'000	Total RMB'000
<b>Reportable segment assets</b>	<b>10,297,357</b>	<b>44,978,700</b>	<b>12,575,819</b>	<b>6,740,603</b>	<b>4,703,420</b>	<b>79,295,899</b>
<b>Reportable segment liabilities</b>	<b>3,926,542</b>	<b>37,701,186</b>	<b>9,191,042</b>	<b>5,446,506</b>	<b>3,511,183</b>	<b>59,776,459</b>

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 10 SEGMENT REPORTING (continued)

### (b) Reconciliations of reportable segment revenue, profit, assets and liabilities

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
<b>Revenue</b>		
Reportable segment revenue	7,437,711	6,660,845
Service concession construction revenue	56,830	35,808
Consolidated revenue	7,494,541	6,696,653
<b>Profit</b>		
Reportable segment profit	2,611,130	2,628,330
Unallocated head office and corporate expenses	(70,828)	(67,280)
Share of profits less losses of associates	272,388	29,926
Net finance expenses	(1,292,198)	(1,102,241)
Consolidated profit before taxation	1,520,492	1,488,735
	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
<b>Assets</b>		
Reportable segment assets	85,670,332	79,295,899
Inter-segment receivables	(6,548,890)	(6,983,997)
	79,121,442	72,311,902
Interests in associates and joint ventures	5,087,099	4,433,280
Other non-current assets	1,834,164	512,300
Deferred tax assets	301,750	303,989
Tax recoverable	28,416	17,627
Unallocated head office and corporate assets	6,547,498	8,356,024
Consolidated total assets	92,920,369	85,935,122
<b>Liabilities</b>		
Reportable segment liabilities	64,691,526	59,776,459
Inter-segment payables	(6,548,890)	(6,983,997)
	58,142,636	52,792,462
Tax payable	175,548	328,213
Deferred tax liabilities	833,654	820,210
Unallocated head office and corporate liabilities	13,323,838	14,335,992
Consolidated total liabilities	72,475,676	68,276,877

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 10 SEGMENT REPORTING (continued)

### (c) Geographical information

As the Group does not have material operations outside the PRC, no geographic segment reporting is presented.

## 11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment with a cost of RMB6,183,531,000 (six months ended 30 June 2014: RMB4,761,152,000). Items of property, plant and equipment with a net book value of approximately RMB377,000 were disposed of during the six months ended 30 June 2015 (six months ended 30 June 2014: RMB1,467,000), resulting in a gain on disposal of RMB7,152,000 (six months ended 30 June 2014: a gain of RMB9,000).

## 12 INTANGIBLE ASSETS

The net book value of intangible assets mainly represent service concession assets of approximately RMB609,799,000 (31 December 2014: approximately RMB565,911,000), goodwill of approximately RMB496,647,000 (31 December 2014: approximately RMB496,647,000), software and other assets of approximately RMB35,970,000 (31 December 2014: approximately RMB37,451,000).

During the six months ended 30 June 2015, the additions of intangible assets mainly represent service concession assets of approximately RMB56,830,000 (six months ended 30 June 2014: approximately RMB35,808,000).

## 13 OTHER NON-CURRENT ASSETS

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Deductible Value Added Tax ("VAT") (note (i))	2,555,718	2,273,590
Unquoted equity investments in non-listed companies, at cost (note (ii))	1,834,164	512,300
Deferred differences arising from sales and leaseback resulting in a finance lease	220,253	235,438
Loan to an associate (note (iii))	28,179	28,179
Others	144,700	145,733
	<b>4,783,014</b>	<b>3,195,240</b>

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 13 OTHER NON-CURRENT ASSETS (continued)

Notes:

- (i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment and inventory, which is deductible from output VAT. The input VAT expected to be deducted within one year is recorded in prepayments and other current assets (see note 15).
- (ii) The unquoted equity investments in non-listed companies are limited liability companies established in the PRC and whose quoted market prices are not available.
- (iii) Loan to an associate is unsecured, interest bearing at a rate of 6.60% per annum and will be recovered in 2018.

