China Power International Development Limited
中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code : 2380)

CLEAN ENERGY GREEN ENTERPRISE

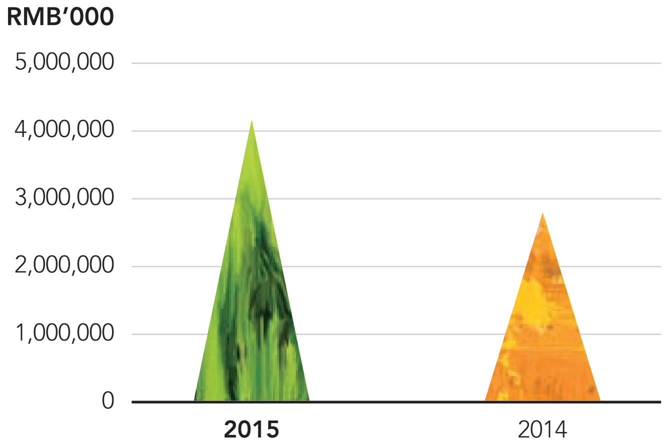
Annual Report 2015

CONTENTS

2015 FINANCIAL HIGHLIGHTS

Profit attributable to owners of the Company

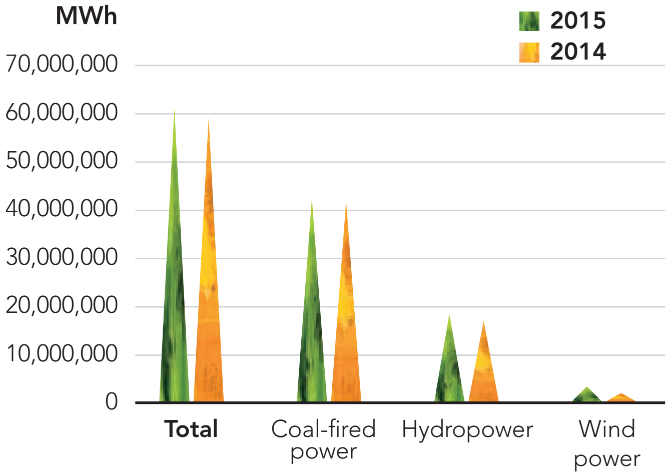
for the year ended 31 December



	2015 RMB'000	2014 RMB'000	Change %
Profit attributable to owners of the Company	**4,149,018**	2,765,886	50.01

Total electricity sold

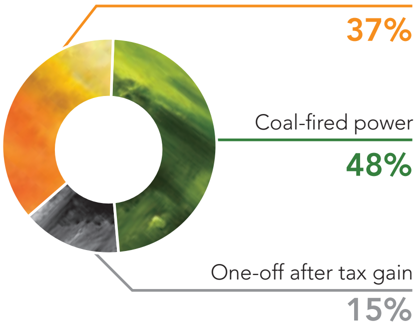
for the year ended 31 December



	2015 MWh	2014 MWh	Change %
Total electricity sold	**60,868,493**	58,957,127	3.24
— Coal-fired power	**42,252,014**	41,909,640	0.82
— Hydropower	**18,313,257**	16,849,780	8.69
— Wind power	**303,222**	197,707	53.37

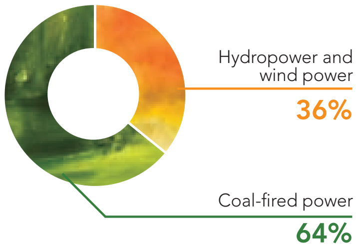
Net profit

for the year ended 31 December 2015



Net profit

for the year ended 31 December 2014



	2015 RMB'000	Proportion %	2014 RMB'000	Proportion %
Net profit	**5,329,598**	**100**	3,642,532	100
— Coal-fired power*	**2,541,630**	**48**	2,326,774	64
— Hydropower and wind power	**1,960,761**	**37**	1,315,758	36
— One-off after tax gain	**827,207**	**15**	0	0

* *It included other minor items, please refer to the details as set out in Note 5 "Turnover, revenue and segment information" in the notes to the consolidated financial statements.*

	2015 RMB	2014 RMB	Change %
Earnings per share			
Basic	**0.58**	0.42	38.10
Diluted	**0.56**	0.38	47.37

	2015 RMB'000	2014 RMB'000	Change %
Revenue	**20,196,670**	20,447,151	-1.23
Profit attributable to owners of the Company	**4,149,018**	2,765,886	50.01
Shareholders' equity, excluding non-controlling interests	**27,320,528**	21,863,769	24.96
Total assets	**86,243,112**	81,795,791	5.44
Cash and cash equivalents	**1,528,017**	1,126,917	35.59
Total debts	**42,687,785**	45,548,653	-6.28

	2015 MWh	2014 MWh	Change %
Total power generation*	**63,531,141**	61,692,480	2.98
Total electricity sold*	**60,868,493**	58,957,127	3.24

* *Excluding associates and joint ventures*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Directors

WANG Binghua *(Chairman)*
GUAN Qihong

Independent Non-Executive Directors

KWONG Che Keung, Gordon
LI Fang
TSUI Yiu Wa, Alec

Executive Directors

YU Bing *(President)*
WANG Zichao

AUDIT COMMITTEE

KWONG Che Keung, Gordon *(Chairman)*
LI Fang
TSUI Yiu Wa, Alec

REMUNERATION AND NOMINATION COMMITTEE

LI Fang *(Chairman)*
KWONG Che Keung, Gordon
TSUI Yiu Wa, Alec

RISK MANAGEMENT COMMITTEE

YU Bing *(Chairman)*
KWONG Che Keung, Gordon
LI Fang
TSUI Yiu Wa, Alec

EXECUTIVE COMMITTEE

YU Bing *(Chairman)*
WANG Zichao
All vice presidents of the Company

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6301, 63/F., Central Plaza
18 Harbour Road
Wanchai, Hong Kong

BEIJING OFFICE

East Building, Hui Huang Shi Dai Plaza
56 North West Fourth Ring Road, Haidian District
Beijing, China

COMPANY WEBSITE

www.chinapower.hk

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited

- Ordinary Shares (Stock Code: 2380)
- RMB2,000,000,000 4.50% Corporate Bonds Due 2017 (Stock Code: 85960)

SHARE REGISTRAR AND TRANSFER OFFICE

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

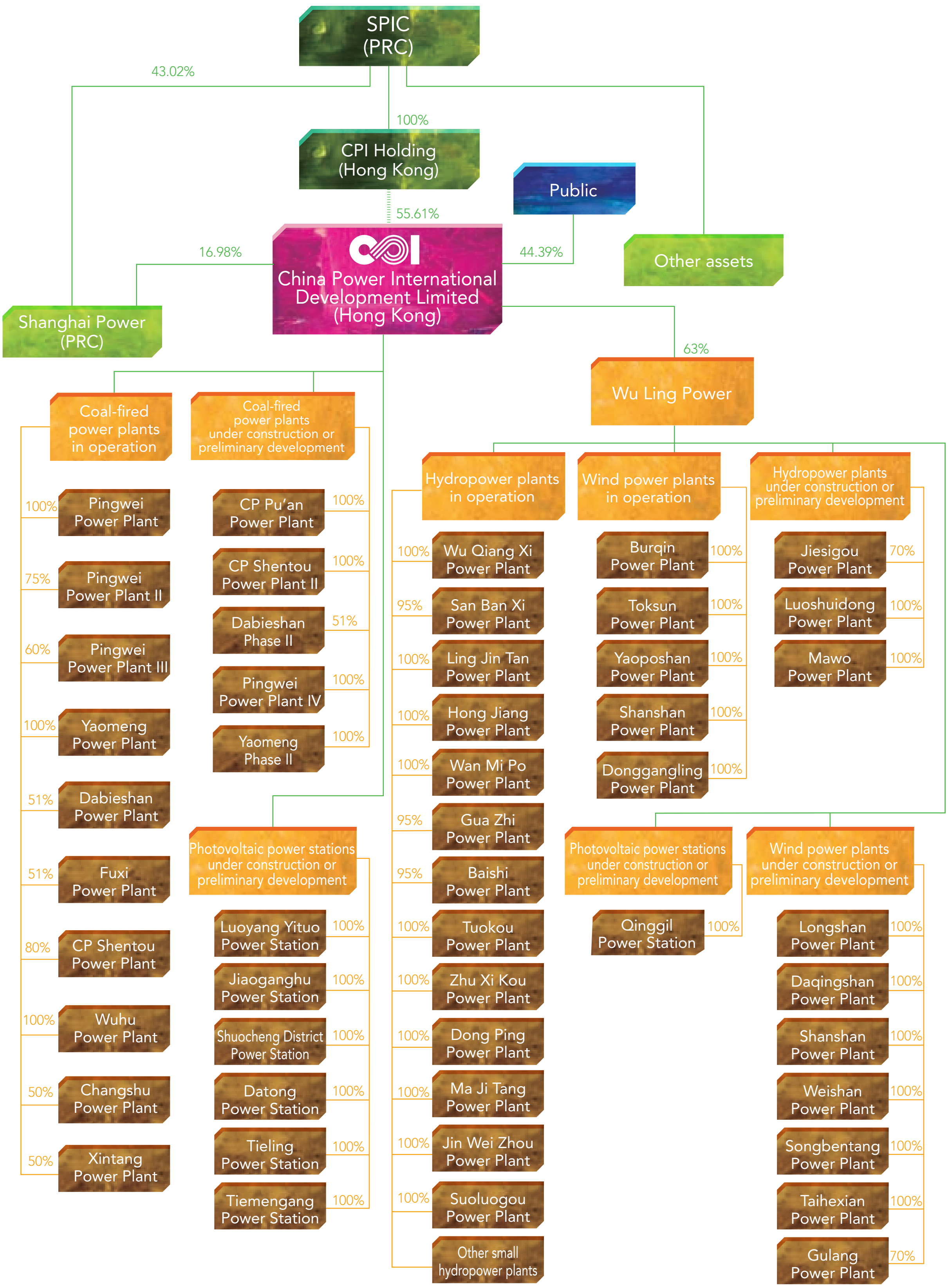
AUDITOR

Deloitte Touche Tohmatsu

COMPANY SECRETARY

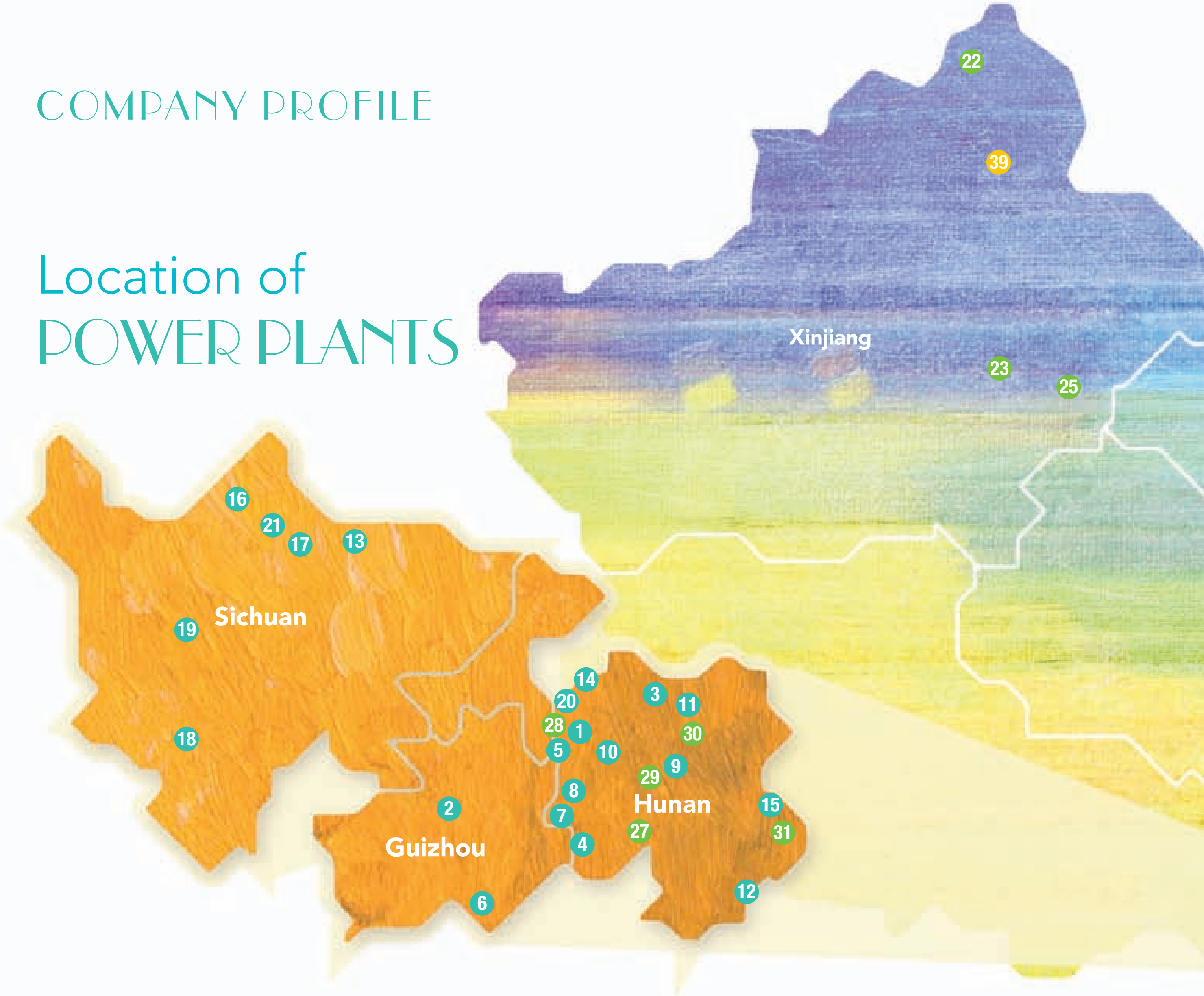
CHEUNG Siu Lan

GROUP STRUCTURE



Note: The above group structure is recorded as at the date of this annual report.

Location of POWER PLANTS



Hydropower

1	Wu Qiang Xi Power Plant	10	Dong Ping Power Plant
2	San Ban Xi Power Plant	11	Ma Ji Tang Power Plant
3	Ling Jin Tan Power Plant	12	Jin Wei Zhou Power Plant
4	Hong Jiang Power Plant	13	Suoluogou Power Plant
5	Wan Mi Po Power Plant	14 – 18	Other small hydropower plants
6	Gua Zhi Power Plant	19	Jiesigou Power Plant
7	Baishi Power Plant	20	Luoshuidong Power Plant
8	Tuokou Power Plant	21	Mawo Power Plant
9	Zhu Xi Kou Power Plant		

Wind Power

22	Burqin Power Plant	28	Daqingshan Power Plant
23	Toksun Power Plant	29	Weishan Power Plant
24	Yaoposhan Power Plant	30	Songbentang Power Plant
25	Shanshan Power Plant	31	Taihexian Power Plant
26	Donggangling Power Plant	32	Gulang Power Plant
27	Longshan Power Plant		

Photovoltaic Power

33	Luoyang Yituo Power Station	37	Tieling Power Station
34	Jiaoganghu Power Station	38	Tiemengang Power Station
35	Shuocheng District Power Station	39	Qinggil Power Station
36	Datong Power Station		

China Power International Development Limited (the "Company" or "China Power") was incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance on 24 March 2004 and is a core subsidiary for conventional energy business of State Power Investment Corporation ("SPIC"), the only one integrated energy group which simultaneously owns coal-fired power, hydropower, nuclear power and renewable energy resources in the People's Republic of China (the "PRC" or "China").

The shares of the Company were listed on The Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 15 October 2004. The stock code is 2380. The Company's principal business is to develop, construct, own, operate and manage large power plants in the PRC.

EXISTING POWER PLANTS

As at 31 December 2015, the Company and its subsidiaries (collectively, the "Group" or "We") owned and operated the power plants as follows:

Coal-fired Power

Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Pingwei Power Plant	1,260	100	1,260
Pingwei Power Plant II	1,280	75	960
Pingwei Power Plant III	2,000	60	1,200
Yaomeng Power Plant	2,470	100	2,470
Dabieshan Power Plant	1,280	51	652.8
Fuxi Power Plant	1,200	51	612
CP Shentou Power Plant	1,200	80	960
Wuhu Power Plant	1,320	100	1,320
Changshu Power Plant	3,320	50	1,660
Xintang Power Plant	600	50	300
Li Yu Jiang Power Plant	600	25.20	151.2
Shanghai Power	9,361.5	16.98	1,589.6
Total	**25,891.5**		**13,135.6**

Hydropower

Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Wu Qiang Xi Power Plant	1,200	63	756
San Ban Xi Power Plant	1,000	59.85	598.5
Ling Jin Tan Power Plant	270	63	170.1
Hong Jiang Power Plant	270	63	170.1
Wan Mi Po Power Plant	240	63	151.2
Gua Zhi Power Plant	150	59.85	89.8
Baishi Power Plant	420	59.85	251.4
Tuokou Power Plant	830	63	522.9
Zhu Xi Kou Power Plant	74	63	46.6
Dong Ping Power Plant	72	63	45.4
Ma Ji Tang Power Plant	55.5	63	35
Jin Wei Zhou Power Plant	63	63	39.7
Suoluogou Power Plant	34	63	21.4
Other small hydropower plants	103.5	~57.33–63	64.3
Total	**4,782**		**2,962.4**

Wind Power

Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
Burqin Power Plant	49.5	63	31.2
Toksun Power Plant	49.5	63	31.2
Yaoposhan Power Plant	50	63	31.5
Shanshan Power Plant	49.5	63	31.2
Donggangling Power Plant	50	63	31.5
Total	**248.5**		**156.6**

As at 31 December 2015, the Group's total attributable installed capacity was 16,254.6MW, of which attributable installed capacity of hydropower was 2,962.4MW, accounting for 18.22% of all attributable installed capacity, making the Company having the highest percentage of hydropower installed capacity among the PRC power generation companies listed overseas.

As at 31 December 2015, the Group's projects under construction are as follows:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
CP Pu'an Power Plant	Coal-fired power	1,320	100	1,320
Jiesigou Power Plant	Hydropower	24	44.1	10.6
Luoshuidong Power Plant	Hydropower	35	63	22.1
Mawo Power Plant	Hydropower	32	63	20.2
Longshan Power Plant	Wind power	50	63	31.5
Daqingshan Power Plant	Wind power	50	63	31.5
Shanshan Power Plant	Wind power	49.5	63	31.2
Weishan Power Plant	Wind power	70	63	44.1
Songbentang Power Plant	Wind power	50	63	31.5
Taihexian Power Plant	Wind power	50	63	31.5
Gulang Power Plant	Wind power	100	44.1	44.1
Luoyang Yituo Power Station	Photovoltaic power	6	100	6
Jiaoganghu Power Station	Photovoltaic power	20	100	20
Shuocheng District Power Station	Photovoltaic power	50	100	50
Datong Power Station	Photovoltaic power	100	100	100
Tieling Power Station	Photovoltaic power	25	100	25
Tiemengang Power Station	Photovoltaic power	50	100	50
Qinggil Power Station	Photovoltaic power	20	63	12.6
Total		**2,101.5**		**1,881.9**

As at the date of this annual report, the Company also manages a power plant on behalf of China Power International Holding Limited ("CPI Holding"), the controlling company of the Company. The details are as follows:

Managed Power Plant	Employer	Installed Capacity (MW)
Qinghe Power Plant	CPI Holding	1,600
Total		**1,600**

NEW DEVELOPMENT PROJECTS

As at the date of this annual report, the total installed capacity of new projects in a preliminary development stage (including projects which the approvals from government of the PRC have been applied for) is 11,572MW.

Currently, the installed capacity of coal-fired power projects under preliminary development is as follows:

Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)
CP Shentou Power Plant II	2,000	100	2,000
Pingwei Power Plant IV	4,000	100	4,000
Yaomeng Phase II	2,000	100	2,000
Dabieshan Phase II	1,320	51	673.2
Total	**9,320**		**8,673.2**

As for clean energy, the total installed capacity of hydropower, wind power and solar power projects currently under preliminary development and anticipated acquisition is over 2,252MW which are mainly located in Sichuan, Hunan, Yunnan, Xinjiang and Guangxi, the regions where the Group has competitive advantages.

OUR ULTIMATE CONTROLLING COMPANY — SPIC

The Company is ultimately owned by SPIC, a wholly state-owned enterprise formerly known as CPI Group, which was approved by the State Council of the PRC for consolidating and reorganizing with the State Nuclear Power in 2015. The business of SPIC includes power, coal, aluminum, logistics, finance, environmental protection and high-tech industries, etc. with a total installed capacity of approximately 107GW.

MAJOR EVENTS IN 2015

REVIEW OF MAJOR CORPORATE EVENTS IN THE FIRST HALF OF THE YEAR

January

China Power announced its gross power generation for the year in 2014 was 61,692,480MWh, representing an increase of 10.99% over 2013.

February

The last seven wind power generating units of a total 14MW of Yaoposhan Power Plant, a wholly-owned subsidiary of Wu Ling Power, commenced commercial operation.

March

China Power announced its annual results for 2014, the profit attributable to owners of the Company was approximately RMB2,765,886,000, representing an increase of 20.79% over 2013.