## 14 TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Amounts due from third parties	3,836,604	3,526,222
Amounts due from an associate	21,588	–
Less: allowance for doubtful accounts	34,489	34,489
	<b>3,823,703</b>	3,491,733

### (a) Ageing analysis

The ageing analysis of trade debtors and bills receivable of the Group based on the due date is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Current	3,858,192	3,526,222
Less: allowance for doubtful accounts	34,489	34,489
	<b>3,823,703</b>	3,491,733

The Group's trade debtors are mainly electricity sales receivable from local grid companies for whom there was no recent history of default. Generally the debtors are due within 15 – 30 days from the date of invoice, except for the tariff premium of renewable energy, representing approximately 26% to 89% of total electricity sales, collected by certain renewable energy projects, such as wind power projects and solar power projects. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid companies, which consequently takes a relatively long time for settlement.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 14 TRADE DEBTORS AND BILLS RECEIVABLE (continued)

### (b) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly.

The Group's trade debtors and bills receivable of RMB34,489,000 as at 30 June 2015 (31 December 2014: RMB34,489,000) were individually determined to be impaired. The individually impaired receivables related to the counterparties that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised. The Group does not hold any collateral over these balances.

### (c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Neither past due nor impaired	<b>3,823,703</b>	3,491,733

Pursuant to CaiJian [2012] No.102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, a set of new standardized procedures for the settlement of the aforementioned renewable energy tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies. As at 30 June 2015, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. The directors are of the opinion that the approvals will be obtained in due course and these trade and bills receivable from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government.

Trade debtors and bills receivable that were neither past due nor impaired mainly represented the electricity sales receivables from local grid companies for whom there was no recent history of default. All trade debtors and bills receivable are expected to be recovered within one year.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 15 PREPAYMENTS AND OTHER CURRENT ASSETS

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Certificated Emission Reduction (“CERs”) receivable	166,784	166,784
Staff advance and other deposits	46,404	47,705
Amounts due from related parties		
– due from fellow subsidiaries	8,676	111,924
– due from associates	41,635	60,236
Loans to a third party	89,770	140,518
Deductible VAT (note 13(i))	982,672	1,052,491
Prepayments for the coal and spare parts supply	93,793	159,818
Other prepayments and debtors	284,335	296,910
	<b>1,714,069</b>	2,036,386
Less: allowance for doubtful debts	<b>181,489</b>	181,970
	<b>1,532,580</b>	1,854,416

All of the prepayments and other current assets are expected to be recovered or recognized as expenses within one year.

Impairment losses in respect of prepayments and other current assets are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against prepayments and other current assets directly.

The Group's prepayments and other current assets of RMB181,489,000 as at 30 June 2015 (31 December 2014: RMB181,970,000) were individually determined to be impaired. The individually impaired receivables related to the counterparties that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised. The Group does not hold any collateral over these balances.

For the other balances of prepayments and other current assets for the Group, the management is of the opinion that the counterparties are with good credit quality and the balances are considered fully recoverable.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 16 CASH AND CASH EQUIVALENTS

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Cash on hand	431	741
Cash at bank	926,956	733,810
Deposits with a fellow subsidiary (note (i))	2,191,332	2,556,436
	<b>3,118,719</b>	3,290,987

Note:

- (i) Deposits with a fellow subsidiary mainly represent the deposits in China Huadian Finance Corporation Limited (“Huadian Finance”).

## 17 BORROWINGS

### (a) The long-term interest-bearing borrowings comprise:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Bank loans and loans from financial institutions		
– Secured	19,267,150	18,775,466
– Unsecured (note (i))	23,812,782	19,568,637
Loans from China Huadian Corporation (“Huadian”)		
– Unsecured	3,246,447	3,246,447
Loans from fellow subsidiaries		
– Secured	99,153	98,664
– Unsecured	242,000	254,000
Other borrowings (note (e)(i))		
– Unsecured	1,992,381	1,991,519
	<b>48,659,913</b>	43,934,733
Less: current portion of long-term borrowings		
– Bank loans and loans from financial institutions	3,713,645	4,090,449
– Loans from fellow subsidiaries	14,000	14,000
	<b>44,932,268</b>	39,830,284

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 17 BORROWINGS (continued)

Note:

All of the long-term interest-bearing borrowings are carried at amortised cost. None of the long-term interest-bearing borrowings is expected to be settled within one year.