The thirty-three wind power generating units of a total 49.5MW of Shanshan Power Plant, a wholly-owned subsidiary of Wu Ling Power, commenced commercial operation.

April

Pingwei Power Plant and Pingwei Power Plant II separately entered into the asset acquisition agreements with Pingwei Maintenance Company and Pingwei Industry Company.

China Power announced its gross power generation for the first quarter in 2015 was 13,702,409MWh, representing a decrease of 11.45% over the same period in 2014.

China Power proposed to appoint Deloitte Touche Tohmatsu as the new auditor to replace the retirement of PricewaterhouseCoopers after the annual general meeting in line with the relevant regulations issued in the PRC regarding the audit work on financial statements of state-owned enterprises.

May

The first 1,000MW coal-fired power generating unit of Pingwei Power Plant III, a 60%-owned subsidiary of the Company, commenced commercial operation.

Morgan Stanley Capital International announced China Power was added as a constituent of the MSCI China Index.

China Power announced the benchmark on-grid tariffs for seven of its coal-fired power plants were adjusted downward.

China Power announced the disposal of 40,173,628 shares of Shanghai Power on the open market, reducing its stake from 18.86% to 16.98%.

June

China Power announced the State Council of the People's Republic of China approved its ultimate holding company CPI Group and State Nuclear Power were consolidated and reorganized to form SPIC.

China Power held its annual general meeting in Hong Kong and the ordinary resolution to approve the appointment of Deloitte Touche Tohmatsu as the auditor of the Company was passed in the meeting.

REVIEW OF MAJOR CORPORATE EVENTS IN THE SECOND HALF OF THE YEAR

July

China Power announced its gross power generation for the first half of 2015 was 29,419,054MWh, representing a decrease of 10.11% over the same period in 2014.

China Power announced the changes in Directors that Ms. Li Xiaolin resigned as an executive Director, the Chairman of the Board, the chairman of the Executive Committee and the chief executive officer of the Company; Mr. Wang Binghua was appointed as a non-executive Director and the Chairman of the Board; Mr. Wang Zichao was re-designated to an executive Director; and Mr. Yu Bing was appointed as the chairman of the Executive Committee.

August

China Power announced its interim results for 2015, the profit attributable to owners of the Company was approximately RMB2,728,260,000, representing an increase of 68.60% over the same period last year.

September

The second 1,000MW coal-fired power generating unit of Pingwei Power Plant III, a 60%-owned subsidiary of the Company, commenced commercial operation.

China Power announced the early redemption of RMB1,140 million USD settled 2.75% convertible bonds due 2017.

October

China Power announced its gross power generation for the first three quarters in 2015 was 47,272,650MWh, representing a decrease of 3.00% over the same period in 2014.

China Power announced its RMB1,140 million USD settled 2.75% convertible bonds due 2017 had been fully converted to its shares and was withdrawn from listing on the Hong Kong Stock Exchange.

November

Yaomeng Power Plant entered into the production target sale and purchase agreement with Zhengzhou Power Plant.

Wu Ling Power announced the completion of the issuance of the first tranche of RMB300 million short-term debentures with a maturity of 366 days and the interest rate at 3.79% per annum.

December

The twenty-five wind power generating units of a total 50MW of Dongganglling Power Plant, a wholly-owned subsidiary of Wu Ling Power, commenced commercial operation.

Wu Ling Power announced the completion of the issuance of the second tranche of RMB200 million short-term debentures with a maturity of 366 days and the interest rate at 3.32% per annum.

China Power entered into the coal supply framework agreement with China Coal Energy.

Create value for our shareholders and fulfill social responsibilities.

DEAR SHAREHOLDERS

The year 2015 has a historic meaning for the Group's development.

We have been abided by our mission since listing — to create value for our shareholders and to fulfill our responsibilities to the society. The results of the Company in 2015 improved substantially with its net profit achieved a new record high. Our coal-fired power and clean energy businesses saw significant growth and development in the field of energy service sector we also made a breakthrough.

In mid-2015, the ultimate controlling company of the Company, formerly known as CPI Group, was reorganized with State Nuclear Power to form SPIC.

BUSINESS REVIEW OF 2015

In 2015, all business segments of the Group saw significant growth.

A new record high net profit attributable to shareholders. In 2015, both coal-fired power and clean energy businesses of the Group recorded rapid growth and a new record high net profit attributable to shareholders of RMB4.15 billion, representing a year-on-year increase of 50%. During the period of the national economic "12th Five-year Plan" in China, the net profit attributable to shareholders of the Company increased rapidly and hit new high records in four consecutive years. Our net profit increased by three-fold in four years.

Significant improvement in the quality of coal-fired power assets. In 2015, two 1,000MW ultra super-critical generating units of Pingwei Power Plant III commenced operation. This is the first "Three one-million project" (三百工程) in the world with 1,000MW generating units (one million kilowatts), 1,000KV ultra-high-voltage transmission lines (one million voltages), and 1,000KV main transformer (one million voltages). Upon commencement of operation of the Pingwei Power Plant III, the asset structure of our coal-fired power was further optimized with reduced unit coal consumption, and improved environmental protection indicators, and therefore strengthened our profitability. At present, the three construction projects of two 660MW generating units of CP Pu'an Power Plant, two additional 660MW generating units of Dabieshan Power Plant and two 1,000MW generating units of CP Shentou Power Plant II have already been granted with government approval. With the completion of construction and operation of these large capacity, high parameter and environmental-friendly power generating units, the asset quality of the Group's coal-fired power business will continue to be enhanced in the future.

Substantial development of clean energy business. The clean energy business of the Group had substantial development in 2015. For the hydropower segment, the Group strengthened the management to take full advantage of the cascade water flow adjustment between our power stations along the rivers, resulting in historical maximum hydropower generation. For other clean energy business, the construction of a number of new energy projects using the most advanced solar technology, such as the 100MW solar power project in Datong (Shanxi) has commenced. The comprehensive clean energy business of the Group now includes hydropower, wind power and solar power.

Strengthened cost management for higher cost effectiveness. In 2015, the Group continuously strengthened operational management in controlling various costs and resulted in higher cost efficiency. The average unit fuel cost of our coal-fired power business decreased by 23% when compared with the previous year, the most significant decline in the history of the Group. While the Group recorded a steady growth in total assets, the total liabilities saw a year-on-year decrease. The debt to asset ratio at the end of the year decreased by 6 percentage points when compared with the previous year, representing a lower cost of capital.

Breakthrough development in the field of energy service sector. In 2015, the Group actively developed our energy service business. We initially established integrated energy service companies in Wuhu (Anhui), Chengdu (Sichuan), Guian (Guizhou) and Jiangmen (Guangdong). These companies were established to develop the integrated energy services business in distributed electricity network and direct sales and distribution of electricity with new concepts and methods.

In 2015, with the support of all shareholders and the dedicated hard work of all our employees, the Group broke its previous records in operating results yet again and fully met all its pre-set work targets. On behalf of the Board and the employees of the Group, I express my most sincere gratitude for all shareholders.

OUTLOOK FOR 2016

At present, the economy of China is undergoing restructuring. The supply side reform was further being deepened. Quality and efficiency were the prime concerns of economic development. The energy industry is pressed to transform and upgrade. In particular, the electricity supply in China is sufficient and the structure of the industry requires further reform. The energy industry is in face of a complex situation full of challenges and opportunities.

2016 marks the beginning of the national economic "13th Five-year Plan" of China. The Group plans its development strategy based on the macro-economic conditions. We will focus on the following major areas:

- Capitalize the strategic opportunities arising from the securitization of the assets of SPIC, our parent company, to expand the scale of our asset capacity and build stronger competitiveness through its assets injection to the Group. In the coming future, with the continuing support of SPIC, the Group will grow larger and stronger and realize exponential growth.

- Continue to develop clean and efficient coal-fired power in the areas with cost and geographical advantages, to improve the ultra-low emission technical upgrade of all coal-fired power generating units in order to further reduce pollution. To develop hydropower, wind power and solar power in the locations with rich natural resources suitable for the development of clean energy.

- Place importance on the development of energy service business. New concepts and methods of development will be adopted to promote corporate upgrade and transformation driven by innovation, bearing the will to transform the Group from an energy supplier into an integrated energy service provider.

- Adhere to cultivate people-oriented striver team spirit and to further promote our corporate image. To take responsibilities in protecting the ecological system as well as contributing to the community. We will strive to build an international leading integrated energy company.

I am of confidence that the Group will continue to benefit our shareholders and contribute to the society with outstanding performance in 2016.

Wang Binghua
Chairman of the Board

23 March 2016

DIRECTORS AND SENIOR MANAGEMENT PROFILES

CHAIRMAN OF THE BOARD

WANG Binghua, born in 1954, is the Chairman of the Board and a non-executive Director. Mr. Wang is a senior engineer at professor level and has a master of engineering degree in power system and automation from Wuhan University of Water and Power Resources. Mr. Wang is currently the chairman of SPIC, chairman of State Nuclear Power, chairman of CPI Holding, the chairman of the board and a non-executive director of China Power New Energy Development Company Limited. He is also a member of the National Committee (Science and Technology) of the Twelfth Chinese People's Political Consultative Conference. Mr. Wang was the Chairman of the Board and a non-executive Director during March 2004 to December 2007. He previously served as the general manager of CPI Group and the deputy general manager of China National Nuclear Corporation and the head of the operation of Power Generation and Transmission Department of the State Power Corporation of China (國家電力公司).

EXECUTIVE DIRECTORS

YU Bing, born in 1967, is an executive Director, the president of the Company and the chairman of the Executive Committee. Mr. Yu is a senior engineer and has a bachelor degree in thermal power engineering from Xi'an Jiaotong University and an executive master of business administration degree from Tsinghua University. Mr. Yu is currently a director and general manager of CPI Holding. He previously served as the general manager of Yaomeng Power Plant, the general manager of CP Maintenance Engineering, the deputy general manager of CPI Northeast China Power Company Limited and the deputy general manager of Shandong Nuclear Power Company Limited.

WANG Zichao, born in 1970, is an executive Director. Mr. Wang is a senior engineer and has a master of engineering degree in power system and automation from North China Electric Power University and a master degree in business administration from China Europe International Business School. Mr. Wang is currently the head of the General Office of SPIC, the chairman of Wu Ling Power and the general manager of the branch company of SPIC in Hunan. Mr. Wang was a non-executive Director during June 2012 to July 2015. He previously served as the vice president of the Company, the deputy general manager of CPI Holding and also the general manager of various departments of the Company.

NON-EXECUTIVE DIRECTOR

GUAN Qihong, born in 1962, is a non-executive Director. Mr. Guan is a senior economist and a senior auditor and has a bachelor of engineering degree from Huazhong Institute of Technology, a master degree in economics from Zhongnan University of Economics and a doctoral degree in economics from Xiamen University. Mr. Guan is currently the chief capital market officer of the Strategic Planning Department of SPIC, a director of the CPI Financial and a director of the CPI Holding. He previously served as the commissioner of Asset Assessment Centre of National Asset Management Bureau, the deputy secretary-general of China Appraisal Society, the assistant to the head of Finance and Property Ownership Management Department of the State Power Corporation of China, the chief economist of State Grid Shenzhen Energy Development Group Co., Ltd and the supervisor of the Capital Market and Equity Department of the CPI Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

KWONG Che Keung, Gordon, born in 1949, is an independent non-executive Director. Mr. Kwong has been the chairman of the Audit Committee and a member of the Remuneration and Nomination Committee since August 2004. Mr. Kwong is currently an independent non-executive director of a number of companies listed on the Hong Kong Stock Exchange, including China COSCO Holdings Company Limited, NWS Holdings Limited, OP Financial Investments Limited, Global Digital Creations Holdings Limited, Henderson Land Development Company Limited, Henderson Investment Limited, Agile Property Holdings Limited, CITIC Telecom International Holdings Limited, Chow Tai Fook Jewellery Group Limited and FSE Engineering Holdings Limited. Mr. Kwong was previously an independent non-executive director of China Chengtong Development Group Limited during the past three years. From 1984 to 1998, Mr. Kwong was a partner of Pricewaterhouse and was a council member of the Hong Kong Stock Exchange from 1992 to 1997. Mr. Kwong has a bachelor of social science degree from The University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales and a fellow member of Hong Kong Institute of Certified Public Accountants.

LI Fang, born in 1962, is an independent non-executive Director. Mr. Li has been the chairman of the Remuneration and Nomination Committee and a member of the Audit Committee since August 2004. Mr. Li has a bachelor of mechanical engineering degree from Beijing University of Science and Technology and a juris doctoral degree from the College of Law of Arizona State University in the United States in 1995. Mr. Li is currently the director of Beijing Mainstreets Investment Group Corporation, an independent non-executive director of China Power New Energy Development Company Limited and a director of Guangdong Guanhao High-Tech Co., Ltd. Mr. Li has extensive experience in business management and corporate finance. He previously served as an executive director of Goldman Sachs (Asia) L.L.C. and a lawyer with Davis Polk and Wardwell LLP in the United States.

TSUI Yiu Wa, Alec, born in 1949, is an independent non-executive Director, a member of the Remuneration and Nomination Committee and the Audit Committee. Mr. Tsui has a bachelor of science degree in industrial engineering and a master degree in industrial engineering from the University of Tennessee in the United States and completed the Program of Senior Managers in Government at the John F. Kennedy School of Government at Harvard University of the United States in 1993. Mr. Tsui is currently the chairman of WAG Worldsec Corporate Finance Limited and an independent non-executive director of a number of companies listed in Hong Kong, Philippines and NASDAQ in the United States, including COSCO International Holdings Limited, Melco Crown Entertainment Limited, ATA Inc, Pacific Online Limited, Summit Ascent Holdings Limited, Melco Crown (Philippines) Resorts Corporation, Kangda International Environmental Company Limited and DTXS Silk Road Investment Holdings Company Limited. Mr. Tsui has substantial experience in the operations of listed companies in Hong Kong. He previously served as a director of the Finance & Operations Services Division of the Hong Kong Stock Exchange, the chief executive of the Hong Kong Stock Exchange, chief operating officer of The Hong Kong Exchanges and Clearing Limited and the chief executive officer of the Regent Pacific Group.

SENIOR MANAGEMENT

WANG Zhiying, born in 1957, is a vice president of the Company. Mr. Wang is a professor level senior engineer. He graduated from the Northeast China Institute of Electric Power Engineering with a bachelor of engineering degree in power system and relaying protection. Mr. Wang is currently the vice general manager of CPI Holding and the general manager of China Power International New Energy Holding Limited. He previously served in various positions, including the general manager of the department of engineering, the deputy chief engineer and the chief engineer of CPI Holding and the deputy commissioner of the Production Coordination Department and Integrated Planning Department in the Ministry of Electric Power Industry.

ZHAO Yazhou, born in 1959, is a vice president of the Company. Mr. Zhao is a senior accountant. He studied technological economics at postgraduate level at the Harbin Institute of Technology and completed training courses for the chief accountants of major enterprises of the State Power Company at the National Accounting Institute. Mr. Zhao also acts as vice general manager of CPI Holding. He previously served in various positions, including the general manager of finance department, the deputy chief accountant and the chief financial controller of CPI Holding and the head of finance department of Heilongjiang Provincial Power Bureau.

ZHAO Xinyan, born in 1962, is a vice president of the Company. Mr. Zhao is a senior engineer. He graduated from Chongqing University with a bachelor degree in materials engineering, and from Guanghua School of Management, Peking University with a master of business administration degree. Mr. Zhao is currently the vice general manager of CPI Holding, an executive director of China Power New Energy Development Company Limited, a director of Companhia de Electricidade de Macau and a director of Changshu Power Plant. He previously served as assistant to the general manager and general manager in various departments of CPI Holding.

GU Xiaodong, born in 1956, is a vice president of the Company. Mr. Gu is a senior political engineer. He graduated from Liaoning Party School (遼寧省委黨校) with a master degree. Mr. Gu is head of disciplinary commission and the chairman of the labour union of CPI Holding. He previously served as the secretary of disciplinary commission and the chairman of the labour union of Wu Ling Power, the head of the disciplinary commission and the supervisor of labour committee of the branch company of SPIC in Hunan, the senior manager of the personnel and labour department of SPIC and the deputy head of the management department of personnel and directors of Northeast China Company of State Power Corporation of China.

XU Lihong, born in 1966, is a vice president and the financial controller of the Company. Ms. Xu is a senior accountant. She graduated from the Faculty of Finance, Changsha University of Electric Power and obtained a master degree in business administration from Northeast China University. Ms. Xu is currently a director, the vice general manager and the financial controller of CPI Holding, and a director of Shanghai Power. She previously served as the deputy chief accountant of CPI Holding, the general manager of various departments of the Company, the deputy commissioner of the Economic and Operation Division of Power Department under the State Economic and Trade Commission, and a principal staff member of finance department of State Power Corporation of China and Huazhong Electric Industry Management Bureau (華中電業管理局).

HUANG Chen, born in 1968, is a vice president of the Company. Mr. Huang is a senior engineer. He graduated from Shanghai University of Electric Power with a qualification in thermal power engineering and a master degree in thermal power engineering from Southeast University. Mr. Huang is currently the vice general manager of CPI Holding. He previously served as the chief engineer of the Company, the deputy factory director and the chief engineer of Wuhu Power Plant, and the general manager of Shentou I Power Plant, Pingwei Power Plant and Pingwei Power Plant II.

Huang Yuntao, born in 1965, is a vice president of the Company. Mr. Huang is a senior engineer. He graduated from HeFei University of Technology with a bachelor degree in power system and automation. Mr. Huang is currently the vice general manager of CPI Holding. He previously served as the chief human resource officer of the Company, the chief human resource officer of CPI Holding, the general manager of Wuhu Power Plant and the general manager of the information technology department of CPI Holding.

SUN Guigen, born in 1966, is the chief engineer of the Company. Mr. Sun is a senior engineer. He graduated from Shanghai University of Finance and Economics with an executive master of business administration degree. Mr. Sun is currently the chief engineer of CPI Holding. He previously served as the deputy chief engineer of the Company, the deputy chairman of Changshu Power Plant, the chairman of Fuxi Power Plant, the general manager of Dabieshan Power Plant, the vice general manager of CP Maintenance Engineering and the vice general manager of Pingwei Power Plant.

COMPANY SECRETARY

CHEUNG Siu Lan is the Company Secretary of the Company. Ms. Cheung is a fellow member of The Hong Kong Institute of Chartered Secretaries, The Institute of Chartered Secretaries and Administrators in the United Kingdom, Hong Kong Institute of Certified Public Accountants and CPA Australia. She has a bachelor degree in commerce from The University of Queensland, Australia and obtained a master degree in professional accounting and a postgraduate diploma in corporate administration from The Hong Kong Polytechnic University. Ms. Cheung previously served as the company secretary and the group financial controller of a listed group in Hong Kong. She has extensive experience in the fields of corporate governance, corporate finance and mergers and acquisitions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in investment, development, operation and management of coal-fired power, hydropower, wind power and other clean energy plants for generating and sale of electricity in Mainland China. Its businesses are located in the major power grid regions of China.

In 2015, affected by the industrial restructuring, the decrease in electricity consumption for industrial use as well as the weather in Mainland China, the national total electricity consumption only rose by 0.50%, representing a decline of 3.30 percentage points in growth rate, as compared with the previous year.

During the year under review, the total power generation and the total electricity sold of the Group were 63,531,141MWh and 60,868,493MWh respectively, representing year-on-year increases of 2.98% and 3.24% respectively. Benefiting from the new coal-fired power generating units commenced operation during the year and a significant growth of hydropower generation in the second half of the year, the growth rate of the Group's power generation and electricity sold exceeded the national average level.

In 2015, the operation of the Group continued its strong performance though the revenue decreased slightly due to the reduction of on-grid tariffs of coal-fired power. The substantial fall in coal prices and the increase of electricity sold from hydropower generation, the Group's consolidated net profit achieved a significant increase and reached the highest since its listing on the Hong Kong Stock Exchange in 2004.

In 2015, the Group recorded revenue of approximately RMB20,196,670,000, representing a decrease of approximately 1.23% as compared with the previous year, while the profit attributable to owners of the Company amounted to approximately RMB4,149,018,000, representing an increase of approximately 50.01% as compared to the previous year. Save for the one-off after tax gain on disposal of partial interest in Shanghai Power of approximately RMB827,207,000, the profit attributable to owners for the year increased by 20.10% as compared to the previous year. The basic earnings per share was approximately RMB0.58. Net assets per share, excluding non-controlling interests, was approximately RMB3.71, representing an increase of approximately 17.03% as compared with 31 December 2014.

In response to the intensive market competition, the Group has conducted thorough research and analysis of the relevant policies on the power generation industry and made greater efforts on the marketing of electricity sales in accordance with the energy saving and environmental protection initiatives of the government. In line with the progress of structural reform of the power industry, the Group has seized the opportunities to actively expand its energy business. Since 2015, in order to explore new income source and enhance the profitability, the Group has set up energy service companies in Wuhu (Anhui), Chengdu (Sichuan), Guian (Guizhou) and Jiangmen (Guangdong) to develop the integrated energy services including distributed electricity network and direct sales and distribution of electricity.

Attributable Installed Capacity

As the new generating units commenced operation, the attributable installed capacity of the power plants of the Group reached 16,254.6MW at 31 December 2015, representing an increase of approximately 1,226.2MW as compared with the previous year. Among which, the attributable installed capacity of coal-fired power was 13,135.6MW, representing approximately 80.81% of the total attributable installed capacity, and the attributable installed capacity of hydropower and wind power were 2,962.4MW and 156.6MW respectively, representing approximately 19.19% of the total attributable installed capacity.

In 2015, the Group actively developed solar power projects, including Jiaoganghu Power Station, Shuocheng District Power Station and Luoyang Yituo Power Station which are close to completing construction and are expected to put into commercial operation in 2016.

The Group's new power generating units that commenced commercial operation during the year under review included:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Timeline for Commercial Operation
Pingwei Power Plant III	Coal-fired power	2,000	60	1,200	May & September 2015
Suoluogou Power Plant	Hydropower	24	63	15.1	June 2015
Yaoposhan Power Plant	Wind power	14	63	8.8	February 2015
Shanshan Power Plant	Wind power	49.5	63	31.2	March 2015
Dongganglin Power Plant	Wind power	50	63	31.5	December 2015
Total		**2,137.5**		**1,286.6**	

Note: Apart from the above additional power generating units, as compared to the previous year, the Group recorded a net increase in attributable installed capacity of approximately 1,226.2MW when accounted for the Group's increased interest in Huaihua Yuanjiang Power Development Co., Ltd.* to 100% and the changes in the installed capacity of Shanghai Power.

Power Generation, Electricity Sold and Utilization Hours

In 2015, the aggregate gross power generation of the Group was 63,531,141MWh, representing an increase of 2.98% as compared with the previous year, among which the generation from coal-fired power, hydropower and wind power were 44,645,118MWh, 18,570,520MWh and 315,503MWh respectively. The aggregate total electricity sold was 60,868,493MWh, representing an increase of 3.24% as compared with the previous year, among which the electricity sold from coal-fired power, hydropower and wind power were 42,252,014MWh, 18,313,257MWh and 303,222MWh respectively.

In 2015, the average utilization hours of coal-fired power generating units of the Group was 4,099 hours, representing a decrease of 332 hours as compared with the previous year. The average utilization hours of hydropower generating units was 3,893 hours, representing an increase of 159 hours as compared with the previous year. The average utilization hours of wind power generating units was 1,630 hours, representing a decrease of 309 hours as compared with the previous year.

The significant decrease in the average utilization hours for coal-fired power generating units was mainly affected by (i) the slowdown in growth of national electricity consumption due to the industrial restructuring and the decrease in electricity consumption for industrial use which accounted for over 70% of the total electricity consumption; and (ii) the surge in hydropower generation squeezed the space for coal-fired power generation in certain regions where the Group's coal-fired power plants are located.

On-Grid Tariff

In 2015, the Group's average on-grid tariffs compared to the previous year:

- coal-fired power was RMB343.33/MWh, representing a decrease of RMB23.33/MWh;
- hydropower was RMB302.37/MWh, representing an increase of RMB6.42/MWh; and
- wind power was RMB503.79/MWh, representing an increase of RMB32.43/MWh.

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

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

Unit Fuel Cost

In 2015, the average unit fuel cost of the Group's coal-fired power business was approximately RMB145.36/MWh, representing a decrease of approximately 23.29% from that of RMB189.50/MWh of the previous year.

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

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

Coal Consumption

In 2015, the net coal consumption rate of the Group was 307.08g/KWh, representing a decrease of 3.83g/KWh as compared with the previous year, equivalent to approximately a saving of 160,000 tons of standard coal.

Recently, the Group's power generating units with large capacity and high parameter have commenced their operation successively and the energy-saving advantages have driven down the coal consumption significantly.

OPERATING RESULTS OF 2015

In 2015, the net profit of the Group amounted to approximately RMB5,329,598,000, representing an increase of approximately RMB1,687,066,000 as compared with the previous year. Among which, save for the one-off after tax gain on disposal of partial interest in Shanghai Power of approximately RMB827,207,000, the net profit mainly from coal-fired power business amounted to approximately RMB2,541,630,000, while the net profit mainly from hydropower and wind power businesses amounted to approximately RMB1,960,761,000, representing their respective ratio of contribution to the total net profit of 56%:44% (2014: 64%:36%).

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

- the significant fall in unit fuel cost of electricity sold by RMB44.14/MWh as a result of decreases in coal price and coal consumption, cutting down the operating expenses by approximately RMB1,800,117,000;
- an one-off gain on disposal of 40,173,628 shares of Shanghai Power of approximately RMB1,175,193,000 (before taxation and relevant costs of disposal);
- the increase in profit before taxation from hydropower generation and electricity sold of approximately RMB627,313,000 (including additional value-added tax refunds for clean energy of approximately RMB109,113,000); and
- the government grants of RMB180,000,000 received for closing down outdated coal-fired power generating units.

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

- the average on-grid tariff of coal-fired power declined as compared with the previous year, resulting in a decrease in revenue by approximately RMB250,481,000;
- the increase in the number of new power generating units led to increases in depreciation of property, plant and equipment by approximately RMB213,592,000;
- the increased in the number of new power generating units led to the increase in servicing staff number and thus the staff costs increased by approximately RMB331,972,000; and
- the increase in the corporate income tax expense by approximately RMB563,211,000 which included the related taxation charge arising from the one-off gain on disposal of partial interest in Shanghai Power of approximately RMB279,964,000.

Revenue

The revenue of the Group was mainly derived from the sales of electricity. In 2015, the Group recorded a revenue of approximately RMB20,196,670,000, representing a decrease of 1.23% as compared with approximately RMB20,447,151,000 of the previous year. The decrease in revenue was mainly due to lowered on-grid tariffs of coal-fired power by government policies. However, the decrease in revenue resulting from the slowdown in demand and reduced on-grid tariffs was offset by various measures implemented by the Group, such as green energy subsidies, direct sales of electricity and development of new generating units.

Segment Information

The reportable segments identified by the Group meeting the quantitative thresholds required by HKFRS 8 are now the "generation and sales of coal-fired electricity" and "generation and sales of hydropower electricity". Although the "generation and sales of wind power electricity" does not meet such quantitative thresholds required for reportable segments, the management has concluded that this segment should be reported separately since the year ended 31 December 2014, as it is closely monitored by the chief operating decision maker as a potential growth business and is expected to gradually make a greater contribution to the Group's results in the future.

Operating Costs

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

In 2015, the operating costs of the Group amounted to approximately RMB13,743,347,000, representing a decrease of 6.55% as compared with approximately RMB14,706,906,000 of the previous year. The decrease was mainly because of declining coal prices and the decrease of coal consumption as a result of the commencement of operation of new large capacity environment-friendly generating units. In addition, the Group formulated a sound control mechanism in respect of capital expenditures and operating expenses, which imposes stringent regulation on various expenses, so as to increase the profitability and competitiveness of the Group.

Fuel costs were the Group's major operating costs. In 2015, the fuel costs of the Group were approximately RMB6,141,811,000, representing 44.69% of the total operating costs and a decrease of 22.67% as compared with approximately RMB7,941,928,000 of the previous year.

Operating Profit

In 2015, the Group's operating profit was approximately RMB7,861,789,000, representing an increase of 33.48% as compared with the operating profit of approximately RMB5,889,793,000 of the previous year.

Finance Costs

In 2015, the finance costs of the Group amounted to approximately RMB2,238,296,000, representing a decrease of 5.40% as compared with approximately RMB2,366,120,000 of the previous year. The Group made continuous efforts to strengthen fund management in order to improve fund turnover and fund efficiency, actively replaced high-interest rate loans to lower the average interest cost, identified the foreign exchange risk in advance to minimize the exchange losses resulting from the depreciation of Renminbi. In addition, the Company's issue of convertible bonds with a principal amount of RMB1,140,000,000 for a term of 5 years, its convertible rights were exercised in full by the bondholders, resulted in lower finance costs as debt level further reduced during the year under review.

Share of Results of Associates

In 2015, the share of profits of associates was approximately RMB740,551,000, representing an increase in profits of approximately RMB100,177,000 or 15.64% as compared with the share of profits of approximately RMB640,374,000 of the previous year. The increase in profits was mainly because of the increased contribution from an associate, Changshu Power Plant.

Share of Results of Joint Ventures

In 2015, the share of profits of joint ventures was approximately RMB146,114,000, representing an increase in profits of approximately RMB59,844,000 or 69.37% as compared with the share of profits of approximately RMB86,270,000 of the previous year. The increase in profits was mainly because of the increased contribution from a joint venture, Xintang Power Plant.

Taxation

In 2015, taxation charges of the Group were approximately RMB1,223,426,000, representing an increase of approximately RMB563,211,000 as compared with approximately RMB660,215,000 of the previous year. Such increase was mainly caused by the disposal of 40,173,628 shares of Shanghai Power in the public market by the Group in May 2015 with a gain before tax and relevant costs of disposal amounting to approximately RMB1,175,193,000, resulted in relevant tax expense of approximately RMB279,964,000. Apart from that, the higher income tax payment was also due to increased operating profits, and an investment tax credit of approximately RMB67,408,000 obtained by a subsidiary of the Group in the previous year, while there was no such tax credits obtained during the year.

A subsidiary of the Group, which started operation in 2011, is entitled to a two-year exemption and subsequent three-year 50% reduction in income tax rate (i.e. 12.5%) until 2016.

For the year ended 31 December 2015, two subsidiaries of the Group had investment tax credits ("Tax Credits") with an accumulated amount of RMB189,308,000 (2014: RMB177,892,000) of which RMB102,573,000 (2014: RMB79,124,000) were utilized against their income tax charges since the granting of such Tax Credits. As at 31 December 2015, the Tax Credits were calculated based on 10% of the purchase price of specific environmental friendly, water- and energy-saving, safety enhanced facilities used in the Group's coal-fired power business. The Tax Credits are recognized as a reduction of current income tax when they are realized. The portion of Tax Credits that has not been utilized in the current year can be carried forward over a period of no more than five years.

Profit Attributable to Owners of the Company

In 2015, profit attributable to owners of the Company was approximately RMB4,149,018,000, representing an increase of approximately RMB1,383,132,000 or 50.01% as compared with approximately RMB2,765,886,000 of the previous year.

Earnings per Share and Final Dividend

In 2015, the basic and diluted earnings per share attributable to owners of the Company were approximately RMB0.58 (2014: RMB0.42) and RMB0.56 (2014: RMB0.38) respectively.

At the Board meeting held on 23 March 2016, the Board recommended the payment of a final dividend for the year ended 31 December 2015 of RMB0.232 (equivalent to HK$0.2770 at the exchange rate announced by the People's Bank of China on 23 March 2016) per ordinary share (2014: RMB0.168 (equivalent to HK$0.2119) per ordinary share), totaling RMB1,706,398,000 (equivalent to HK$2,037,381,000) (2014: RMB1,169,870,000 (equivalent to HK$1,475,568,000)), which is based on 7,355,164,741 shares (2014: 6,963,509,222 shares) in issue on 23 March 2016 (2014: 18 March 2015).

CHANGE OF SHARE CAPITAL

For the year ended 31 December 2015, the number of shares of the Company increased by 449,045,616 shares and the amount of share capital increased by RMB804,000,000 as compared with the previous year as a result of the conversion of convertible bonds into the shares of the Company.

PROJECTS UNDER CONSTRUCTION

As at 31 December 2015, the Group's projects under construction were as follows:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Expected Timeline for Commercial Operation
CP Pu'an Power Plant	Coal-fired power	1,320	100	1,320	2018
Jiesigou Power Plant	Hydropower	24	44.1	10.6	2016
Luoshuidong Power Plant	Hydropower	35	63	22.1	2017
Mawo Power Plant	Hydropower	32	63	20.2	2018
Longshan Power Plant	Wind power	50	63	31.5	2016
Daqingshan Power Plant	Wind power	50	63	31.5	2016
Shanshan Power Plant	Wind power	49.5	63	31.2	2016
Weishan Power Plant	Wind power	70	63	44.1	2017
Songbentang Power Plant	Wind power	50	63	31.5	2016
Taihexian Power Plant	Wind power	50	63	31.5	2016
Gulang Power Plant	Wind power	100	44.1	44.1	2016
Luoyang Yituo Power Station	Photovoltaic power	6	100	6	2016
Jiaoganghu Power Station	Photovoltaic power	20	100	20	2016
Shuocheng District Power Station	Photovoltaic power	50	100	50	2016
Datong Power Station	Photovoltaic power	100	100	100	2016
Tieling Power Station	Photovoltaic power	25	100	25	2016
Tiemengang Power Station	Photovoltaic power	50	100	50	2016
Qinggil Power Station	Photovoltaic power	20	63	12.6	2016
Total		**2,101.5**		**1,881.9**	

NEW DEVELOPMENT PROJECTS

The Group has been actively seeking development opportunities for energy saving and environmental friendly coal-fired power and clean energy projects with large capacities and high parameters in areas with rich resources as well as regional and market advantages. Currently, the total installed capacity of new projects in a preliminary development stage (including projects which the approvals from government of the PRC have been applied for) is over 11,572MW.

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

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

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

The Group has invested significant efforts to the development of clean energy in response to the national energy development strategy. The total installed capacity of hydropower, wind power and solar power projects currently under preliminary development and anticipated acquisition is over 2,252MW which are mainly located in Sichuan, Hunan, Yunnan, Xinjiang and Guangxi, the regions where the Group has competitive advantages.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group recognizes its shareholding in Shanghai Power as "Available-for-sale financial assets". As at 31 December 2015, the Group had interest in 16.98% of the issued share capital of Shanghai Power, whose A-shares were listed on the Shanghai Stock Exchange.

In May 2015, the Group sold 40,173,628 shares of Shanghai Power in public market at a price of RMB32.40 per share to RMB35.17 per share, and recorded a gain and a net profit of approximately RMB1,175,193,000 and approximately RMB827,207,000 respectively, reducing its stake from 18.86% to 16.98%.

As at 31 December 2015, the fair value of the shareholding held by the Group was approximately RMB5,347,661,000, representing an increase of 69.71% from that of RMB3,151,068,000 at 31 December 2014.

MATERIAL ACQUISITIONS AND DISPOSALS

On 7 November 2014, the Company and Huainan Mining entered into a capital contribution agreement, pursuant to which Huainan Mining agreed to make a capital contribution of RMB628,720,000 in cash to the registered capital of Pingwei Power Plant III, a wholly-owned subsidiary of the Company. Upon completion of the transaction in the first half of 2015, the shareholding of the Company in Pingwei Power Plant III was diluted from 100% to 60% of the enlarged registered capital. For details, please refer to the announcement of the Company dated 7 November 2014.

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

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, cash and cash equivalents of the Group were approximately RMB1,528,017,000 (31 December 2014: RMB1,126,917,000). Current assets amounted to approximately RMB5,209,552,000 (31 December 2014: RMB5,640,379,000#), current liabilities amounted to approximately RMB16,638,653,000 (31 December 2014: RMB19,266,468,000) and current ratio was 0.31 (31 December 2014: 0.29#).

The financial resources of the Group were mainly derived from cash inflow from operating activities, borrowings from banks and related parties, project financing, bonds and commercial notes issues.

The comparative figure of the net current asset ratio in year 2014 have been restated, as certain assets have been reclassified from current to non-current to conform with the current year's presentation.

DEBTS

As at 31 December 2015, total debts of the Group amounted to approximately RMB42,687,785,000 (31 December 2014: RMB45,548,653,000). All debts of the Group are denominated in Renminbi, Japanese Yen ("JPY") and United States Dollars ("USD"). Exchange rate for the USD commercial notes with the highest amount among foreign currency debts (equivalent to RMB1,948,080,000) was locked with the use of options in order to prevent exchange rate risks.

The Group's gearing ratio, calculated as net debt (being total debts less cash and cash equivalents) divided by total capital (being total equity plus net debt), as at 31 December 2015 was approximately 55% (31 December 2014: 62%). The Group's gearing ratio was further improved.

Set out below are details of the debts of the Group as at 31 December 2015 and 2014:

	2015 RMB'000	2014 RMB'000
Bank borrowings, secured	**15,411,773**	16,286,118
Bank borrowings, unsecured	**17,430,423**	17,265,159
Corporate bonds issued by the Company	**2,000,000**	2,800,000
Convertible bonds issued by the Company	**–**	732,854
Corporate bonds issued by Wu Ling Power	**997,530**	1,496,590
Commercial notes	**1,948,080**	1,835,700
Borrowings from related parties	**3,017,311**	3,855,111
Other debts	**1,882,668**	1,277,121
	42,687,785	45,548,653

The above debts were repayable as follows:

	2015 RMB'000	2014 RMB'000
Within one year	**10,226,922**	12,591,224
In the second year	**6,755,101**	5,000,916
In the third to fifth year	**12,969,252**	16,480,576
After the fifth year	**12,736,510**	11,475,937
	42,687,785	45,548,653

Included in the above bank and other borrowings, about approximately RMB12,470,877,000 (31 December 2014: RMB13,350,410,000) are subject to fixed interest rates and the remaining bank borrowings are subject to adjustment based on the relevant rules of the People's Bank of China and bearing interest rates ranging from 3.92% to 6.40% (2014: 4.70% to 6.81%) per annum.

In September 2012, the Company issued RMB denominated US$ settled 2.75% convertible bonds (the "2012 Convertible Bonds"), of an initial principal amount of RMB1,140,000,000. During the year under review, all outstanding bonds were fully converted into the shares of the Company, resulting in a corresponding reduction in carrying value of the 2012 Convertible Bonds of approximately RMB741,637,000.

SIGNIFICANT FINANCING ACTIVITIES

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

CAPITAL EXPENDITURE

In 2015, capital expenditure of the Group was approximately RMB5,480,471,000 (2014: RMB7,768,189,000). Among which, the capital expenditure for coal-fired power sector was RMB3,925,943,000, which was mainly used for construction of new power generating units and technical upgrade for the existing power generating units, whereas the capital expenditure for clean energy sector was RMB1,553,252,000, which was mainly used for the construction of new hydropower and wind power plants and project acquisitions. Sources of funds were mainly from project financing, bonds issue and funds generated from business operation.

PLEDGE OF ASSETS

As at 31 December 2015, the Group pledged certain property, plant and equipment with a net book value of approximately RMB510,203,000 (31 December 2014: RMB540,139,000) to certain banks to secure bank borrowings in the amount of RMB314,820,000 (31 December 2014: RMB354,820,000). In addition, certain bank borrowings and borrowings from a related party were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings as at 31 December 2015 amounted to approximately RMB1,769,988,000 (31 December 2014: RMB1,302,959,000). As at 31 December 2015, bank deposits of certain subsidiaries of the Group amounting to RMB300,000,000 (31 December 2014: RMB341,353,000) were pledged as security for bank borrowings in the amount of RMB300,000,000 (31 December 2014: RMB394,388,000), but no bank deposits were pledged as security for obligation under finance lease (31 December 2014: RMB314,790,000) and bills payables (31 December 2014: RMB11,432,000).

CONTINGENT LIABILITIES

As at 31 December 2015, the Group had no material contingent liabilities.

RISK MANAGEMENT

The Group has implemented all-round risk management and has established a systematic, comprehensive risk management mechanism and internal control system. It has an internal audit department in place for execution and implementation of risk management measures.

As at 31 December 2015, the principal risks and uncertainties facing the Group which are required to be disclosed under the Companies Ordinance are as follows:

Risks Relating to Market Changes

The demand for electricity is expected to grow at a lower speed due to the slower economic growth in China. As the growth of new operating power generating units exceeds that of the electricity demand, the capacity of power generation is at risk of overcapacity and the annual average utilization hours of our power generating units and facilities will potentially decrease. Power companies thus are expected to confront with more intensified competition in the market.

Our power plants are subject to the PRC governmental and power grid regulations. As China is intensifying the power industry reform, there is a risk of decreasing on-grid tariffs imposed by the PRC government. Meanwhile, the implementation of measures such as government intervention and production curtailment of the coal industry itself also limits the space for the further decrease in coal price (the fuel cost for our coal-fired power generation).

The Group will continue to focus more efforts on the optimization of power structure, reduction of energy consumption, enhancement of the reliability of generating units, and reinforcement of our marketing system and thus our competitiveness.

Risks Relating to Delays in Power Plant Development or Acquisition

Our continued success depends on our ability to secure, in a timely and cost-effective manner, the required PRC government and other approvals for our power plant projects. Any delay or failure to secure any of the required approvals, licenses or permits may increase costs or delay or prevent the commercial operation or integration of the affected power plant. Mechanical, technical or design problems may also delay our power plant development and construction. Construction delays of any of our power plants can increase in financing costs and adversely affect our revenue and profitability.

The Group has been engaging various internal departments to closely monitor every aspect of our project development and acquisitions to ensure promptly actions are taken in encountering any risks involved.

Risks Relating to Natural Factors

The level of power generation and financial performance of our hydropower generation business are particularly affected by natural factors such as season, climate change and nature disasters such as droughts, floods, landslides and earthquakes. These natural disasters may increase costs or delay revenue and affect profitability.

Risks Relating to Environmental Protection

The environmental protection laws and regulations are getting stricter in China. In particular, the PRC government focuses heavily on the control of smog weather and takes strict precautions against the pollution sources. Rigid management of processes and severe punishments are exerted in enforcement. For the power industry, investment in environmental protection will further increase as more stringent requirements will be imposed on the operation of environmental friendly facilities.