(i) Certain unsecured borrowings were guaranteed by the below entities:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Guarantor		
– Huadian	2,207,300	2,291,800
– Non-controlling interests shareholders	209,000	209,000
	<b>2,416,300</b>	2,500,800

(b) The short-term interest-bearing borrowings comprise:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Bank loans and loans from financial institutions		
– Secured	150,000	163,000
– Unsecured	4,527,680	3,876,000
Loans from a fellow subsidiary		
– Unsecured	420,000	860,000
Other borrowings (note(e)(ii))		
– Unsecured	1,498,500	2,993,500
	<b>6,596,180</b>	7,892,500
Add: current portion of long-term borrowings		
– Bank loans and loans from financial institutions	3,713,645	4,090,449
– Loans from fellow subsidiaries	14,000	14,000
	<b>10,323,825</b>	11,996,949



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 17 BORROWINGS (continued)

### (c) The interest rates on borrowings are as follows:

	At 30 June 2015	At 31 December 2014
<b>Long-term</b>		
Bank loans and loans from financial institutions	2.27%-7.21%	2.27%-7.86%
Loans from Huadian	4.15%-6.46%	4.15%-6.46%
Loans from fellow subsidiaries	6.00%-6.55%	6.00%-6.55%
Other borrowings	5.13%-5.38%	5.13%-5.38%
<b>Short-term</b>		
Bank loans and loans from financial institutions	4.66%-6.30%	5.04%-8.00%
Loans from a fellow subsidiary	5.60%-6.00%	5.60%-6.00%
Other borrowings	5.06%	5.06%-5.62%

### (d) The borrowings are repayable as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 1 year or on demand	10,323,825	11,996,949
After 1 year but within 2 years	5,274,177	4,700,464
After 2 years but within 5 years	15,219,688	14,506,734
After 5 years	24,438,403	20,623,086
	44,932,268	39,830,284
	55,256,093	51,827,233

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 17 BORROWINGS (continued)

### (e) Significant terms of other borrowings

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
<b>Long-term</b>		
Corporate bonds (note (i))	1,992,381	1,991,519
<b>Short-term</b>		
Financing instruments (note (ii))	1,498,500	2,993,500

Notes:

- (i) On 25 March 2013, the Company issued a five-year unsecured corporate bond of RMB1 billion at par with a coupon rate of 5.00% per annum and a ten-year unsecured corporate bond of RMB1 billion at par with a coupon rate of 5.30% per annum. The effective interest rates of above bonds are 5.13% and 5.38%, respectively.
- (ii) On 13 May 2014, the Company issued a one-year unsecured short-term financing instruments of RMB1,500,000,000 at par with a coupon rate of 5.20% per annum in the PRC inter-bank debenture market. The effective interest rates of the financing instruments are 5.62%. On 12 May 2015, the Company repaid the short-term financing instruments together with the accrued interest.

On 14 October 2014, the Company issued a one-year unsecured short-term financing instruments of RMB1,500,000,000 at par with a coupon rate of 4.64% per annum in the PRC inter-bank debenture market. The effective interest rates of the financing instrument is 5.06%.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 18 OBLIGATIONS UNDER FINANCE LEASES

The Group had obligations under finance leases repayable as follows:

	At 30 June 2015		At 31 December 2014	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	44,195	66,396	64,321	100,970
After 1 year but within 2 years	50,737	77,588	72,946	111,284
After 2 years but within 5 years	161,770	223,203	228,397	315,832
After 5 years	275,981	324,496	376,604	448,976
	488,488	625,287	677,947	876,092
	532,683	691,683	742,268	977,062
Less: total future interest expenses		159,000		234,794
Present value of finance lease obligations		532,683		742,268

At inception, the lease periods of the finance lease obligation are approximately 6-13 years.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 19 TRADE CREDITORS AND BILLS PAYABLE

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Trade creditors to third parties	450,669	520,291
Bills payable to third parties	1,933,962	2,129,883
Amounts due to fellow subsidiaries	106,838	117,103
Bills payable to fellow subsidiaries	240,800	147,899
	<b>2,732,269</b>	2,915,176

The ageing analysis for the trade creditors and bills payable, based on due date, is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Due within 3 months or on demand	891,928	1,179,878
Due after 3 months but within 6 months	1,135,872	1,268,248
Due after 6 months but within 1 year	704,469	467,050
	<b>2,732,269</b>	2,915,176

All of the trade creditors and bills payable are expected to be settled within one year or are repayable on demand.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 20 OTHER PAYABLES