The Group has always been placing a great emphasis on environment protection from a corporate sustainability and development perspective. The Group is currently in full compliance with the requirements of the environmental protection laws and regulations. We will accelerate the implementation of ultra-low-emission projects.

Risks Relating to Funding

As the Group increases its effort in project development, financial adequacy will have an increasingly impact on the Group's operations and development. The Group has always been capable of leveraging its access to the domestic and overseas markets to optimize its financing sources and lower its financing costs. Cost-saving and efficiency enhancement initiatives have been adopted in our business management to lower administrative and operating expenses.

Risks Relating to Foreign Exchange

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

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

As at 31 December 2015, the Group's borrowings denominated in foreign currencies amounted to approximately RMB2,380,755,000 (31 December 2014: RMB2,993,866,000).

ENERGY SAVING AND EMISSION REDUCTION

The Group has always committed to the full utilization of its clean energy generation. In 2015, the hydropower and wind power generation amounted to 29.73% (2014: 28.10%) of the total power generation of the Group. The rise in the proportion of clean energy was mainly due to an increase in hydropower generation by 8.39% as compared with the previous year.

During the year under review, in positive response to the national environmental protection policies, the Group continued to strengthen the environmental protection measures to its coal-fired power generating units. The Group installed flue gas dedusting facilities and desulphurization facilities for all its coal-fired power generating units with the relevant operational ratio up to 100% (2014: 99.99%), and the efficiency ratio of desulphurization was 96.23% (2014: 95.03%).

In 2015, the Group completed the denitration and renovation project for generating unit no. 2 of Yaomeng Power Plant. So far, except generating unit no. 1 of Yaomeng Power Plant, all the other coal-fired power generating units have been installed denitration facilities to reduce the emission of nitrogen oxide (NO_x). In 2015, the operation ratio of denitration facilities reached 99.70% (2014: 97.75%) and the efficiency ratio of denitration reached 80.10% (2014: 78.86%).

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

- the emission rate of sulphur dioxide (SO_2) at 0.198g/KWh, representing a decrease of 0.085g/KWh compared with the previous year;

- the emission rate of nitrogen oxide (NO_x) at 0.212g/KWh, representing a decrease of 0.177g/KWh compared with the previous year; and

- the emission rate of dusts at 0.050g/KWh, representing a decrease of 0.068g/KWh compared with the previous year.

During the year under review, all the power plants in which the Group has operational control, complied with the relevant environmental protection regulations of China. No fines or charges were imposed due to violation of regulations.

OPERATIONAL SAFETY

The Company firmly adheres to the safety philosophy which maintains that "no risks are uncontrollable, no breaches are unpreventable and no accidents are unavoidable" and complies with the safety, health and environment management goals of "Human-oriented, Risk Prevention and Control, System Management and Green Operations". It continues to improve its safe production management system and adopt strict accountability for production safety to further enhance the management of production safety.

In 2015, the production safety situation of the Group was stable.

During the year under review, all operating power plants in which the Group has operational control, complied with the relevant production safety regulations of China. No fines or charges were imposed due to violation of regulations.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the Group had a total of 10,094 full-time employees (31 December 2014: 9,675).

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

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

During the reviewing year, all business units in which the Group has operational control, complied with the local labour laws. No fines or charges were imposed due to violation of laws.

MAJOR SUBSEQUENT EVENTS

On 18 January 2016, the Company entered into a letter of intent with SPIC, the ultimate controlling company of the Company, whereby the Company proposed to acquire and SPIC proposed to sell 100% of the equity interest in Henan Power. The main reasons for this transaction are to further enlarge the Company's operational scale and eliminate the industry competition in Henan Province. For details, please refer to the Company's announcement dated 18 January 2016.

OUTLOOK FOR 2016

2016 marks the beginning of the national economic "13th Five-year Plan" of China. Economic structural reforms and sound and sustainable economic development will be the first priority in the national economic planning. According to the forecast of China Electricity Council, the electricity consumption will remain a slow growth in 2016 and the national total electricity consumption is expected to increase by 1% to 2% as compared with the previous year while the national electricity supply will be sufficient. As the reformation of electric power industry has been moving forward, the opening up of energy service sectors, including sales of electricity, will provide new opportunities for the development of power generation companies.

In 2016, the Group will focus on restructuring and development, and put great efforts in dealing with challenges and capturing opportunities brought by structural reforms of the power industry, with an aim to improve its operation results. The Group strives to accelerate its rapid growth according to the macro-economic situation and market condition. The Group will focus on:

- Striving to develop clean energy, such as hydropower, wind power and solar power. The Group will continue to develop various clean energy projects, expand its existing hydropower generating units and enter into new energy strategic cooperation framework agreements, in order to increase the weighting of clean energy installed capacity of the Group in the future.

- Developing effective large clean coal-fired power generating units. The Group will actively develop efficient and clean large-scale coal-fired power projects in the domestic coal-power bases and key regions planned for constructing power transmission passageways, promote retrofit of coal-fired power generating units with ultra-low emission facilities and transform certain coal-fired power generating units into cogeneration of heat and power.

- On 18 January 2016, the Company entered into a letter of intent with SPIC, its ultimate controlling company, pursuant to which, the Company proposed to acquire 100% of the equity interest in Henan Power held by SPIC. The acquisition represents the support from SPIC for the development of the Company and facilitates the Group to further expand its operational scale, eliminate the industry competition in Henan Province and strengthen the competitiveness of the Company. The Company will seize this strategic opportunity to encourage the integration of quality assets. As at the date of this annual report, SPIC is indirectly interested in 55.61% of the Company's share capital.

- Striving to develop energy services segment. The Group will develop integrated energy services, such as distributed electricity network and direct sales and distribution of electricity, so as to position itself as an integrated energy supplier focusing on energy services.

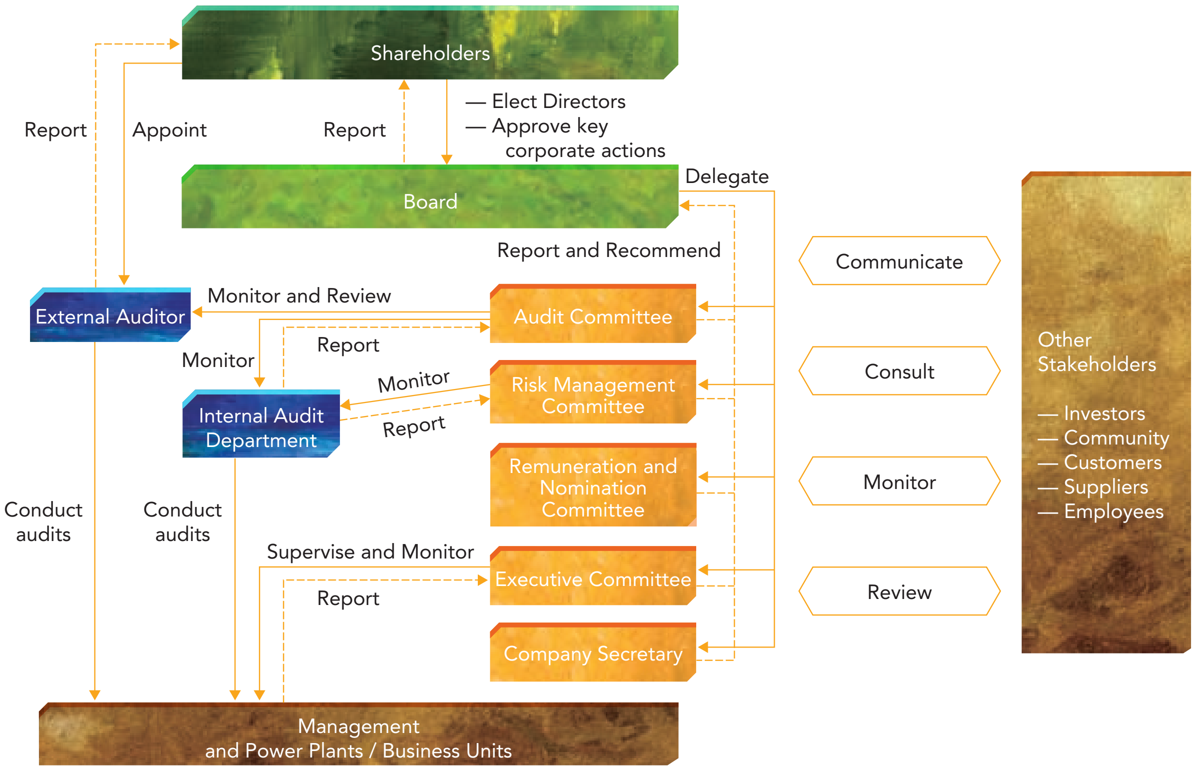
CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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

During the year ended 31 December 2015, save for the deviations from the code provisions of A.2.1, A.4.2 and E.1.2, the Company has strictly complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in the Appendix 14 of the Listing Rules.

GOVERNANCE FRAMEWORK



THE BOARD

Board Composition

The Board comprises a total of seven Directors, Chairman of the Board and non-executive Director, Mr. Wang Binghua, executive Director and the president of the Company, Mr. Yu Bing, executive Director, Mr. Wang Zichao, non-executive Director, Mr. Guan Qihong, and three independent non-executive Directors, namely Mr. Kwong Che Keung, Gordon, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec. Profiles of the Directors are set out in the section headed "Directors and Senior Management Profiles" of this annual report.

Members of the Board possess various experience, capabilities, and expertise suitable for and relevant to the Company's businesses. The Board includes experts in electric power technology and management, professionals in finance and law as well as scholars. They are not only experienced, but also have progressive thinking.

More than one-third of our Board members are independent non-executive Directors who can help the Board to make more effective independent judgment. The non-executive Directors (including the independent non-executive Directors) who form the majority of the Board possess diverse expertise. As such, they are able to make decisions in an objective and professional manner, to assist the management in formulating the Company's development strategies, and to ensure that the preparation of financial and other mandatory reports by the Board are in strict adherence to appropriate standards in order to protect the interests of the shareholders and the Company.

The Board has received annual written confirmation of independence from each of the independent non-executive Directors and believed that, as at the date of this annual report, they were independent of the Company in accordance with the relevant requirements of the Listing Rules.

Chairman and Chief Executive Officer

The CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Ms. Li Xiaolin served as Chairman of the Board and chief executive officer of the Company during the year under review until her resignation on 28 July 2015. The Board believed that Ms. Li Xiaolin had served as the chief executive officer of the Company and accumulated extensive experience in the capital market and the industry. It would be more effective in developing the Company's long-term business strategies and in execution of the Company's business plans if Ms. Li Xiaolin continued to serve as the chief executive officer of the Company at that time. To help maintain a balance of power, the Company has set up an Executive Committee. The Executive Committee was formed by all executive Directors and senior management and meetings were convened regularly to make decisions on matters concerning the daily management and business of the Company.

As Ms. Li Xiaolin resigned as the Chairman of the Board and the chief executive officer of the Company on 28 July 2015, Mr. Wang Binghua was appointed as the Chairman of the Board, and Mr. Yu Bing as the president of the Company replaced the function of the chief executive officer. Subsequent to the above changes, the Company has been complying with the best practice of the CG Code provision A.2.1 with regard to the separating the roles of chairman and chief executive. The previous deviation of this code provision has ceased to exist.

The Chairman of the Board, Mr. Wang Binghua, provides leadership for the Board. He is responsible for ensuring that all Directors receive adequate information, which must be complete and reliable, in a timely manner and that Directors are properly briefed on issues arising at the Board meetings. He also ensures that the Board works effectively and discharges its responsibilities; good corporate governance practices and procedures are established; and appropriate steps are taken to provide effective communication with shareholders and those views of shareholders are communicated to the Board as a whole.

Appointment and Re-election of Directors

In accordance with the Company's articles of association, one-third of the Directors (including non-executive Directors with fixed term of three years, but with the exception of the executive Director who is also the chief executive officer of the Company) will retire from office by rotation for re-election by shareholders at the annual general meetings. In addition, any new appointment to the Board is subject to re-appointment by shareholders at the upcoming general meeting.

The CG Code provision A.4.2 also stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, as provided in the articles of association of the Company, the executive Director who is also the chief executive officer of the Company shall not be subject to retirement by rotation. The Company is of the view that the position of chief executive officer is crucial to the operation of the Company. The articles of association of the Company stipulate that the chief executive officer shall not be subject to retirement by rotation, which reflects the importance of this position and ensures that the impact of the change of personnel on the operation of the Company is kept to minimal.

Ms. Li Xiaolin served as an executive Director and the chief executive officer of the Company during the year under review until her resignation on 28 July 2015. The function of the chief executive officer was taken up by the president of the Company, Mr. Yu Bing. Subsequent to the above changes, the Company has been complying with the best practice of the CG Code provision A.4.2 with regard to the retirement of every director by rotation at least once every three years. The previous deviation of this code provision has ceased to exist.

Power of and Delegation by the Board

The Board is the highest decision-making and managing body of the Company. Having regard to the best interests of the Company and its shareholders, the Board reviews and approves major matters such as business strategies, policies, business plans, financial budgets, major investments as well as mergers and acquisitions. In addition, the Directors have acknowledged that the principal responsibilities of the Board also include corporate governance, supervising and administrating the operation and financial position of the Company, approving the result announcements and other disclosures as required in accordance with applicable laws and regulatory rules, optimizing corporate governance structure and promoting the communication with our shareholders.

Under the Board currently have four committees, namely Audit Committee, Risk Management Committee, Remuneration and Nomination Committee and Executive Committee to implement internal supervision and control on each relevant aspects of the Company.

The Board delegates certain management and operational functions to the Executive Committee and the management, and reviews such arrangements periodically to ensure that such arrangements remain appropriate to the Group's needs. The management has overall responsibility for the Group's daily operations. The Board establishes clear responsibilities and authorities for management to ensure the daily operational efficiency. The management acts within the authority approved by the Board to fulfill the day-to-day management responsibilities and makes timely decisions. With regard to matters beyond its authority, the management will report to the Board or the Executive Committee in a timely manner in accordance with the relevant working guidelines.

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee on 24 August 2004 with written terms of reference in compliance with the Listing Rules and the CG Code provisions. The primary duties and functions of the Audit Committee set out in its terms of reference, inter alia, include the following:

- To communicate with internal auditor and determine annual internal audit plans, discuss internal audit procedures with the internal auditor at least once every six months, review and monitor the internal control system, internal audit functions and effects of annual internal audit plans.

- To make proposals to the Board on the appointment, re-appointment and removal of the external auditor, review and monitor the independence, objectivity and audit effectiveness of the external auditor in accordance with the relevant standards issued by the Hong Kong Institute of Certified Public Accountants, formulate and implement the engagement policy on the provision of non-audit services by the external auditor.

- To review financial information of the Company.

- To supervise the financial reporting system and internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget.

- To conduct any inspection authorized by the Board based on its terms of reference, in that case, the committee is entitled to solicit any necessary information from any employees while who have been instructed to assist the committee to satisfy any of its requirements.

The Audit Committee comprises of three members, namely Mr. Kwong Che Keung, Gordon, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec, all of whom are independent non-executive Directors. The chairman and the secretary of the Audit Committee are served by Mr. Kwong Che Keung, Gordon and the Company Secretary of the Company respectively. For the purpose of reinforcing their independence, all members of the Audit Committee have appropriate professional qualifications, accounting or related financial management experience referred to in the Listing Rules.

The Audit Committee held four meetings during 2015 (average attendance was 100%). The committee's work performed during the year included:

- reviewed the annual financial statements and corporate governance reports for the year ended 31 December 2014 and the interim financial statements for the six months ended 30 June 2015;

- reviewed the continuing connected transactions of the Company;

- reviewed, endorsed and recommended to the Board the appointment of Deloitte Touche Tohmatsu as the new auditor of the Company upon the retirement of the former auditor;

- reviewed and approved the audit strategy submitted by the external auditor for the year ended 31 December 2015;

- considered and approved the terms of engagement and remuneration of external auditor for its provision of audit and permitted non-audit related services; and

- reviewed the internal and independent audit results and discussed matters relating to audit, internal control system and financial reporting together with the senior management, internal and independent auditors of the Company.

The details of the terms of reference of the Audit Committee have been posted on the websites of the Company and the Hong Kong Stock Exchange.

Risk Management Committee

The Company established the Risk Management Committee on 23 March 2016 with written terms of reference in compliance with the Listing Rules and the CG Code provisions. The primary duties and functions of the Risk Management Committee set out in its terms of reference, inter alia, include the following:

- To review and recommend for the Board's approval the Group's overall risk management strategies and risk appetite/tolerance which shall take into account of the strategic, financial, operational, compliance and all the relevant risks faced by the Group and the prevailing and prospective market and economic conditions at least annually.

- To review and recommend for the Board's approval the Group's risk management framework, risk management system and corporate governance framework including their appropriateness, effectiveness and independence of risk management functions at least annually.

- To review reports from the management and to make recommendations to the Board on the Group's risk management policies which governs the identification, assessment, monitoring and reporting of the major risks faced by the Group.

- To oversee the implementation of risk management policies and the compliance with the respective statutory rules and regulations.

- To ensure the adequacy of resources, staff qualifications and experience, training programs and budget for internal audit function.

The Risk Management Committee comprises of four members, namely the three independent non-executive Directors, Mr. Kwong Che Keung, Gordon, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec, and the executive Director and the president of the Company, Mr. Yu Bing. The chairman and the secretary of the Risk Management Committee are served by Mr. Yu Bing and the Company Secretary of the Company respectively.

The details of the terms of reference of the Risk Management Committee have been posted on the websites of the Company and the Hong Kong Stock Exchange.

Remuneration and Nomination Committee

The Company established the Remuneration and Nomination Committee on 24 August 2004 with written terms of reference in compliance with the Listing Rules and the CG Code provisions. The primary duties and functions of the Remuneration and Nomination Committee set out in its terms of reference, inter alia, include the following:

Remuneration

- To make recommendations to the Board on the remuneration policy and structure for all Directors and senior management of the Company, and to make recommendations on the establishment of a formal and transparent procedure for developing remuneration policy.

- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.

- To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management with reference to their experience, performance, duties and market conditions. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

- To make recommendations to the Board on the remuneration of non-executive Directors.

Nomination

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

- To identify individuals suitably qualified to become Board members based on a range of diverse perspectives and select or make recommendations to the Board on the selection of individuals nominated for directorships.

- To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive.

- To assess the independence of independent non-executive Directors.

Board Diversity Policy

The policy is summarized as follows:

- for identifying suitably qualified candidates to become Board members, should be based on a number of diverse aspects, including Board members with different background, skills, regional and industry experience, gender and other qualities, that are in balanced and complementary with each other, creating synergy, and enabling the Board to function effectively as a whole.

- when reviewing and assessing the composition of the Board, it should be based on the Company's own business position and management needs from time to time, considering a number of factors including but not limited to the above mentioned background, skills, regional and industry experience, and other factors in order to achieve the Board with a reasonable structure that runs efficiently.

The Remuneration and Nomination Committee has three members, namely Mr. Li Fang, Mr. Kwong Che Keung, Gordon, and Mr. Tsui Yiu Wa, Alec, all of whom are independent non-executive Directors. The chairman and the secretary of the Remuneration and Nomination Committee are served by Mr. Li Fang and the Company Secretary of the Company respectively.

The Remuneration and Nomination Committee held two meetings during 2015 (average attendance was 100%). The committee's work performed during the year included:

- reviewed the Company's matters relating to remuneration in 2015, and considered and recommended the overall remuneration package of the Directors and senior management in 2015 with reference to the remuneration system of the parent companies; and

- considered and approved the changes of Chairman of the Board, executive Director, non-executive Director and chairman of the Executive Committee, and made recommendation to the Board in July 2015.

The details of the terms of reference of the Remuneration and Nomination Committee have been posted on the websites of the Company and the Hong Kong Stock Exchange.

Pursuant to the CG Code provision B.1.5, the remuneration of the members of the senior management by remuneration band for the year ended 31 December 2015 is set out below:

Remuneration band (RMB)	**Number of individuals**
500,001 to 1,000,000	8

Executive Committee

The Company established the Executive Committee in 2008. As a committee under the Board, the Executive Committee conducts its work under the guidance of the Board and reports to the Board pursuant to the "Working Guidelines for the Executive Committee" approved by the Board. The chairman of the Executive Committee is served by Mr. Yu Bing, an executive Director and the president of the Company. The members of the committee include all the executive Directors and all the vice presidents of the Company. It has been delegated with the responsibility to ensure the effective management and supervision of the business and to deliver the Group's long-term strategies and goals. It advises the Board in formulating policies in relation to the Group's business operations, monitors the performance and compliance of the business, and supervises the management to implement the Board resolutions.

The Executive Committee acts as a bridge for communication and connection between the Board and the management, and plays a crucial role in enhancing the quality of corporate governance as well as strengthening the management efficiency of the Company. It ensures that the Board can timely hear the voices of the operation and management staff and acts timely in respect of material operation affairs of the Company. It meets on a regular basis to review the Group's activities and discuss management and operational issues.

The Executive Committee held ten meetings during 2015. The executive Director/chief executive officer, the president, the vice presidents and the senior management of the Company all attended each meeting.

COMPANY SECRETARY

Ms. Cheung Siu Lan, secretary of the company, is an employee of the Company, appointed by the Board, and responsible to the Board. The Company Secretary is responsible for ensuring that the activities of the Board conducted efficiently and effectively, and the procedures and all applicable laws and regulations complied with. She also supports and facilitates the training and professional development of Directors.

The Company Secretary reports to the Chairman of the Board and the Board, provides advice on corporate governance and corporate transactions, and assists the Board in discharging its obligations to shareholders pursuant to the Listing Rules. All Directors may call upon her for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board committees.

During the year under review, Ms. Cheung has attended relevant professional seminars to update her skills and knowledge. She has complied with the revised Listing Rules to take no less than 15 hours of relevant professional training in a financial year.

CODE OF CONDUCT AND TRAINING OF DIRECTORS

Every newly appointed Director will receive a comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the operations and business of the Company, and that he/she is fully aware of his/her responsibilities under Statutes and Common Law, the Listing Rules, applicable rules and other regulatory requirements, and especially the governance policies of the Company. All Directors have been given the "Guidelines on Directors' Duties" and "Working Guidelines for the Board" of the Company. The Company Secretary will continuously update and refresh Directors on the latest law, rules and regulations regarding their duties and responsibilities. All Directors are required to disclose to the Company their offices held in public companies or organizations and other significant commitments.

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors ("Code of Conduct"), the terms of which are not less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific inquiries to all Directors, all Directors confirmed that they have complied with the Code of Conduct throughout 2015.

The Company has arranged appropriate insurance cover on Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

Directors' training is an ongoing process, in order to ensure that their contribution to the Board remains informed and relevant. The Company encourages all Directors to participate in appropriate training programs. During the year under review, all members of the Board have provided their records of training they received to the Company Secretary for record. Their trainings included attending seminars and discussion forums, reading briefings and update materials.

OPERATION OF MEETINGS AND SUPPLY OF AND ACCESS TO INFORMATION

Full Board or committee papers will be sent to all Directors at least three days before the intended date of a Board meeting or a committee meeting.

Management has supplied the Board and its committees with adequate information and explanations so as to enable them to make an informed assessment of the financial and other information put before the Board and its committees for approval. Management is also invited to join the Board or committee meetings where appropriate.

Where necessary, the Directors can seek separate independent professional advice at the Company's expenses so as to discharge his/their duties to the Company. Minutes of the meetings are kept by our Company Secretary, and the Board and committee members may inspect the documents and minutes of the Board and the committees at any time.

All the Directors are also entitled to have access to timely information in relation to our business and make further enquiries where necessary, and they have separate and independent access to senior management.

DIRECTORS' ATTENDANCE RECORD

In the year 2015, the attendance records of the Directors at Board meetings, Audit Committee meetings, Remuneration and Nomination Committee meetings and the annual general meeting are as follows:

Directors	Board	Audit Committee	Remuneration and Nomination Committee	Annual General Meeting
Executive Directors:				
Yu Bing *(President)*	8/8	–	–	1/1
Wang Zichao (Note1)	8/8	–	–	1/1
Li Xiaolin *(Chairman of the Board and chief executive officer)* (Note2)	4/5	–	–	0/1
Non-executive Directors:				
Wang Binghua *(Chairman of the Board)* (Note3)	3/3	–	–	–
Guan Qihong	8/8	–	–	1/1
Independent non-executive Directors:				
Kwong Che Keung, Gordon *(Chairman of the Audit Committee)*	8/8	4/4	2/2	1/1
Li Fang *(Chairman of the Remuneration and Nomination Committee)*	8/8	4/4	2/2	0/1
Tsui Yiu Wa, Alec	8/8	4/4	2/2	1/1

Notes:

1. Wang Zichao was re-designated from a non-executive Director to an executive Director with effect from 28 July 2015.

2. Li Xiaolin resigned as the Chairman of the Board, an executive Director and the chief executive officer of the Company with effect from 28 July 2015.

3. Wang Binghua was appointed as the Chairman of the Board and a non-executive Director with effect from 28 July 2015.

ACCOUNTABILITY AND AUDIT

Financial Reporting

Directors acknowledge their responsibility for preparing the financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. The Company's financial statements are prepared in accordance with the Listing Rules, Companies Ordinance and also the accounting principles and practices generally accepted in Hong Kong. Appropriate accounting policies are selected and applied consistently; judgments and estimates made are prudent and reasonable.

During the year 2015, all Directors have been given on a monthly basis the latest information and briefings about the financial position, changes in the business and the development of the Group. The Directors endeavour to ensure a balanced, clear and understandable assessment of the Company's position and prospects in annual reports, interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory requirements.

Risk Management and Internal Controls

The Board puts particular emphasis on risk management and strengthening internal control system. In respect of organizational structure, the Company has set up the Audit Committee, the Remuneration and Nomination Committee and the Executive Committee. A Risk Management Committee has also been set up on 23 March 2016. The principles of the internal control framework of the Company are: to strengthen the Company's internal monitoring and control in accordance with the requirements of the Hong Kong Stock Exchange, continuously improve the Company's corporate governance structure, build up corporate integrity culture, establish an effective control system, continuously assess the competence of the internal control system and the efficiency of the management through auditing, risk assessments and internal assessments, review identified risk exposures and ensure the effective running of the control system.

The Company has established the Internal Audit Department and has been ensuring the independence of its organization, staffing and work, which is crucial to the Company's internal controls. To create a good internal control environment, the Internal Audit Department provides internal control assessment reports to the management on a regular or ad hoc basis. It also reports to the Audit Committee and the Board at least twice a year on internal control matters. From 23 March 2016 onward, it will also report to the Risk Management Committee at least twice a year on risk management matters. To minimize risk faced by the Company, the department evaluates and reviews the Company's internal control processes to avoid risks and provide a solid foundation for building up an effective internal control system.

The Company has a comprehensive internal control system which includes seven parts, namely "basic framework of the internal control system", "management authorization manual", "staff disciplinary code", "code on conflicts of interests", "operational standards for internal control activities", "assessment standards for internal control system", and "implementation standards for internal audit", details of which are contained in our "Risk Management and Internal Control Specifications". While taking into full account the risk management framework requirements of The Committee of Sponsoring Organizations of the Treadway Commission, the promoter of the National Commission on Fraudulent Financial Reporting, and risk management guidelines set out by the Hong Kong Institute of Certified Public Accountants, the internal control system of the Company also learns from the experience of outstanding management companies and takes into consideration our actual situation and business characteristics in formulating the control framework for assessing the efficiency and competence of the internal control system, which provide a solid foundation to ensure the effectiveness of the Company's operating activities, reliability of its financial reports and compliance of laws and regulations.

In 2015, the Board through the Audit Committee has reviewed the efficiency of internal control system of the Company and its subsidiaries in aspects such as financial controls, operational controls, regulatory compliance and risk management. The Directors believe that the internal control system is efficient and adequate, and controls effectively the risks that may have impacts on the Company in achieving its goals.

In 2015, the Internal Audit Department assessed the internal control systems based on the "Risk Management and Internal Control Specifications", and reviewed the improvement works regarding the issues discovered during the prior year internal control assessment in 2014. Surrounding the key areas and key links of the operational management, we have a better picture of the current conditions of internal control of each business unit by analyzing various internal control points relating to the business processes and unearthed defects and weaknesses of the internal control system for improvements in a timely manner. The results of the internal control studies are incorporated into the business performance assessments for each subsidiary. By doing so, potential operation and management risks can be avoided and the corporate governance standards as well as economic benefits can be enhanced. During the year under review, no significant area of concern which may affect the shareholders of the Company was found.

Last year, the Company has commenced its internal audit on economic responsibility of the Company's leading personnel, special audit and post-audit assessments, and fund management and financial control. With enhanced effective internal audit function, internal audits were conducted on the basis of independent supervision and objective assessment of the adequacy and effectiveness of the internal control system in operation. As review by the audits conducted by the Internal Audit Department, it set rectification requirements for 35 issues, added 31 proposals to strengthen controls and followed up actively to ensure the relevant issues were improved.

It also carried out risk assessment in the area of information collection, various business management and its key business processes for risk identification and analyses. According to the results of the risk analyses combined with the risk tolerance and the risk/reward tradeoffs to determine the corresponding risk strategies. The risks faced by each business unit and its risk management and control system capabilities were reflected to the management in a timely manner, in order to improve the Group's defense capability against risks.

In addition, the Internal Audit Department adopted appropriate measures to review quarterly the implementation of the Group's existing continuing connected transactions. During the year under review, the relevant companies had monitored strictly pursuant to the pricing and terms of the continuing connected transactions in the actual course of business operation and did not exceed those relevant annual caps as disclosed.

For good corporate governance practice, the Board approved launching a "Whistleblowing Policy" in April 2012, for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in a secure and confidence manner, with the Internal Audit Department about possible improprieties in any matter related to the Group, and through the Internal Audit Department reports directly to the Audit Committee.

External Auditor's and its Remuneration

The Company appointed Deloitte Touche Tohmatsu as the Company's auditor (the "Auditor") after obtained the approval by our shareholders in the annual general meeting held on 10 June 2015. The Audit Committee is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the Auditor, and to approve the remuneration and terms of engagement of the Auditor, and any questions of its resignation or dismissal.

For the year ended 31 December 2015, the Audit Committee reviewed and monitored the Auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

For the year ended 31 December 2015, the fees payable by the Company to the Auditor in respect of audit and non-audit services provided were as follows:

	HK$'000
Audit services	6,240
Non-audit services:	
Interim review	1,290
Continuing connected transactions	180

COMMUNICATION WITH SHAREHOLDERS

Apart from reporting to the shareholders and investors on its operations and financial conditions semi-annually and annually, the Company also discloses relevant information such as power generation of the Company regularly so that the investors have a better understanding about the operation of the Company. The Company maintains a corporate website at www.chinapower.hk where important and updated information about the Group's activities and corporate matters such as annual and interim reports, announcements, business development and operations, corporate governance practices and other information are available for review by shareholders and other stakeholders. When announcements are made through the Hong Kong Stock Exchange, the same information is made available on the Company's website.

The Company also holds regular press conferences and meetings with financial analysts and investors, during which the Company's management will directly provide relevant information and data to the media, financial analysts, fund managers and investors, as well as answer their enquiries in a prompt, complete and accurate manner. The Company's website is updated continuously, providing up-to-date information regarding every aspect of the Company to investors and the public.

The Company has a Capital Markets & Investor Relations Department, which takes charge of the Company's relationship with investors by providing information and services to investors, promptly replying to their enquiries, and maintaining channels of active and timely communication with them.

In March 2012, the Board adopted a "Shareholders Communication Policy" of the Company which aims to set out the provisions with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders to exercise their rights in an informed manner, and to allow shareholders and potential investors to engage actively with the Company. The "Shareholders Communication Policy" of the Company is posted on the Company's website under the "Corporate Governance" section.

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

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene General Meeting

Shareholders of the Company (the "Shareholders") entitled to have right to request the Company to convene a general meeting pursuant to Division 12 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The procedures are as follows:

1. The Directors are required to call a general meeting if the Company has received requests to do so from the Shareholders representing at least 5% of the total voting rights of all the members having a right to vote at general meetings.

2. A request -

    (a) must state the general nature of the business to be dealt with at the general meeting; and

    (b) may include the text of a resolution that may properly be moved and is intended to be moved at the general meeting.

3. Requests may consist of several documents in like form that -

    (a) may be sent to the Company in hard copy form or in electronic form; and

    (b) must be authenticated by the person or persons making it.

4. Directors must call a general meeting with 21 days after the date on which they become subject to the requirement, and must be held on a date not more than 28 days after the date of the notice convening the general meeting.

5. If the requests received by the Company identify a resolution that may properly be moved and is intended to be moved at the general meeting, the notice of the general meeting must include notice of the resolution.

6. If the resolution is to be proposed as a special resolution, the Directors are to be regarded as not having duly called the general meeting unless the notice of the general meeting includes the text of the resolution and specifies the intention to propose the resolution as a special resolution.

Voting by Poll

Save as provided under the Listing Rules, any resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the Shareholders at the commencement of each general meeting, and questions from Shareholders regarding the voting procedures are answered. The poll results are posted on the respective websites of the Company and the Hong Kong Stock Exchange on the same day of the poll.

Procedures for Shareholders Sending Enquiries to the Board

Shareholders should direct their questions about their shareholdings to the Company's registrar and whose details are as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: (852) 2862 8628
Fax: (852) 2865 0990

The Company Secretary and the Capital Markets & Investor Relations Department of the Company also handle both telephone and written enquiries from Shareholders from time to time. Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board committees of the Company, where appropriate, to answer the Shareholders' questions. For Shareholders and investors' enquiries, the contact information is set out in the "Useful Information for Investors" section of this annual report.

Other Procedures for Shareholders' Proposals

The details of the following procedures are available at the Company's website www.chinapower.hk under the "Corporate Governance" section for review.

- Procedures for Shareholders making proposals at general meetings

- Procedures for Shareholders to nominate a person to stand for election as a Director

Constitutional Documents

The Company's constitutional documents have been posted on the Company's website www.chinapower.hk under the "Corporate Governance" section. During the year under review, there was no significant change in the Company's articles of association.

ENVIRONMENTAL PROTECTION

The Board well understands the importance of environmental protection to the sustainable and steady development of the Group. Therefore, it strives for the best balance among the safety and reliability of power supply, cost control and environmental protection. The Board enthusiastically promotes the message of "give light and power to the world, leave clear water and blue skies to our children", which is also one of the fundamental corporate development missions of the Group. It targets to become a resource-saving and environment-friendly enterprise with high proportion in clean energy, low consumption of energy and resources, and low discharge of pollutants.

1. Environmental Protection — Striving for Green Development

The Company's Safety and Environmental Protection Monitoring Department is dedicated to further strengthening the efforts of environmental protection and enforcing the environmental protection policy actively. It vigorously carries out environmental protection management and implements energy saving and fuel consumption reduction measures to promote reduction of pollutants emission.

1.1 Pollutants

Exhausts

The Group continued to enhance management of dedusting, desulphurization and denitration facilities and formulated working plans for the reduction of discharge and environment-friendly technological upgrades, in proactive response to the national environmental policies and in strict compliance with the "Emission standard of air pollutants for coal-fired power plants", "Ambient air quality standards" and other pertinent laws and regulations.

During 2015, the Group strengthened the environmental protection measures for its coal-fired power generating units, as it installed flue gas dedusting facilities and desulphurization facilities at all its coal-fired power generating units with the relevant operational ratio reaching 100% (2014: 99.99%), while the efficiency ratio of desulphurization reached 96.23% (2014: 95.03%).

During 2015, the Group completed the denitration upgrading project for generating unit no. 2 of Yaomeng Power Plant. By then, except generating unit no. 1 of Yaomeng Power Plant, all other coal-fired power generating units had been installed with denitration facilities to reduce the emission of nitrogen oxide (NO_x). The operational ratio of denitration facilities and efficiency ratio of denitration for the full year reached 99.70% (2014: 97.75%) and 80.10% (2014: 78.86%), respectively.

The Group's coal-fired power plants have established environmental indicator monitoring information system in order to monitor the emissions of nitrogen oxide (NO_x), flue gas and dusts and sulphur dioxide. In 2015, under the benefits from the technical innovation and upgrade for coal-fired power generating units such as denitration and dedusting renovation, the Group's coal-fired power generating units recorded substantial decrease in nitrogen oxide (NO_x), flue gas and dusts and sulphur dioxide discharge. Carbon dioxide discharge per KWh has also decreased over the same period last year. Despite the increased power generation output, the total discharge of carbon dioxide decreased slightly over the same period last year.

During the year under review, all the power plants in which the Group has operational control, complied with the relevant environmental protection regulations of China. No fines or charges were imposed due to violation of regulations.

Nature and type of discharge	Unit	2015	2014	Decrease	Change
Density of nitrogen oxide discharge	g/KWh	**0.212**	0.389	0.177	-45.50%
Total discharge of nitrogen oxide	'000 tons	**12.248**	17.258	5.010	-29.03%
Density of flue gas and dusts discharge	g/KWh	**0.050**	0.118	0.068	-57.63%
Total discharge of flue gas and dusts	'000 tons	**2.795**	5.241	2.446	-46.67%
Density of sulphur dioxide discharge	g/KWh	**0.198**	0.283	0.085	-30.04%
Total discharge of sulphur dioxide	'000 tons	**10.698**	12.571	1.873	-14.90%
Density of carbon dioxide discharge	g/KWh	**855**	866	11	-1.27%
Total discharge of carbon dioxide	'000 tons	**37,495**	38,396	901	-2.35%

The Group also increases its production efficiency and reduces the discharge of carbon dioxide and other greenhouse gases through the development of clean and green energy and technological upgrades for energy conservation. In 2015, the Group's clean energy power generation amounted to 18,886,023MWh, representing a reduction in carbon dioxide discharge by 14,440,000 tons.

Wastes

The Group reduced wastes discharge with the establishment of a sophisticated residue and ash disposal system and in strict compliance with the "Standard for pollution control on the storage and disposal site for general industrial solid wastes". In order to recycle and reuse the wastes, the Group set out administrative measures and annual targets for the comprehensive utilization of waste coal ashes to fully explore and realize the potential application of waste coal ashes. In 2015, the comprehensive utilization ratio of waste coal ashes in the power plants of the Group amounted to 80.50% among which the comprehensive utilization ratio of coal ashes, residues and desulphurized gypsum in Wuhu Power Plant and Pingwei Power Plant III reached 100%.

Nature and type of discharge	Unit	2015	2014	Decrease	Change
Density of hazardous wastes discharge	g/KWh	**0**	0	–	–
Total discharge of hazardous wastes	'000 tons	**0**	0	–	–
Density of non-hazardous wastes discharge	g/KWh	**30.6**	49.4	18.8	-38.06%
Total discharge of non-hazardous wastes	'000 tons	**1,879**	2,192	313	-14.28%

Wastewater

The coal-fired power plants of the Group discharged wastewater in strict compliance with national standards, including "Integrated Wastewater Discharge Standard" and "Water Quality Index for Wet Flue Gas Desulfurization of Coal-fired Power Plants (火電廠石灰石 — 石膏濕法烟氣脫硫廢水水質控制指標)", and actively implemented the "Action Plan on Prevention and Control of Water Pollution". In 2015, the Company inspected the utilization of water resources and wastewater discharge of its subsidiaries to enhance the wastewater treatment for ensuring the discharge up to standard and maximize the recycling and reuse of wastewater.

Nature and type of discharge	Unit	2015	2014	Decrease	Change
Discharge of industrial wastewater	'000 tons	**4,388**	13,897	9,509	-68.42%

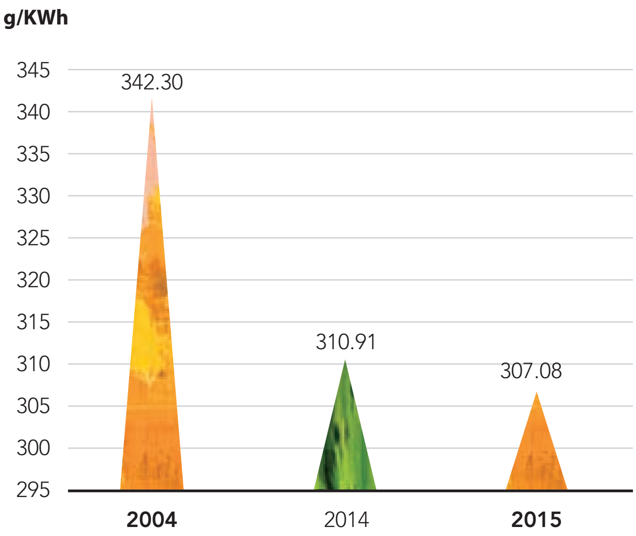
1.2 Utilization of resources

In line with the Group's strong emphasis on the efficient recycling of raw materials for production, such as coal resources and water resources in order to realize efficient and intensive production.

Coal resources

The Group is engaged in ongoing efforts to enhance the efficiency of its power generating units and reduce coal consumption. Since its listing, the Group's coal consumption level has continued to trend lower. The Group's net coal consumption rate in 2015 amounted to 307.08 g/KWh, which was 3.83 g/KWh lower compared to 2014 and 35.22 g/KWh lower compared to 342.30 g/KWh at the time of its listing in 2004. In the 2015 national coal-fired power generating units energy efficiency standard contest, three 600MW generating units of the Group garnered the third-class awards, namely the generating unit nos. 3 and 4 of Pingwei Power Plant II and the generating unit no. 1 of Dabieshan Power Plant respectively.

Net coal consumption rate



The Group has strengthened control over coal quality and has been given priority to use premium coal with high heat generation and low pollutant contents, and has been exercised control over the calorific value and sulphuric contents of coal stringently. In 2015, the Group's coal-fired power generating units reported an increase in power generation by 288,538 MWh, while raw coal consumption decreased by 951,000 tons, as compared to the previous year.

Water resources

The Group has strengthened management and optimized the design of the supply water system to enable efficient recycling of water resources as a means to conserve water has been investigated.