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Payables for acquisition of property, plant and equipment and intangible assets	9,019,040	8,319,008
Provision for Mianhuatan resettlement compensation (note (i))	40,000	40,000
Retention payable (note (ii))	1,269,887	1,196,455
Dividends payable	394,629	17,929
Payable for acquisition of subsidiaries	38,381	81,152
Payables for staff related costs	73,322	76,414
Payables for other taxes	175,377	163,822
Interest payable	141,033	268,168
Distribution payable for perpetual medium-term notes (note 22)	22,042	–
Amounts due to the fellow subsidiaries (note (iii))	606,773	577,695
Amounts due to the associates (note (iii))	359,243	149,531
Amounts due to Huadian (note (iii))	12,000	12,000
Other accruals and payables	374,373	343,486
	<b>12,526,100</b>	<b>11,245,660</b>

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 20 OTHER PAYABLES (continued)

Notes:

- (i) Mianhuatan Hydropower, one of the Company's subsidiaries, owns and operates a hydropower plant (the "Mianhuatan Project") in Longyan, Fujian. The relevant local government authority disputed the amount of resettlement compensation required and requested Mianhuatan Hydropower to increase the compensation to cover the rising costs associated with the relocation and resettlement of additional residents, the construction of roads and bridges, environmental protection and the preservation of historical relics. In response to this request, Mianhuatan Hydropower engaged the original independent design institute for this hydropower project, Shanghai Investigation, Design & Research Institute (the "Shanghai Institute") to assess the need to pay any additional resettlement compensation. To support the local government's relocation and resettlement efforts, Mianhuatan Hydropower agreed in principal and prepaid to the local government additional compensation of RMB15 million, RMB15 million, and RMB360 million in 2009, 2010 and 2011, respectively, totaling RMB390 million in advance payments. In addition, the management of Mianhuatan Hydropower has recognised an additional provision of RMB40 million for this dispute as at 31 December 2011. The advance payments of RMB390 million and the provision of RMB40 million have been capitalised in the property, plant and equipment in the historical financial information. After reviewing the assessment report from the Shanghai Institute, Fujian Development and Reform Commission (the "Fujian DRC") and National Development and Reform Commission of the PRC (the "NDRC") will determine the adjusted resettlement compensation for which Mianhuatan Hydropower will be responsible.
- (ii) Retention payable represents amounts due to equipment suppliers and construction contractors which will be settled upon the expiry of the warranty period.
- (iii) These amounts are all unsecured, interest-free and have no fixed terms of repayment.

Except for the retention payable, all of the other payables are expected to be settled within one year or are repayable on demand.

## 21 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

#### (i) *Dividends payable to equity shareholders attributable to the interim period*

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

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 21 CAPITAL, RESERVES AND DIVIDENDS (continued)

### (a) Dividends (continued)

(ii) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period*

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Final dividend in respect of the previous financial year approved during the period of RMB0.0435 per share (six months ended 30 June 2014: RMB0.0382 per share)	365,746	304,820

### (b) Share capital

	At 30 June	At 31 December
	2015	2014
	RMB'000	RMB'000
<b>Ordinary shares, issued and fully paid</b>		
5,837,738,400 domestic state-owned ordinary shares of RMB1.00 each	5,837,738	5,837,738
2,570,223,120 H shares of RMB1.00 each	2,570,224	2,570,224
	<b>8,407,962</b>	<b>8,407,962</b>

All shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All shares rank equally with regard to the Company's residual assets.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 22 PERPETUAL MEDIUM-TERM NOTES

On 21 April 2015, the Company issued the first tranche of 2015 perpetual medium-term notes with total amount of RMB2,000,000,000. The perpetual medium-term notes are issued at par value with initial distribution rate of 5.75%. The perpetual medium-term notes were recorded as equity in the Group's interim report, after netting off related issuance costs of approximately RMB6,000,000.

Interests of the perpetual medium-term notes are recorded as distributions, which is paid annually in arrears on 23 April in each year ("Distribution Payment Date") and may be deferred at the discretion of the Company unless compulsory distribution payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred.

The perpetual medium-term notes have no fixed maturity date and are callable at the Company's option in whole on 23 April 2020 ("First Call Date") or any Distribution Payment Date falling after the First Call Date at their principal amounts together with any accrued, unpaid or deferred distributions. The applicable distribution rate will reset, on First Call Date and every five years after the First Call Date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

During the six months ended 30 June 2015, the profit attributable to holders of perpetual medium-term notes, based on the applicable distribution rate, was RMB22,042,000.

## 23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### *Fair value hierarchy*

The following table presents the fair value of financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, "Fair value measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At 30 June 2015 and 31 December 2014, the Group did not have any assets or liabilities measured at fair value.