	2015	2014	Change
Total water consumption (million tons)	**59.89**	52.78	13.47%
Unit water consumption (g/KWh)	**1,341**	1,190	12.69%

The consolidated water consumption ratio for power generation was lowered as water resources were recycled for repeated use through optimization and modulation in the process of hydropower generation. In 2015, the hydropower plant reservoirs of the Group completed additional water utilization of 3,839 million cubic metres and additional power generation of 812,390 MWh through optimization and modulation.

Other resources

The Group encouraged its employees to participate in its green office initiatives, ranging from saving paper and electricity to green travel, in an effort to integrate the low-carbon green concept into their daily work.

Green office initiatives

Saving paper

- Paperless office
- Duplex printing

Saving power

- Appropriate use of electrical appliances, such as computers, electric lighting and air-conditioners, etc.
- Implementing the power-saving plan from 18:00 after close of business

Green travel

- Encouraging employees to commute by corporate shuttle bus
- Tracking and analyzing fuel consumption per 100 kilometres of vehicles on a monthly basis and advocating appropriate use of heating and cooling systems of vehicles in winter and summer
- Using video and telephone conferencing instead of part of business trips

Green office effectiveness for the Company's office building in Beijing

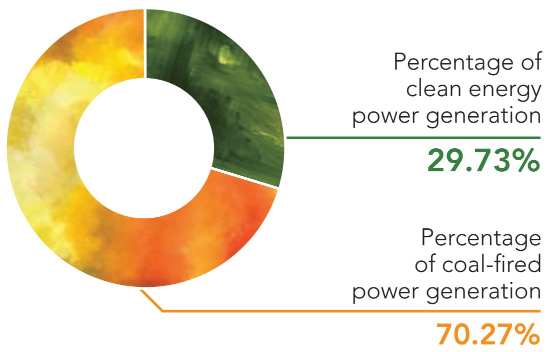
	2015	2014	Change
Total paper used (tons)	**3.84**	4.10	-6.34%
Total power consumption (kW)	**817,677**	658,145	24.24%
Video conferencing (times)	**103**	115	-10.43%

1.3 Environment and natural resources

Development of clean energy

The Group's attributable installed capacity for clean energy in 2015 amounted to 3,119MW, accounting for 19.19% of the Group's total attributable installed capacity. The Group's generation of clean energy such as hydropower and wind power in 2015 amounted to 18,886,023MWh, accounting for 29.73% of the Group's total power generation, representing an increase of 1.63 percentage points as compared to 2014.

Power generation structure for 2015



Building clean coal-fired power

The Group is phasing out coal-fired power generating units of 200MW or below and constructing large-capacity and high-parameter coal-fired power generating units to increase the efficiency of generating units and reduce emission in the drive of clean and efficient coal-fired power generation. Since its listing, the Group has developed sixteen 600MW or above coal-fired power generating units through acquisition and self construction. In future, the Group will continue to drive the strategy of building large-scale coal-fired power generating units and construct such units in economically developed regions. In proactive response to the national environmental protection policies, the Group continued to increase its investments in environmental protection, and to implement the integrated coal and electricity upgrading and renovating projects by installing denitration and desulphurization facilities for most of its coal-fired power generating units. The Group's total investments in environmental protection for coal-fired power generation in 2015 amounted to approximately RMB287,960,000.

SOCIAL RESPONSIBILITY

The Group complies with the strategic principle of "Human-oriented, Risk Control, Green Operations", pursuing high standards of operations and striving to minimize the adverse impact on the society and the environment. It is improving its standards on clean production to provide safe, economic and clean products and services to customers and the society.

2. Employment and Labour Practices — A People-Oriented Approach

Our employees are the driving force behind our sustainable development. We have always been committed to the provision of a sound workplace for employees, so as to bring out their best and cultivate with care a sustainable and healthy workplace culture that encourages concerted efforts and a positive team spirit. Recreational activities are organized from time to time to foster a stronger sense of belonging and more harmonious relations among staff.

2.1 Employment

The "Regulations for the Administration of Staff Recruitment" and "Administrative Measures for the Recruitment and Training of Tertiary School Graduates" were formulated by the Group. As at 31 December 2015, the Group had a total of 10,094 registered employees, comprising 2,689 female employees which accounted for 26.64% of total employees. All employees are covered by labour contracts and social insurance, and all are members of the workers' union. There has been no infringement upon staff rights. The Group's staff turnover for 2015 is 1.59% or 160 persons.

Staff headcount for 2015 by employment type

Employment type	Total number (person)	Percentage (%)	Number of resigned employees (person)	Turnover (%)
Senior management	15	0.15	0	0
Middle management	244	2.42	2	0.82
Employees	9,835	97.43	158	1.61

Staff headcount for 2015 by age group

Age group	Total number (person)	Percentage (%)	Number of resigned employees (person)	Turnover (%)
29 or under	1,471	14.57	74	5.03
30 – 39	2,347	23.25	48	2.05
40 – 49	4,269	42.29	24	0.56
50 or above	2,007	19.89	14	0.70

Staff headcount for 2015 by region

Region	Total number (person)	Percentage (%)	Number of resigned employees (person)	Turnover (%)
North China	2,935	29.08	42	1.43
East China	3,030	30.02	20	0.66
Central China	3,491	34.58	32	0.92
Southwestern China	533	5.28	36	6.75
Northwestern China	105	1.04	30	28.57

2.2 Health and safety

The Group's employees are equipped with labour tools and labour protection gear that are compliant with safety standards, while regular staff health checks are organized, as the Group continues to improve its conditions for operations in strict compliance with the Laws of The People's Republic of China on the Prevention of Occupational Diseases and other laws and regulations relating to safety and hygiene. In 2015, the Group recorded 273 cumulative working days lost due to work-related injury. The Group also places great emphasis on the health of employees as annual health examinations are given to all employees.

Staff health checks

Following efforts to develop a safety, health and environment management regime and achieve standardization in safe production, the power plants of the Group have developed the "Emergency Management Regime" comprising unified emergency management standards. In 2015, 25 general emergency plans, 350 special emergency plans and 611 on-site handling plans were revised or issued, and all power plants completed the filing of emergency plan proposals for assessment. The Group makes compulsory arrangements for staff to take part in safety management training organized by the Government authorities every year, with a view to ensuring the quality of occupational safety in our production operations as well as our staff.

2.3 Development and training

The Group optimizes its staff allocation to maximize complementary effects in terms of age, know-how and expertise. We see the pooling of talents as a priority task, with special emphasis on training up high-calibre young employees to provide a solid foundation for the long-term development of the Group. Technical experts are groomed to provide manpower and technical support for the Group's development.

Training for 2015 by employment type

Employment type	Number of training	Per capita training hours	Training coverage (%)
Senior management	14	15	22.5
Middle management	41	32	63.1
Employees	995	25	81.6

Management staff training

2.4 Labour practices

The Group has strictly complied with the national Labour Law, Labour Contract Law and other pertinent laws and regulations. We enter into labour contracts with employees and pay for their social insurance. We ensure freedom from sexual or racial discrimination and equal salaries for male and female employees, while the practices of child labour and forced labour are strictly prohibited. The Group has established a democratic system for corporate administration based on the staff representative assembly and workers' union to offer genuine protection for employees' rights of participation, expression and supervision. Employees may report incidents of violation to the Group at any time if they note any violations in the process of recruitment and operations, such as child labour and forced labour.

During the reviewing year, all business units in which the Group has operational control, complied with the local labour laws. No fines or charges were imposed due to violation of laws.

2.5 Care for staff

The Group organizes a diverse range of cultural and recreational activities that provide broad opportunities for employees to nurture interests and hobbies as well as to learn new skills. In 2015, we organized 309 activities including yoga training courses, hiking and youth recreational activity.

Yoga training course

Drawing competition for staff children

Youth recreational activity

The Group continues to operate the "Golden Autumn Schooling Assistance (金秋助學)" programme as part of its ongoing effort to improve its mechanism for staff aid, helping out children of employees in financial difficulties and extending our care to the families of our employees. In 2015, the Group carried out 174 caring activities targeting specific groups such as employees in need, retired employees and disabled employees, and granted RMB947,994 in financial relief for serious illness to 63 employees, while offering "Golden Autumn Schooling Assistance" bursaries amounting to RMB35,457 to the children of 36 underprivileged employees to continue their studies.

3. Operational Practices — Safeguarding Stable Development

The Group works diligently to provide safe and reliable power support for economic and social development and persists in value-sharing with the industry chain, seeking to drive economic development at the places where it operates and share with the community the benefits of development. The Group incorporates the philosophy of social responsibility in its management and operations, taking into account the features of the power industry and its own characteristics, and makes contributions to the sustainable development of the society and the environment, in a bid to constantly enhance its competitiveness in terms of social responsibility.

3.1 Supply chain management

The Group persists in developing fair and impartial working relationships with suppliers. Bulk purchases of fuel and other materials are subject to an administrative regime that separates purchase, delivery inspection and acceptance, and supervision, in a bid to eliminate corruption at source. Contracts and agreements are performed in stringent compliance with contractual requirements and all suppliers are treated with respect in an equal manner.

While fulfilling its own social responsibility, the Group also incorporates concepts and requirements of social responsibility in the management of suppliers. A stringent and standardized system for the selection and management of suppliers has been formulated, in a bid to safeguard a healthy and orderly marketplace in a joint effort with other parties in accordance with the "Regulations for the Management of Suppliers", "Implementation Measures for the Evaluation of Material Suppliers", "Implementation Measures for the Evaluation of Tender Suppliers" and other pertinent regulations. In 2015, the Group have a total of 1,020 suppliers of fuel and other materials, 850 suppliers of which were reviewed, identifying problems in 62 suppliers and all of them requested rectification.

Fuel and equipment suppliers of the Group in 2015 analyzed by geographic region:

Region	Number of suppliers
North China	151
East China	368
South China	45
Central China	242
Northwestern China	20
Southwestern China	84
Northeastern China	110

3.2 Safe and reliable power supply

The Group is dedicated to the building of a stable and reliable power generation system to safeguard safer, cleaner, more economical and more sustainable electric power supply.

Safe production

The Group regards safe production as the prerequisite for stable power supply and sustainable development for the Company in firm adherence to the safety philosophy which maintains that "no risks are uncontrollable, no breaches are unpreventable and no accidents are unavoidable" and the safety production directives of "safety as priority, prevention rather than cure, and comprehensive management".

Improving our safety management regime

- Improving the system: driving the development of the safety, health and environment (SHE) management system on all fronts, revising and compiling the SHE Management Regulations and improving the process for the development of the SHE management regime.

- Enhancing standardization: driving the development of safety production standardization and instructing and coordinating all units to achieve compliance with standardization, all of coal-fired power plants of the Group have obtained the license for compliance with standardization.

Enhancing safety awareness

- The conduct of safety culture campaigns: safety culture promotion has been enhanced via multimedia, TV and billboards, while a range of safety culture campaigns such as the Safe Production Promotion Day, Safety Culture Week, Safe Production Month and Safe Production Speech have been organized.

- Safety contests: safety skills of employees have been enhanced through activities such as safety training and contests.

Ensuring reliable operation of production facilities

- Improving facility management: series of facility management regulations, such as "Regulations for the Management of Special Equipment", "Regulations for the Management of Repair and Maintenance Preparations for Class A Generating Units" and "Regulations for the Management of Repair and Maintenance", have been formulated.

- Enhancing facility repair and maintenance: repair and maintenance of Class A/B/C generating units has been conducted and hazard investigation and removal have been reinforced to enhance reliability of the production facilities.

Ensuring safety of the production environment

- Carried out emergency training and drills: 716 emergency drills have been organized, with a turnout of 11,701 participants.

- Enhanced safety inspection: Spring/Autumn safety inspection has been organized with special emphasis on hazard investigation and removal as well as rectification of irregularities, in particular the rectification overhaul for substantial hazards.

Emergency drills at power plants of the Group in 2015

Reliable supply

The Group has strengthened management of its power generating units to constantly improve its ability in power supply in close tandem with the demand and supply situation and policy changes. The Group recorded its combined power generation of 63,531,141MWh in 2015, providing secure energy supply for regional economic development.

To ensure stable power supply, the Group has formulated specific regulations for production operations and set out plans for overhauls and technological upgrades, as well as adopting specific investigation to eliminate any hazards in the power generating units and increase the utilization ratio of power generating units. In 2015, the Group conducted 18 overhauls to secure stable operation of the generating units and successfully dealt with the challenges in the drought periods and the peak power consumption periods during the summer/winter seasons.

During the year under review, all operating power plants in which the Group has operational control, complied with the relevant production safety regulations of China. No fines or charges were imposed due to violation of regulations.

3.3 Technological innovation

The Group increases its financial commitments to technological innovation on an ongoing basis and trains up specialized teams to drive its technological development. CP Hua Chuang, established by the Group, designated to serve as a platform of technical research, technical service and technical personnel training for the Group.

The Group adheres to develop through innovation. We focus on improving operating efficiency, saving cost and strengthening core competitiveness by developing new technologies. Under the national strategic guidelines of green energy, low-carbon and smart development the Group has been advancing through clean coal-fired power generation technologies, energy services and environmental protection technologies, key technologies for wind power as well as upgraded photovoltaic and solar power generation technologies. The Group initiated the coal-fired power generation with ultra-low emission, concentrated and distributed new energy power generation, advanced energy conservation and micro-grid to further enhance its technological innovation and commercialization. Leveraging our advantages in the operation and management of large-scale coal-fired power generating units, optimization of watershed management for hydropower and innovative ultra-clean discharge technologies, we continue to increase the investment in technology so as to facilitate the sustainable development of the Group.

In 2015, the Group carried out 45 technology projects in total. The Group also initiated the exploration and research of advanced cleaning technology, including technology projects of the "Research and Application of Enzyme for Cleaning Coal Technology"(《生物酶潔淨煤技術的研究和應用》) and "Research of Technology Process of Ultra-low Emission of Coal-fired Power Generating Units" (《燃煤機組超低排放技術路線研究》). We have applied for 59 patents, of which two innovation patents and 28 utility models patents were granted, and 15 software copyrights, ten of which were granted. The Group was also awarded 14 technology awards by industry associations of provincial level or above. All business units have proactively carried out diversified technology activities to encourage technological innovation and motivated the staff to achieve technology breakthroughs effectively.

3.4 Anti-corruption

The Group has established the "Regulation of Collective Decision Making for Significant Business Issues", "Administrative Regulations for Letters and Calls and Whistle-blowing" and "Regulations for Integrity Talks" and made improvements to such regulations. The concepts of "dual responsibilities" and "two-way investigation" are stringently implemented. Where significant disciplinary and legal violations occur at a department or unit, both the culprit and the relevant supervisor should be held responsible. Supervision and checks over the exercise of power have been strengthened and all supervisory regulations have been stringently executed.

Seminar on anti-corruption

A month-long campaign for the promotion of and education on anti-corruption was organized under the theme of "Rectifying practices to generate positive force and tightening discipline to reinforce implementation". A range of activities, such as special seminars, counseling talks, visits, admonitory videos, personal counseling and anti-corruption tests, were held to fortify the concept of legal and disciplinary compliance and drive mental and behavioral changes among employees, in order to bolster the implementation of relevant regulations. In 2015, the Group was actively engaged in training and promotional campaigns such as centralized training and seminars on anti-corruption, which registered a total of 5,683 participants.

4. Community Investment — Promoting Harmony

The Group is actively involved in community building and conducts its business in a responsible manner in the places where it operates, with the aim of driving local economic and social development. Social charity, education in science and technology and other campaigns that contribute to the well-being of local communities are organized based on their practical needs.

4.1 Promoting local economic development

While making substantial contributions to local finances through its tax payments, the Group also helps to drive the rapid development of the environmental protection, construction materials and servicing sectors and the formation of a cluster of power plant-related industries. In 2015, the Group paid approximately RMB3,826,362,037 in various taxes and created 504 new job opportunities in the places where it operated.

4.2 Support for education, cultural activities and charity

The Group is committed to promoting cultural and educational developments in the places where it operates. We encourage and support staff participation in volunteer services to foster a sound learning environment for local youngsters.

"Ying Shan Hong Library"(映山紅愛心書屋)

- Through the website of SPIC as channel for educational assistance such as "Ying Shan Hong" (映山紅), as for charitable activities, donations in the amount of RMB43,616 have been raised for schools and children in impoverished regions.
- Dabieshan Power Plant donated books of RMB4,000 to build a library for Macheng Experimental Primary School (麻城實驗小學).

The volunteers of the Group engaged with the community, paid visits to the families in need and carried out voluntary activities such as visiting the singleton elders, health checks for the community and cleaning of the public facilities. In 2015, 52 voluntary activities were carried out by 4,003 staff with accumulated 8,006 service hours.

Activities like learning from Lei Feng (雷鋒), our staff repaired electrical appliances for the community

Blood donation

4.3 Environmental conservation

The Group encourages staff to take an active part in environmental activities and to advocate the green philosophy of environmental protection, in a bid to highlight the importance of protecting the ecological system and bio-diversity among our staff and other members of the society. In 2015, volunteers of Wu Ling Power participated in the replanting of endangered plants and successfully replanted 24 valuable and rare old trees. Staff volunteers of San Ban Xi Power Plant completed the replanting of approximately 7,000 trees, including taxus and phoebe bournei, with a total planting area of 45 acres.

Wu Ling Power has been engaging in fish breeding as part of its vigorous efforts in ecological protection work in the coastal areas where its hydropower plants are located. In 2015, San Ban Xi Power Plant, Gua Zhi Power Plant, Baishi Power Plant and Tuokou Power Plant of Wu Ling Power released 1,300,000 fry into the rivers, 600,000 of which were fry of unique and rare fishes, offering effective protection of fish resources in the Yuan River Basin, especially the rare fishes of the Dongting Lake water bodies.

Planting activities

Replanted valuable and rare trees

Fish breeding

INVESTOR RELATIONS AND FREQUENTLY ASKED QUESTIONS

INVESTOR RELATIONS

The Company, the Board and the management has always prioritized the investor relation activities and deeply acknowledge that investor relations is a strategic management activity which could enhance understanding between investors and the Company, upgrade the level of corporate governance, transparency and strategic credibility and create values for shareholders. Since the listing of the Company, we have been putting efforts in investor relation work, maintaining sufficient communications with the investors. We are also convinced that reporting to shareholders and establishing a good investor relation are important responsibilities of the Board and the management.

The Chairman of the Board, the Directors and the senior management has participated in a variety of investor relation activities to maintain communication with the investors. During the meetings with investors, the Company honestly answered all the questions raised by investors to enable them to gain comprehensive, deep and objective information on the operations and development strategies of the Company. Apart from introducing the development in the power industry, the relevant environmental protection, industry and tariff policies, the operations and development strategies of the coal-fired power and hydropower of the Company, we also emphasize the feedback from the investors in order to form a good interaction between the Company and the investors. From this, we continuously improve our operations and management while creating greater value for the shareholders.

PRESS CONFERENCES FOR ANNUAL AND INTERIM RESULTS

In 2015, the Company organized the results press conferences right after the publications of its 2014 annual and 2015 interim results, to give a detailed account of the annual and interim results of the Company. The Chairman of the Board, the Directors and the senior management attended the conferences and had direct communications with investors and securities analysts to keep them abreast of the operations and the development strategies of the Company as well as gaining investors' understanding and recognition of the future development plans and profit growth targets of the Company.

ANNUAL GENERAL MEETING

The annual general meeting for last year was held on 10 June 2015 at Ballroom, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong. The Directors and the senior management together with the external independent auditor at that time attended the annual general meeting to answer enquiries from the shareholders and investors attending the meeting. All ordinary resolutions proposed at the meeting were duly passed by shareholders' voting.

The annual general meeting for this year is proposed to be held on 7 June 2016.

ROADSHOWS AND REVERSE ROADSHOWS

In 2015, we launched roadshows in Hong Kong and Singapore to coordinate with the announcing of the results of the Company and maintain the regular meetings with investors. The senior management and investor relations team of the Company participated in the roadshows to have meetings with investors and met nearly 70 securities analysts and fund managers, which effectively promoted communication between the Company and the investors.

The Company also actively carried out reverse roadshows, sent invitations and organized domestic and foreign investors and analysts to visit and inspect the power plants of the Company. In 2015, the Company organized investors to visit Pingwei Power Plant III and UHV supporting project, which were praised by investors.

INVESTOR FORUM

In 2015, the senior management and investor relations team participated in ten major investor forums in Hong Kong, Beijing, Shanghai, Shenzhen and Chengdu, and met nearly 160 securities analysts and fund managers.

REGULAR MEETINGS WITH INVESTORS

The senior management and investor relations team have meetings with investors and analysts upon their requests to introduce the information and recent operations of the Company and answer their questions. In 2015, the Company received visits of nearly 70 analysts and fund managers from investment institutions.

SHAREHOLDERS AND INVESTORS ENQUIRIES

The contact information for shareholders and investors enquiries are set out in the section headed "Useful Information for Investors" of this annual report.

FREQUENTLY ASKED QUESTIONS

1. What is the Company's Development Strategy?

The Company is a core subsidiary of SPIC, the ultimate holding company, for conventional energy business and has been an ultimate platform for its conventional energy business and assets reorganization and also a leader of its technological innovation and institutional innovation. The Company's strategies include continuously optimizing assets structure under the solid support from SPIC; accelerating the development of clean energy projects in a bid to expand the share of clean energies in its assets portfolios in the regions where the Company has advantages; developing effective clean coal-fired power projects in domestic coal-power bases and key regions planned for constructing power transmission passageways; and proactively exploring energy service businesses.

2. What is the Company's Assets Injection Plan in the Future?

Since the listing in 2004, we have acquired Shentou Power Plant I in 2005, 25% equity interest of Shanghai Power in 2006, 63% equity interest of Wu Ling Power in 2009 and 100% equity interest of Wuhu Electric Power in 2013. In January 2016, the Company entered into a letter of intent with SPIC, pursuant to which the Company intended to acquire 100% equity interest in Henan Power under the SPIC. The above projects injected into the Company fully reflected the strong support from the SPIC.

SPIC is currently the only one integrated energy group which simultaneously owns coal-fired power, hydropower, nuclear power and renewable energy resources in PRC with a total installed capacity exceeded 100GW. In the future, the Company will realize a leaping growth in development and enhance its competitiveness through integration of injected projects and optimization of asset structures.

3. What is the Current Tariff Level of the Company?

In 2015, the average on-grid tariff of coal-fired power of the Company was RMB343.33/MWh, representing a decrease of RMB23.33MWh or 6.36% as compared with the previous year, which was mainly affected by the adjustment policies of the tariffs in 2015. The average on-grid tariff of hydropower of the Company was RMB302.37MWh, representing an increase of RMB6.42/MWh or 2.17% as compared with the previous year. The average on-grid tariff of wind power of the Company was RMB503.79/MWh, representing an increase of RMB32.43/MWh or 6.88% as compared with the previous year.

4. What is the Company's Utilization Hours of power generation for 2015 and the Anticipation of Supply and Demand for Power for 2016?

In 2015, as affected by the slowdown of the growth of domestic demand for power, the average utilization hours of coal-fired power plants of the Group was 4,099 hours, representing a decrease of 332 hours as compared with the previous year. The average utilization hours of hydropower plants was 3,893 hours, representing an increase of 159 hours as compared with the previous year. The average utilization hours of wind power plants was 1,630 hours, representing a decrease of 309 hours as compared with the previous year.

According to the forecast of China Electricity Council, the electricity consumption will remain a slow growth rate and the national total electricity consumption is expected to increase by 1% to 2% in 2016 as compared with the previous year. Taking account of the commencement of operation of the Group's new large-scale coal-fired power generating units and barring unforeseeable circumstances, it is expected that power generation of the Group will continue to grow in 2016.

5. What is the Company's Capital Expenditures for 2015 and the Plan for 2016?

In 2015, the capital expenditure of the Group for the year was approximately RMB5,480,471,000. Among which, the capital expenditure for the coal-fired power segment was RMB3,925,943,000, which was mainly used for construction of new power generating units and technical upgrade for the existing power generating units. While the capital expenditure for the clean energy segment was RMB1,553,252,000, which was mainly used for the construction of new hydropower and wind power plants and project acquisitions. Sources of funds were mainly from project financing, bonds issue and funds generated from business operation.

In 2016, the Group has planned a capital expenditure of approximately RMB7,667,000,000. Of which, the expected expenditures for coal-fired power segment and clean energy segment will be RMB5,083,000,000 and RMB2,584,000,000 respectively, which will mainly use for the construction of new power generating units and technical upgrade for the existing power generating units.

6. What is the Applicable Tax Rate for the Company at Present?

In 2015, except Fuxi Power Plant currently enjoys the preferential tax treatment, other coal-fired power plants of the Group were all subject to the income tax rate at 25% for the year.

The hydropower plants of the Group were subject to the income tax rate of 25% for the year (the income tax rate of some small hydropower plants is lower than 25%).

The wind power plants of the Group currently enjoy the preferential tax treatment "First three years exemption and subsequent three years 50% reduction", and were within their tax exemption period in 2015.

7. What is the Company's Dividend Policy?

The dividend policy of the Company has fully taken into account of the cash flows and development needs of the Group and the dividend payout ratio of the peers in the industry. The dividend payout ratio of the Company for the years 2005 to 2014 (except for the year 2008) was approximately in the range of 33% to 45%. In 2008, the Board did not declare dividend payment because the Company recorded a loss in annual results.

The Board recommended the dividend payment of RMB0.232 per ordinary share for the year 2015, and dividend payout ratio was 40%. Apart from our commitment of a dividend payout ratio of not less than 25%, we will continue to take the above mentioned factors into full consideration when formulating our dividend policy in the future.

REPORT OF THE BOARD OF DIRECTORS

The Board hereby presents to the shareholders its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2015 (the "Consolidated Financial Statements").

PRINCIPAL ACTIVITIES

The principal activities of the Group are to develop, construct, own, operate and manage large power plants for generation and sale of electricity in China, and engage in investment holdings. Particulars of the Company's principal subsidiaries are shown in Note 43 to the Consolidated Financial Statements.

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2015 are set out in the Consolidated Income Statement on page 93. The Board has recommended the payment of a final dividend of RMB0.232 (equivalent to HK$0.2770) per ordinary share for the year ended 31 December 2015, with a total amount of approximately RMB1,706,398,000.

BUSINESS REVIEW AND PERFORMANCE

Review of the Group's business and performance for the year ended 31 December 2015 are set out in this annual report as follows:

Aspects	In the section headed	Page
A fair review of the Group's business and analysis of financial position	• Management's Discussion and Analysis	24 – 35
A description of the principal risks and uncertainties facing the Group	• Management's Discussion and Analysis • Note 3 to the Consolidated Financial Statements	35 – 37 119 – 124
Particulars of important events affecting the Group that have occurred since the end of the financial year	• Management's Discussion and Analysis • Note 45 to the Consolidated Financial Statements	38 196
The outlook of the Group's business	• Letter to Shareholders • Management's Discussion and Analysis	17 39
The Group's environmental policies and performance and compliance with the relevant laws and regulations that have a significant impact on the Group	• Environmental Protection and Social Responsibility Report • Management's Discussion and Analysis	55 – 59 37 – 38
An account of the Group's key relationships with its stakeholders that have a significant impact on the Group	• Environmental Protection and Social Responsibility Report	60 – 69

CORPORATE GOVERNANCE

The principles and practices of the Group's corporate governance are set out in the section headed "Corporate Governance Report" of this annual report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out in the section headed "Five-Year Financial and Operations Summary" of this annual report.

PROPERTY, PLANT AND EQUIPMENT

During the year, the additions and transfer from prepayment for property, plant and equipment of the Group amounted to approximately RMB4,469,549,000, mainly representing general power assets. Details of the movements in property, plant and equipment of the Group and the Company during the year are set out in Note 15 to the Consolidated Financial Statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 27(a) to the Consolidated Financial Statements.

DEBENTURES ISSUED

In May 2015, Wu Ling Power, a 63%-owned subsidiary of the Company, obtained an acceptance confirmation from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) for issue of short-term debentures in the PRC with an amount of RMB1 billion with an effective registration period of two years. The first tranche of RMB300 million one-year-debentures was issued in November 2015, and the second tranche of RMB200 million one-year-debentures was issued in December 2015.

Details of the above debentures are set out in Note 31 to the Consolidated Financial Statements.

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2015, the Company has not entered into any equity-linked agreement.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in Notes 28 and 44 to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVE

Calculated under Sections 297 and 298 of the Companies Ordinance, as at 31 December 2015, the distributable reserve of the Company amounted to RMB2,997,346,000 (2014: RMB2,427,503,000).

DIRECTORS

The present Directors of the Company are set out in the section headed "Corporate Information" of this annual report. Biographical details of each of the Directors are set out in the section headed "Directors and Senior Management Profiles" of this annual report, and details of Directors' emoluments are set out in Note 14 to the Consolidated Financial Statements.

Ms. Li Xiaolin resigned as an executive Director and the chief executive officer of the Company on 28 July 2015 due to new work arrangement assigned by the relevant PRC authority.

In accordance with Articles 81 and 82 of the Company's articles of association and the Listing Rules, Mr. Wang Binghua, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. If the above Directors are re-elected, they will not enter into service contracts with the Company or any of its subsidiaries which are not determinable by the employing company within one year without payment of compensation other than statutory compensation.

As at 31 December 2015, none of the Directors had a service contract with the Company or any of its subsidiaries which was not determinable by the employing company within one year without payment of compensation other than statutory compensation.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive Directors independent.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended 31 December 2015 or during the period from 1 January 2016 to the date of this annual report are available on the Company's website at www.chinapower.hk.

PERMITTED INDEMNITY

Pursuant to the Company's articles of association, subject to the Statutes, every Director of the Company shall be indemnified against any liability incurred by him/her in the execution and discharge of his/her duties or in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

SHARE OPTION SCHEME

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

Unless otherwise terminated by the Board or the shareholders of the Company in general meeting in accordance with the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it is conditionally adopted by the resolution passed by our shareholders in general meeting (i.e. 24 August 2004) (the "Scheme Period"), and after which no further share options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting share options granted within the Scheme Period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The Board may, at its absolute discretion, offer any employees, Directors (including executive and non-executive Directors other than independent non-executive Directors), chief executive and members of the management of the Company and the Group (the "Eligible Person") share options to subscribe for shares in the Company. Upon acceptance of the offer of the share option, the grantee shall pay HK$1.00 to the Company as a nominal consideration for the share option granted.

Except with the approval of the Company's independent shareholders at the general meeting, the total number of shares issued and to be issued upon the exercise of the share options granted or to be granted to each Eligible Person under the Share Option Scheme and other schemes of the Company or any of its subsidiaries (including exercised, cancelled and outstanding share options) in any 12-month period shall not exceed 1% of the Company's shares in issue.

The exercise price per share subject to the share options granted under the Share Option Scheme shall be determined by the Board but shall be not less than the greatest of:

(a) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date, which must be a business day, of the written offer of the share option (the "Offer Date");

(b) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and

(c) the nominal value of the shares.

In the event of a capitalisation issue, rights issue, sub-division or consolidation of the shares or reduction of the capital of the Company whilst any share option remains exercisable, the Company shall make such corresponding adjustments to the exercise price per share for the outstanding share options.

A share option may be exercised at any time during a period to be notified by the Board to each grantee, such period not to exceed ten years from the Offer Date of the relevant share option. Save any circumstance stated below, the share options granted under the Share Option Scheme will have a total vesting period of four years. Commencing from the first, second, third and fourth anniversaries of the Offer Date of a share option, the relevant grantee may exercise up to 25%, 50%, 75% and 100% respectively of the shares comprised in his or her share option subject to any early vesting of share options described in the following paragraphs.

(1) Rights on a General Offer

If a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in similar manner) is made to the Company's shareholders, the Company shall use its best endeavours to procure that such offer is extended to all the grantees (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the share options granted to them, shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the grantees shall be entitled to exercise the share option in full (to the extent not already exercised) within 14 days after the date on which such offer becomes or is declared unconditional.

(2) Rights on Schemes of Compromise or Arrangement

If, pursuant to the Companies Ordinance, a compromise or arrangement between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all grantees on the same date as it dispatches to each shareholder or creditor of the Company a notice summoning a meeting to consider such compromise or arrangement, and thereupon each grantee shall be entitled to exercise all or any of his/her share options in whole or in part prior to 12:00 noon on the day immediately preceding the date of the meeting directed to be convened by the court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all grantees to exercise their respective share options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all share options shall, to the extent that they have not been exercised, be void and lapse.

(3) Rights on a Voluntary Winding-Up

In the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court is made for the winding-up of the Company, the Company shall give notice thereof (the "winding-up notice") to all grantees on the same day as such resolution is passed or order is made. The grantee may by notice in writing to the Company within 21 days after the date of the winding-up notice elect to be treated as if the share option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the grantee's notice, such notice to be accompanied by a remittance for the full amount of the aggregate subscription price for the shares in respect of which notice is given, whereupon the grantee will be entitled to receive out of the assets available in the liquidation pari passu with the Company's shareholders such sum as would have been received in respect of the shares the subject of such election.

The Company has used the Black-Scholes Option Pricing Model (the "Model") to assess the value of the share options at the dates of grant. The Model is one of the commonly used models to estimate the fair value of a share option. The value of a share option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of a share option. As such, the fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the valuation model used.

Pursuant to the Share Option Scheme, the share options were granted to the Directors, senior management and certain other employees on 4 April 2007 and 2 July 2008 respectively. The fair value of these share options determined at the dates of grant using the Model were HK$23,517,000 and HK$18,346,000 respectively. All such fair value had already been expensed regressively through the Group's consolidated income statement over the four-year vesting period of the relevant share options commencing from the year ended 31 December 2007 and 2008 respectively.

Movements of the share options granted under the Share Option Scheme for the year ended 31 December 2015 are as follows:

Grantee	Date of grant	Number of shares subject to share options: As at 1 January 2015	Lapsed or cancelled during the year	Exercised during the year	Outstanding as at 31 December 2015	Expiry date	Exercise price per share (HK$)
Directors:							
WANG Zichao	4 April 2007	804,000	–	–	804,000	3 April 2017	4.07
	2 July 2008	700,000	–	–	700,000	1 July 2018	2.326
GUAN Qihong	2 July 2008	400,000	–	–	400,000	1 July 2018	2.326
Other employees	4 April 2007	8,640,000	(1,377,000)	–	7,263,000	3 April 2017	4.07
	2 July 2008	19,700,000	(1,140,000)	–	18,560,000	1 July 2018	2.326

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

As at the date of issue of this annual report, the total number of shares in respect of which share options may be exercised under the Share Option Scheme was 24,352,000, representing approximately 0.33% of the existing issued share capital of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, save as disclosed below, none of the Directors and their associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group:

Name of the Director	Position(s) within the Company	Other Interests
WANG Binghua	Chairman of the Board and non-executive Director	Chairman of SPIC, chairman of State Nuclear Power, chairman of CPI Holding and chairman of the board and a non-executive director of China Power New Energy Development Limited
YU Bing	Executive Director and president	Director and general manager of CPI Holding
WANG Zichao	Executive Director	Head of the General Office of SPIC, general manager of the branch company of SPIC in Hunan and chairman of Wu Ling Power, a 63%-owned subsidiary of the Company
GUAN Qihong	Non-executive Director	Chief capital market officer of the Strategic Planning Department of SPIC, director of CPIF and director of CPI Holding

DIRECTORS' INTEREST IN CONTRACTS

There is no contract of significance in which the Company, its subsidiaries, its holding companies, fellow subsidiaries, associates and joint ventures was a party, and in which the Director had any material interest, subsisted during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2015, save as disclosed below, none of the Directors or the chief executive has any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO") which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Name	Capacity	Name of company in which interests are held	Date of grant	Number of underlying shares interested under physically settled equity derivatives[1]	Percentage of issued share capital of the Company (%)	Long/Short position
WANG Zichao	Beneficial owner	the Company	4 April 2007 and 2 July 2008	1,504,000	0.020	Long
GUAN Qihong	Beneficial owner	the Company	2 July 2008	400,000	0.0054	Long

Notes:

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

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2015, save as disclosed below, no person, not being a Director nor chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which should be recorded in the register kept under Section 336 of the SFO.

Name	Capacity	Number of shares in which interested other than under equity derivatives[3]	Percentage of issued share capital of the Company (%)	Long/Short position
CPDL	Beneficial owner	1,996,500,000	27.14	Long
CPI Holding[1]	Interest of a controlled corporation	1,996,500,000	27.14	Long
	Beneficial owner	2,074,538,546	28.21	Long
SPIC[2]	Interest of a controlled corporation	4,071,038,546	55.35	Long

Notes:

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

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

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

CONNECTED TRANSACTIONS ENTERED BY THE GROUP

Connected Transactions

(A) Asset Acquisition Agreements

1. *Pingwei Maintenance Asset Acquisition Agreement*

Date:	1 April 2015
Parties:	(i) Pingwei Power Plant (as the purchaser)
	(ii) Pingwei Maintenance Company (as the seller)
Total consideration:	RMB20,738,200

Pursuant to the Pingwei Maintenance Asset Acquisition Agreement, Pingwei Power Plant has agreed to purchase certain assets from Pingwei Maintenance Company, and will pay Pingwei Maintenance Company 50% of the total consideration within 20 days after the date of the agreement and the remaining 50% of the total consideration within 20 days after completion of the assets transfer.

2. *Pingwei Industry Asset Acquisition Agreement I*

Date:	1 April 2015
Parties:	(i) Pingwei Power Plant (as the purchaser)
	(ii) Pingwei Industry Company (as the seller)
Total consideration:	RMB41,773,200

Pursuant to the Pingwei Industry Asset Acquisition Agreement I, Pingwei Power Plant has agreed to purchase certain assets from Pingwei Industry Company, and will pay Pingwei Industry Company 50% of the total consideration within 20 days after the date of the agreement and the remaining 50% of the total consideration within 20 days after completion of the assets transfer.

3. *Pingwei Industry Asset Acquisition Agreement II*

Date:	1 April 2015
Parties:	(i) Pingwei Power Plant II (as the purchaser)
	(ii) Pingwei Industry Company (as the seller)
Total consideration:	RMB9,434,100

Pursuant to the Pingwei Industry Asset Acquisition Agreement II, Pingwei Power Plant II has agreed to purchase certain assets from Pingwei Industry Company, and will pay Pingwei Industry Company 50% of the total consideration within 20 days after the date of the agreement and the remaining 50% of the total consideration within 20 days after completion of the assets transfer.

Since each of Pingwei Maintenance Company and Pingwei Industry Company is a subsidiary of CPI Holding and CPI Holding is the controlling company of the Company. Accordingly, the Asset Acquisition Agreements constitute connected transactions of the Company under the Listing Rules.

(B) Production Target Sale and Purchase Agreement

Date:	30 October 2015
Parties:	(i) Yaomeng Power Plant II (as the purchaser) (ii) Zhengzhou Power Plant (as the seller)
Power Production Quota to be transacted:	200,000MWh
Unit price:	RMB175/MWh
Maximum consideration payable:	RMB35,000,000

The final Power Production Quota to be transacted will be subject to the actual on-grid electricity to be generated by Yaomeng Power Plant II and as confirmed by the State Grid Henan Electric Power Company (the provincial power grid company in Henan Province, the PRC). After Yaomeng Power Plant II has generated electricity under the monthly Power Production Quota as determined by the provincial power grid company, Yaomeng Power Plant II will pay Zhengzhou Power Plant within the first 5 business days in the following month a month-end power production transfer fee (based on the actual on-grid electricity to be generated) in a lump sum via wire transfer.

Since Zhengzhou Power Plant is an indirect subsidiary of SPIC and SPIC is the ultimate controlling company of the Company. Accordingly, the Production Target Sale and Purchase Agreement constitutes a connected transaction of the Company under the Listing Rules.

Continuing Connected Transactions

(A) Land Lease Agreements

1. *Pingwei Power Plant and Yaomeng Power Plant Land Lease Agreements*

Each of Pingwei Power Plant and Yaomeng Power Plant entered into a land lease agreement with SPIC (formerly known as CPI Group) on 27 August 2004 (the "Land Lease Agreements") to lease from SPIC the land on which they are respectively situated. The Land Lease Agreement with Yaomeng Power Plant was later supplemented on 24 September 2004 and 23 May 2007 respectively. In addition, the Land Lease Agreement with Pingwei Power Plant was also supplemented on 23 May 2007. The basic terms of the above two Land Lease Agreements as amended are as follows:

Land Lease Agreement	Area (sq. m.)	Annual rent (RMB)	Lease Commencement Date	Lease Expiry Date
Pingwei Land Lease Agreement	4,352,884	6,845,839.32	1 August 2004	16 September 2019 (being the expiry date of the term of the operation of Pingwei Power Plant)
Yaomeng Land Lease Agreement	2,858,170.6	5,275,364.7	1 August 2004	26 August 2019 (being the expiry date of the term of the operation of Yaomeng Power Plant)

Pingwei Power Plant and Yaomeng Power Plant are subsidiaries of the Company. SPIC is the ultimate controlling company of the Company. Accordingly, the Land Lease Agreements constitute continuing connected transactions of the Company under the Listing Rules.

2. *Shentou I Power Plant Land Use Right Lease Agreement*

On 9 June 2005, Tianze Development Limited, the holding company of Shentou I Power Plant, entered into a land use right lease agreement (the "Land Use Right Lease Agreement") with SPIC (formerly known as CPI Group) regarding the lease from SPIC of a piece of land with an area of approximately 2,925,019.15 sq. m. for a lease term of 20 years commencing from 1 July 2005. The annual rent for the period up to 31 December 2015 was fixed at RMB4,940,000. The rental amount is subject to review by the parties with reference to an independent valuation upon expiry of the said period.

Shentou I Power Plant is situated on a parcel of land allocated by the State to SPIC. Accordingly, it is essential to enter into the Land Use Right Lease Agreement to ensure that Shentou I Power Plant is entitled to continue its operation on the land.