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

### (b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2015 and 31 December 2014.

As at 30 June 2015, the investments in unquoted equity securities (see note 13) are measured at cost which fair value cannot be measured reliably as these investments in non-listed companies do not have quoted market price in an active market. The Group has no intention to dispose these investments.

## 24 CAPITAL COMMITMENTS

Capital commitments outstanding at the period/year end not provided for in the interim financial report were as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Contracted for	7,495,548	8,321,848
Authorized but not contracted for	11,750,040	12,257,226
	<b>19,245,588</b>	20,579,074

## 25 CONTINGENT LIABILITIES

### (a) Financial guarantees issued

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Financial guarantees to banks for:		
– An associate	30,578	30,878

As at 30 June 2015, the directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 25 CONTINGENT LIABILITIES (continued)

### (b) Contingent liability in respect of taxes on CERs revenue

Up to date, there have been no rules issued on whether the revenue from sales of CERs is subject to any VAT or business tax. Based on the discussions with local tax authorities, the directors of the Company are of the opinion that no such taxes will be applicable to the revenue from sales of CERs. Therefore, the Group has not made any provision on such contingencies.

### (c) Contingent liability in respect of the resettlement compensation for Mianhuatan Hydropower

As set out in note 20(i), Mianhuatan Hydropower has been requested by the relevant local government authority to further increase the compensation to cover the rising costs associated with the relocation and resettlement of additional residents, the construction of roads and bridges, environmental protection and the preservation of historical relics. The final resettlement compensation has yet to be determined by the Fujian DRC and the NDRC. Mianhuatan Hydropower has prepaid aggregated amount of RMB390 million during the years ended 31 December 2009, 2010 and 2011 in relation to this dispute and has recognised a provision of RMB40 million during the year ended 31 December 2011 based on the assessment of the circumstances.

Huadian has undertaken to indemnify the Group against its losses, claims, charges and expenses arising from the relocation and resettlement of local residents in relation to Mianhuatan Project if the additional compensation the NDRC requires the Group to pay is to exceed the RMB40 million.

## 26 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

The Group is part of a large group of companies under Huadian and has significant transactions and relationships with the subsidiaries of Huadian.



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (continued)

### (a) Transactions with related parties (continued)

The principal related party transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
<i>Purchase of coal shipping service from</i>		
Fellow subsidiaries	53,558	38,330
An associate	4,296	–
<i>Purchase of construction service and construction materials from</i>		
Fellow subsidiaries	368,876	337,574
An associate	858,634	45,000
<i>Office rental and property management service provided by</i>		
Fellow subsidiaries	13,353	8,756
<i>Sale of electricity to</i>		
An associate	40,276	–
<i>Purchases of coal from</i>		
Fellow subsidiaries	453,561	549,175
<i>Working capital got back from</i>		
An associate	–	8,738
<i>Loan guarantees revoked by</i>		
Huadian	84,500	1,096,200
<i>Loans repayment to/(received from)</i>		
Fellow subsidiaries	451,511	(1,554,000)
<i>Net deposit change in</i>		
Huadian Finance	(365,104)	712,795
<i>Interest expenses to</i>		
Huadian	79,682	59,955
Fellow subsidiaries	38,988	29,813

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (continued)

### (a) Transactions with related parties (continued)

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
<i>Interest income</i>		
Huadian Finance	5,751	4,706
Associates	873	935
<i>Purchase of unquoted equity investment from</i>		
Huadian	1,115,857	–
<i>Increase investment in</i>		
A fellow subsidiary	120,215	–

### (b) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 13, 14, 15, 16, 17, 19, 20 and 25(a).

### (c) Transactions with other government-related entities in the PRC

The Company is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as “government-related entities”).

Apart from transactions mentioned above, the Group conducts a majority of its business activities with government-related entities in the ordinary course of business. These transactions are carried out at terms similar to those that would be entered into with non-government-related entities. Transactions with other government-related entities included but are not limited to the following:

- Sales of electricity;
- Depositing and borrowing money;
- Purchase of materials and receiving construction work services; and
- Service concession arrangements.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (continued)

### (c) Transactions with other government-related entities in the PRC (continued)

The tariff of electricity is regulated by relevant government authorities. The Group prices its other services and products based on commercial negotiations. The Group has also established its approval processes for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.

For the six months ended 30 June 2015, revenue from the sales of electricity made to the provincial power grid companies which are government-related entities accounted for 98.74% of total revenue from the sales of electricity (six months ended 30 June 2014: 99.26%). As at 30 June 2014, the trade debtors and bills receivable due from these power grid companies accounted for 92.77% of total trade and bills receivable (31 December 2014: 95.67%).

The Company and its subsidiaries maintained substantially all of the bank deposits in government-related financial institutions while lenders of substantially all of the Company and its subsidiaries' loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

Other collectively significant transactions with government-related entities also included a large portion of equipment and materials purchases, and property, plant and equipment construction services received, and the service concession arrangements.

### (d) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Group's directors.

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Salaries and other emoluments	1,306	1,184
Discretionary bonus	1,599	1,601
Retirement scheme contributions	362	291
	<b>3,267</b>	<b>3,076</b>

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (continued)

### (e) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and Huadian for its staff. As at 30 June 2015 and 31 December 2014, there was no material outstanding contribution to post-employment benefit plans.

### (f) Commitment with related parties

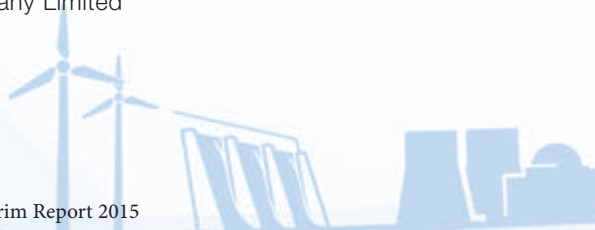
	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Capital commitment	1,958,667	3,170,965
Commitment for office rental and property management fee	120,807	135,075

# Definition and Glossary of Technical Terms

“Articles of Association”	the articles of association of the Company
“attributable consolidated installed capacity”	calculated by multiplying our equity interest (whether or not such interest is a controlling interest) in the power generating projects by their installed capacity, usually denominated in MW
“availability factor”	the amount of time that a power generator is able to produce electricity over a certain period, divided by the amount of time in such period
“average utilization hours”	the gross generation in specified period divided by the average installed capacity in such period
“biomass”	plant material, vegetation or agricultural waste used as a fuel or energy source
“Board”	the board of Directors of the Company
“Company”, “we” or “us”	Huadian Fuxin Energy Corporation Limited
“consolidated installed capacity”	the aggregate amount of installed capacity of our operating power generating projects that we fully consolidate in our consolidated financial statements. For wind power projects, consolidated installed capacity refers to the aggregate amount of installed capacity of our grid-connected wind power projects
“Corporate Governance Code”	the Corporate Governance Code in Appendix 14 to the Main Board Listing Rules on the Stock Exchange of Hong Kong Limited
“Corresponding Period of 2014”	Six months ended 30 June 2014
“Directors”	the director(s) of the Company
“electricity sales”	the actual amount of electricity sold by a power plant in a particular period which equals gross power generation less consolidated auxiliary electricity
“Fuqing Nuclear”	Fujian Fuqing Nuclear Power Company Limited
“gross generation”	for a specified period, the total amount of electricity produced by a power generating project during that period
“Group”	Huadian Fuxin Energy Corporation Limited and its subsidiaries
“GW”	gigawatt, a unit of power, 1 GW = 1,000 MW
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

# Definition and Glossary of Technical Terms

“Huadian”	China Huadian Corporation
“Huadian Finance”	China Huadian Finance Co., Ltd. (中國華電集團財務有限公司), a subsidiary of Huadian
“Huadian Group”	Huadian and its subsidiaries (excluding the Company and its subsidiaries)
“Kemen III”	the Phase III expansion project of Fujian Huadian Kemen Power Generation Company Limited
“kWh”	kilowatt-hour, a unit of energy. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a power generator producing one thousand watts for one hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“MW”	megawatt, a unit of power. 1 MW = 1,000 kW. The capacity of a power project is generally expressed in MW
“MWh”	megawatt-hour, a unit of energy. 1 MWh = 1,000 kWh
“NDRC”	National Development and Reform Commission of the People’s Republic of China
“on-grid tariff”	the selling price of electricity for which a power generating project could sell the electricity it generated to the power grid companies, usually denominated in RMB per kWh (such on-grid tariff includes value-added tax)
“PRC” or “China”	the People’s Republic of China
“Reporting Period”	the period from the 1 January 2015 to 30 June 2015
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shaowu III”	the Phase III expansion project of Fujian Huadian Shaowu Power Generation Company Limited





# Definition and Glossary of Technical Terms

“Supervisors”	the supervisor(s) of the Company
“the board of Supervisors”	the board of Supervisors of the Company
“Three-North”	Three-North regions, being Northeast China, North China and Northwest China regions
“13rd Five-Year Plan”	“13rd Five-Year Plan” with the full name being the Outline of the 13rd Five-Year Plan for National Economic and Social Development of the People’s Republic of China, and the term of the “13rd Five-Year Plan” starts in 2016 and ends in 2020



# Corporate Information

## LEGAL NAME OF THE COMPANY

華電福新能源股份有限公司

## ENGLISH NAME OF THE COMPANY

Huadian Fuxin Energy Corporation Limited

## REGISTERED OFFICE

25th Floor, Yifa Plaza,  
No. 111 Wusi Road,  
Gulou District,  
Fuzhou,  
Fujian Province, the PRC

## HEAD OFFICE IN THE PRC

the 7th Floor, Building B,  
Huadian Plaza,  
No. 2 Xuanwumennei Road,  
Xicheng District,  
Beijing, the PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

36/F, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

## MEMBERS OF THE BOARD

### Executive Directors

Mr. Fang Zheng (*Chairman of the Board*)  
Mr. Jiang Bingsi  
Mr. Li Lixin

### Non-executive Directors

Mr. Tao Yunpeng  
Mr. Zong Xiaolei

## Independent non-executive Directors

Mr. Zhou Xiaoqian  
Mr. Zhang Bai  
Mr. Tao Zhigang

## COMMITTEES OF THE BOARD

### Audit Committee

Mr. Zhang Bai (*Independent Non-executive Director*) (*Chairman*)  
Mr. Tao Zhigang (*Independent Non-executive Director*)  
Mr. Zong Xiaolei (*Non-executive Director*)

### Nomination Committee

Mr. Zhou Xiaoqian (*Independent Non-executive Director*) (*Chairman*)  
Mr. Fang Zheng (*Executive Director and Chairman of the Board*)  
Mr. Tao Zhigang (*Independent Non-executive Director*)

### Remuneration and Assessment Committee

Mr. Zhou Xiaoqian (*Independent Non-executive Director*) (*Chairman*)  
Mr. Zhang Bai (*Independent Non-executive Directors*)  
Mr. Jiang Bingsi (*Executive Director*)

### Strategic Committee

Mr. Fang Zheng (*Executive Director and Chairman of the Board*) (*Chairman*)  
Mr. Zhou Xiaoqian (*Independent Non-executive Director*)

## SUPERVISORS

Mr. Li Changxu  
Mr. Wang Kun  
Mr. Yan Zhongjun  
Mr. Hou Jiawei  
Ms. Hu Xiaohong  
Mr. Zou Xuanyong  
Mr. Chen Wenxin  
Ms. Zhang Liying  
Ms. Ding Ruiling

# Corporate Information

## JOINT COMPANY SECRETARIES

Mr. Liu Lei  
Ms. Mok Ming Wai

## LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Fang Zheng

## AUTHORIZED REPRESENTATIVES

Mr. Fang Zheng  
Ms. Mok Ming Wai

## AUDITOR

KPMG  
8th Floor, Prince's Building,  
10 Chater Road, Central, Hong Kong

## LEGAL ADVISORS

### As to Hong Kong law

Paul Hastings  
21-22/F, Bank of China Tower, 1 Garden Road,  
Central, Hong Kong

### As to PRC law

Jia Yuan Law Offices  
F407-F408, Yuanyang Building,  
158 Fuxingmennei Avenue,  
Beijing, the PRC

## PRINCIPAL BANKS

China Development Bank Corporation (Headquarters)  
No. 29 Fuchengmenwai Avenue, Xicheng District,  
Beijing, the PRC

Agricultural Bank of China Limited (Headquarters)  
No. 28 Fuxingmennei Avenue, Xicheng District,  
Beijing, the PRC

China Construction Bank Corporation (Fuzhou Chengbei Branch)  
No. 18 Guping Road,  
Gulou District, Fuzhou,  
Fujian Province, the PRC

China Merchants Bank Corporation Limited (Beijing Branch)  
Building A, No. 156 Fuxingmennei Avenue, Xicheng District,  
Beijing, the PRC

## H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong

## COMPANY'S WEBSITE

[www.hdfx.com.cn](http://www.hdfx.com.cn)

## STOCK CODE

00816