Shentou I Power Plant is a subsidiary of the Company. SPIC is the ultimate controlling company of the Company. Accordingly, the Land Use Right Lease Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

(B) Property Lease Agreement

1. *Beijing Property Lease Agreement*

The Company has been leasing a premises owned by CPI Holding since 2006 (the "Beijing Property Lease Agreement"). The Beijing Property Lease Agreement was renewed on 27 August 2009, 13 July 2012 and 31 August 2015, its basic terms are set out as below:

Address of Premises	Area (sq. m.)	Annual Rent	Lease Term
Premises situated on 6th to 9th and 11th to 13th Floors, East Building, Huihuang Shidai Plaza, 56 North West Fourth Ring Road, Haidian District, Beijing, PRC	8,800	US$2,745,600 or US$26 per square metre per month RMB20,908,800 or RMB198 per square metre per month	1 September 2012 to 31 August 2015 1 September 2015 to 31 August 2018

The premises being rented is used as an office of the Company. The rent was determined after arm's length negotiations with reference to the prevailing market rent of other similar premises in the nearby locations.

CPI Holding is the controlling company of the Company, the entering into the Beijing Property Lease Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

2. *Wu Ling Lease Agreement*

Qian Dong Power has been leasing the transmission lines and switching facilities owned by Wu Ling Power since the beginning of 2009 for the transmission of electricity generated by Qian Dong Power Plant to the Hunan power grid (the "Wu Ling Lease Agreement") and was renewed with the following terms:

Date:	20 December 2013
Annual rent:	RMB54,110,000
Term:	1 January 2014 to 31 December 2015

The Wu Ling Lease Agreement was again renewed on 28 December 2015 for a period of three years from 1 January 2016 to 31 December 2018 for an annual rent of RMB54,110,000, while all the other terms remained unchanged.

The rent of the transmission lines and switching facilities was determined based on the investment and construction costs of Wu Ling Power and should be payable annually.

Wu Ling Power is a subsidiary of the Company. Qian Dong Power is a non-wholly owned subsidiary of CPI Holding and CPI Holding is the controlling company of the Company. As such, Qian Dong Power is a connected person of the Company as defined in the Listing Rules. Accordingly, the Wu Ling Lease Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

(C) Purchase Agreement

Material Purchase Framework Agreement

Date:	4 December 2012
Parties:	(i) The Company (representing its subsidiaries, Pingwei Power Plant, Pingwei Power Plant II, Yaomeng Power Plant, Yaomeng Power Plant II, Fuxi Power Plant and CP Shentou Power Plant, individually the "Purchaser" or collectively the "Purchasers") (ii) Beijing CP Environmental (representing its subsidiaries, Huainan branch of Beijing CP Environmental, Pingdingshan branch of Beijing CP Environmental, Sichuan Yibin and Shuozhou CP Environmental, individually the "Supplier" or collectively the "Suppliers")
Term:	1 January 2013 to 31 December 2015
Proposed annual cap:	For the three financial years ending 31 December 2013, 2014 and 2015 should not exceed RMB131,582,000.
Payment terms:	The Purchasers shall settle by cash on a monthly basis

The Material Purchase Framework Agreement was renewed on 29 December 2015 for a period of three years from 1 January 2016 to 31 December 2018 with an annual cap of RMB117,700,000, while all the other terms remained unchanged.

Pursuant to Material Purchase Framework Agreement, the parties agreed that the Purchasers will purchase from the Suppliers the limestone powder for desulphurization (the "Materials"). The purchase prices of the Materials shall be determined by reference to (i) the prevailing local market prices from the other suppliers in the nearby locations where our power plants are located, (ii) a floating space of 10% to cater for the changes in raw material cost, labour cost and transportation cost in the coming three years, and (iii) the favourable bargaining prices by bulk purchases.

As the Suppliers are subsidiaries of CPI Holding and CPI Holding is the controlling company of the Company. As such, the Suppliers are connected persons of the Company under the Listing Rules. The transactions contemplated under the Material Purchase Framework Agreement constitute continuing connected transactions of the Company.

(D) Service Agreements

1. *New Technical Repair and Maintenance Framework Agreement*

Date:	1 April 2015
Parties:	(i) The Company (representing its subsidiaries, individually the "Employer" or collectively the "Employers") (ii) CP Maintenance Engineering (representing its subsidiaries, individually the "Technician" or collectively the "Technicians")
Term:	1 April 2015 to 31 December 2017
Proposed annual cap:	For each of the nine months and the two financial years ending 31 December 2015, 2016 and 2017, is RMB105,000,000, RMB140,000,000 and RMB140,000,000 respectively.

The previous Technical Repair and Maintenance Framework Agreements entered on 28 December 2012 and 19 December 2013 were simultaneously terminated and replaced upon the signing of the above New Technical Repair and Maintenance Framework Agreement.

Pursuant to the New Technical Repair and Maintenance Framework Agreement, the parties agreed that the Technicians will provide the Employers with repair and maintenance services for their power generating units and related power generating facilities. The Employers shall settle the service fee by cash on a monthly basis or payable with 3 months after completion of the required services.

As the Technicians are subsidiaries of CPI Holding, and CPI Holding is the controlling company of the Company, the entering into the transactions contemplated under the New Technical Repair and Maintenance Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

2. *New Composite Support Services Framework Agreement*

Date:	1 April 2015
Parties:	(i) The Company (representing its subsidiaries, individually the "Employer" or collectively the "Employers") (ii) CPI Holding (representing its subsidiaries, individually the "Contractor" or collectively the "Contractors")
Term:	1 April 2015 to 31 December 2017
Proposed annual cap:	For each of the nine months and the two financial years ending 31 December 2015, 2016 and 2017, is RMB52,500,000, RMB70,000,000 and RMB70,000,000 respectively.

The previous Composite Support Services Framework Agreements entered on 28 December 2012 and 19 December 2013 were simultaneously terminated and replaced upon the signing of the above New Composite Support Services Framework Agreement.

Pursuant to the New Composite Support Services Framework Agreement, the parties agreed that the Contractors will provide the Employers with various supporting services in relation to their daily power plant operations. The Employers shall settle the service fees by cash on a monthly basis or payable within 3 months after completion of the required services.

As the Contractors are subsidiaries of CPI Holding, and CPI Holding is the controlling company of the Company, the entering into the transactions contemplated under the New Composite Support Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

(E) Coal Supply Framework Agreement

1. *Huainan Mining*

Date:	6 December 2013
Parties:	(i) The Company (representing Dabieshan Power Plant, Pingwei Power Plant, Pingwei Power Plant II, Pingwei Power Plant III, Wuhu Electric Power and CP Guorui, the subsidiaries of the Company, and Changshu Power Plant, an associate of the Company, individually the "Purchaser" or collectively the "Purchasers")
	(ii) Huainan Mining
Term:	1 January 2014 to 31 December 2016

Financial year ended 31 December	Annual caps (RMB)
2014	5,694,000,000
2015	7,388,000,000
2016	9,082,000,000

Pursuant to the Huainan Mining Coal Supply Framework Agreement, Huainan Mining will supply coal to the Purchasers. The Purchasers will settle the purchase of coal from Huainan Mining on a monthly basis or such other payments terms as both parties will agree from time to time in contracts.

As Huainan Mining is the substantial shareholder of Pingwei Power Plant II and Dabieshan Power Plant, the subsidiaries of the Company, therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Huainan Mining Coal Supply Framework Agreement constitute continuing connected transactions of the Company.

2. *China Coal Energy*

First Agreement

Date:	16 May 2013
Parties:	(i) The Company (representing its subsidiary, CP Shentou Power Plant, the "Purchaser")
	(ii) China Coal Energy
Term:	Commencing on the date when the agreement was signed and expiring on 31 December 2015

Financial year ended 31 December	Annual caps (RMB)
2013	700,000,000
2014	1,080,000,000
2015	1,116,000,000

Second Agreement

Date:	6 December 2013
Parties:	(i) The Company (representing Dabieshan Power Plant, Pingwei Power Plant, Pingwei Power Plant II, Pingwei Power Plant III, Wuhu Electric Power and CP Guorui, the subsidiaries of the Company, and Changshu Power Plant, an associate of the Company, individually the "Purchaser" or collectively the "Purchasers")
	(ii) China Coal Energy
Term:	1 January 2014 to 31 December 2016

Financial year ended 31 December	Annual caps (RMB)
2014	729,000,000
2015	855,000,000
2016	855,000,000

A new agreement was entered into between the parties in order to replace both of the above first coal supply framework agreement upon its expiry on 31 December 2015 and also the above second coal supply framework agreement that will expire on 31 December 2016.

New Agreement

Date:	30 December 2015
Parties:	(i) The Company (representing its subsidiaries and an associate, collectively the "Purchasers")
	(ii) China Coal Energy
Term:	1 January 2016 to 31 December 2018

Financial year ended 31 December	Annual caps (RMB)
2016	1,520,000,000
2017	1,658,000,000
2018	2,286,000,000

Pursuant to the above three China Coal Energy Coal Supply Framework Agreements, China Coal Energy will supply coal to the Purchasers. The Purchasers will settle the purchase of coal from China Coal Energy on a monthly basis or such other payments terms as both parties will agree from time to time in contracts.

As China Coal Energy is the substantial shareholder of CP Shentou Power Plant, the subsidiary of the Company, therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the China Coal Energy Coal Supply Framework Agreements constitute continuing connected transactions of the Company.

3. *CPI Logistics*

Date:	18 December 2013
Parties:	(i) The Company (representing, including but not limited to Dabieshan Power Plant, Pingwei Power Plant, Pingwei Power Plant II, Pingwei Power Plant III, Wuhu Electric Power and CP Guorui, the subsidiaries of the Company, and Changshu Power Plant, an associate of the Company, individually the "Purchaser" or collectively the "Purchasers") (ii) CPI Logistics
Term:	1 January 2014 to 31 December 2016
Proposed annual cap:	For the three financial years ending 31 December 2014, 2015 and 2016 will not exceed RMB450,000,000 each year.

Pursuant to the CPI Logistics Coal Supply Framework Agreement, CPI Logistics will supply coal to the Purchasers. The Purchasers will settle the purchase of coal from CPI Logistics on a monthly basis or such other payments terms as both parties will agree from time to time in contracts.

As CPI Logistics is a wholly-owned subsidiary of SPIC, the Company's ultimate controlling company, is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the CPI Logistics Coal Supply Framework Agreement constitute continuing connected transactions of the Company.

4. *Qinghe Electric Power*

Date:	20 November 2015
Parties:	(i) The Company (as the agent) (ii) Qinghe Electric Power (as the purchaser)
Term:	1 January 2015 to 31 December 2016
Proposed annual cap:	For the two financial years ending 31 December 2015 and 2016 will be RMB195,000,000 and RMB221,000,000 respectively.

The original Qinghe Coal Supply Framework Agreement entered on 18 December 2013 was supplemented by the above Qinghe Coal Supply Supplemental Agreement to revise the annual caps for the years 2015 and 2016, while all the other terms remained unchanged.

Pursuant to the Qinghe Coal Supply Framework Agreement, the Company will procure and supply coal to Qinghe Electric Power. Qinghe Electric Power will settle the purchase of coal from the Company on a monthly basis or such other payments terms as both parties will agree from time to time in contracts.

As Qinghe Electric Power is a wholly-owned subsidiary of CPI Holding, the Company's controlling company, is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Qinghe Coal Supply Framework Agreement and supplied by the Qinghe Coal Supply Supplemental Agreement constitute continuing connected transactions of the Company.

The Company confirmed that all the above continuing connected transactions have been conducted in accordance with the specific pricing policies and guidelines of the aforesaid agreements as disclosed during the year under review.

RELATED PARTIES TRANSACTIONS

During the year 2015, those related party transactions listed under Note 42 to the Consolidated Financial Statements which were connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules include:

- (a)(ii) Rental income from a fellow subsidiary
- (a)(iii) Management fee income from CPI Holding
- (a)(vii) Sales of fuel, raw materials and spare parts to fellow subsidiaries
- (b)(i) Purchases of fuel, raw materials and spare parts from fellow subsidiaries, companies controlled by SPIC and non-controlling shareholders of subsidiaries
- (b)(ii) Service fees to fellow subsidiaries
- (b)(v) Operating lease rental expenses paid to SPIC and CPI Holding
- (b)(vi) Purchase of unused power production quota from a company controlled by SPIC
- (g) Purchases of property, plant and equipment from fellow subsidiaries

In the opinion of the Directors, the Company has complied with the disclosure requirements in accordance with the relevant Listing Rules.

REVIEW BY AUDIT COMMITTEE MEMBERS AND AUDITOR

The independent non-executive Directors have reviewed the above continuing connected transactions during the year and confirmed that the transactions have been entered into:

(1) in the ordinary and usual course of business of the Company;

(2) on normal commercial terms and no less favourable than those available to or from independent third parties; and

(3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company has engaged the Auditor to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified report containing the findings and conclusions in respect of the continuing connected transactions for the year ended 31 December 2015 as disclosed by the Group set out on pages 82 to 88 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

The Company has complied with the requirements set out in Chapter 14A of the Listing Rules.

Save as disclosed above, no contracts of significance to which the Company, its subsidiaries, its holding companies, associates or joint ventures was a party subsisted at any time during the year or at the end of the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2015.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2015, the aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 78.24% of the Group's total purchases and purchases attributable to the Group's largest supplier accounted for approximately 47.52% of the Group's total purchases.

For the year ended 31 December 2015, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 86.42% of the Group's total turnover and turnover attributable to the Group's largest customer accounted for approximately 27.33% of the Group's total turnover.

At no time during the year did a Director, an associate of a Director and a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

PUBLIC FLOAT

As at the date of this annual report, based on public information available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, being no less than 25% of the issued share capital of the Company as required under the Listing Rules.

AUDITOR

The Consolidated Financial Statements have been audited by Deloitte Touche Tohmatsu who retire and, being eligible, offered themselves for re-appointment.

On behalf of the Board
China Power International Development Limited

Wang Binghua
Chairman

Hong Kong, 23 March 2016

Deloitte.
德勤

TO THE SHAREHOLDERS OF
CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of China Power International Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 93 to 196, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

23 March 2016

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Note	Year ended 31 December 2015 RMB'000	2014 RMB'000
Revenue	5	**20,196,670**	20,447,151
Other income	6	**551,873**	396,985
Fuel costs		**(6,141,811)**	(7,941,928)
Depreciation		**(3,033,403)**	(2,819,811)
Staff costs	11	**(1,931,765)**	(1,599,793)
Repairs and maintenance		**(630,500)**	(704,839)
Consumables		**(308,581)**	(235,792)
Other gains/(losses), net	7	**856,593**	(247,437)
Other operating expenses		**(1,697,287)**	(1,404,743)
Operating profit	8	**7,861,789**	5,889,793
Finance income	9	**42,866**	52,430
Finance costs	9	**(2,238,296)**	(2,366,120)
Share of profits of associates		**740,551**	640,374
Share of profits of joint ventures		**146,114**	86,270
Profit before taxation		**6,553,024**	4,302,747
Income tax expense	10	**(1,223,426)**	(660,215)
Profit for the year		**5,329,598**	3,642,532
Attributable to:			
Owners of the Company		**4,149,018**	2,765,886
Non-controlling interests		**1,180,580**	876,646
		5,329,598	3,642,532
Earnings per share for profit attributable to owners of the Company during the year (expressed in RMB per share)			
— Basic	12	**0.58**	0.42
— Diluted	12	**0.56**	0.38

Details of the dividends payable to owners of the Company attributable to the profit for the year are set out in Note 13.

The notes on pages 100 to 196 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Profit for the year	**5,329,598**	3,642,532
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss:		
— Fair value gain on available-for-sale financial assets, net of tax	**2,648,487**	959,240
— Release on disposal of available-for-sale financial assets, net of tax	**(881,395)**	–
Total comprehensive income for the year, net of tax	**7,096,690**	4,601,772
Attributable to:		
Owners of the Company	**5,916,110**	3,725,126
Non-controlling interests	**1,180,580**	876,646
Total comprehensive income for the year	**7,096,690**	4,601,772

The notes on pages 100 to 196 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	As at 31 December 2015 RMB'000	2014 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**68,130,725**	66,741,330
Prepayments for construction of power plants	16	**1,412,492**	432,289
Prepaid lease payments	17	**714,870**	700,762
Goodwill	18	**835,165**	835,165
Interests in associates	19	**2,950,049**	2,718,235
Interests in joint ventures	20	**555,253**	632,636
Available-for-sale financial assets	21	**5,502,373**	3,305,780
Other non-current assets	23	**241,548**	382,773
Deferred income tax assets	37	**158,213**	106,442
Restricted deposits	39	**330,032**	300,000
Derivative financial instruments	36	**202,840**	–
		81,033,560	76,155,412
Current assets			
Inventories	22	**319,101**	493,598
Prepaid lease payments	17	**16,053**	15,482
Accounts receivable	24	**2,637,936**	2,239,128
Prepayments, deposits and other receivables		**620,202**	790,723
Amounts due from related parties	25	**77,525**	335,580
Tax recoverable		**3,909**	8,053
Restricted deposits	39	**6,809**	41,353
Cash and cash equivalents	26	**1,528,017**	1,126,917
Assets held for sale	38	**–**	589,545
		5,209,552	5,640,379
Total assets		**86,243,112**	81,795,791
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	27	**13,534,145**	12,730,145
Reserves	28	**13,786,383**	9,133,624
		27,320,528	21,863,769
Non-controlling interests	43	**6,905,271**	5,385,992
Total equity		**34,225,799**	27,249,761

The notes on pages 100 to 196 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	As at 31 December 2015 RMB'000	2014 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income		**42,889**	31,423
Bank borrowings	29	**25,979,727**	25,584,998
Borrowings from related parties	30	**2,303,511**	2,484,816
Other borrowings	31	**2,997,530**	3,729,444
Obligations under finance leases	32	**1,180,095**	1,158,171
Deferred income tax liabilities	37	**1,968,569**	1,354,453
Provisions for other long-term liabilities	33	**906,339**	936,257
		35,378,660	35,279,562
Current liabilities			
Accounts and bills payables	34	**619,245**	1,101,550
Construction costs payable		**3,409,170**	3,409,235
Other payables and accrued charges	35	**1,253,340**	1,261,230
Amounts due to related parties	25	**692,782**	453,501
Bank borrowings	29	**6,862,469**	7,966,279
Borrowings from related parties	30	**713,800**	1,370,295
Other borrowings	31	**2,448,080**	3,135,700
Current portion of obligations under finance leases	32	**202,573**	118,950
Taxation payable		**437,194**	449,728
		16,638,653	19,266,468
Total liabilities		**52,017,313**	54,546,030
Total equity and liabilities		**86,243,112**	81,795,791
Net current liabilities		**11,429,101**	13,626,089
Total assets less current liabilities		**69,604,459**	62,529,323

The consolidated financial statements on pages 93 to 196 were approved and authorised for issue by the Board on 23 March 2016 and are signed on its behalf by:

Yu Bing
Director

Wang Zichao
Director

The notes on pages 100 to 196 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company					
	Share capital (Note 27(a)) RMB'000	Other reserves (Note 28) RMB'000	Retained earnings (Note 28(iv)) RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2015	**12,730,145**	**4,720,843**	**4,412,781**	**21,863,769**	**5,385,992**	**27,249,761**
Profit for the year	–	–	4,149,018	4,149,018	1,180,580	5,329,598
Other comprehensive income/(expense):						
Fair value gain on available-for-sale financial assets	–	3,527,087	–	3,527,087	–	3,527,087
Deferred tax on fair value gain on available-for-sale financial assets (Note 37)	–	(878,600)	–	(878,600)	–	(878,600)
Release on disposal of available-for-sale financial assets	–	(1,175,193)	–	(1,175,193)	–	(1,175,193)
Release of deferred tax upon disposal of available-for-sale financial assets (Note 37)	–	293,798	–	293,798	–	293,798
Total comprehensive income for the year	–	1,767,092	4,149,018	5,916,110	1,180,580	7,096,690
Lapse of share options	–	(1,971)	1,971	–	–	–
Transfer to statutory reserves	–	115,810	(115,810)	–	–	–
Issue of new shares upon conversion of convertible bonds	804,000	(104,547)	42,184	741,637	–	741,637
Contribution from non-controlling shareholders of subsidiaries	–	12,299	–	12,299	599,603	611,902
Dividends recognised as distribution to non-controlling shareholders of subsidiaries	–	–	–	–	(217,861)	(217,861)
2014 final dividend	–	–	(1,219,003)	(1,219,003)	–	(1,219,003)
Acquisition of non-controlling interests (Note 43(v))	–	5,716	–	5,716	(43,043)	(37,327)
Total transactions recognised directly in equity	804,000	27,307	(1,290,658)	(459,351)	338,699	(120,652)
Balance at 31 December 2015	**13,534,145**	**6,515,242**	**7,271,141**	**27,320,528**	**6,905,271**	**34,225,799**

The notes on pages 100 to 196 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company						
	Share capital (Note 27(a)) RMB'000	Share premium (Note 27(a)) RMB'000	Other reserves (Note 28) RMB'000	Retained earnings (Note 28(iv)) RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2014	6,161,388	5,773,347	3,745,902	2,741,019	18,421,656	4,865,487	23,287,143
Profit for the year	–	–	–	2,765,886	2,765,886	876,646	3,642,532
Other comprehensive income/(expense):							
Fair value gain on available-for-sale financial assets	–	–	1,278,987	–	1,278,987	–	1,278,987
Deferred tax on fair value gain on available-for-sale financial assets (Note 37)	–	–	(319,747)	–	(319,747)	–	(319,747)
Total comprehensive income for the year	–	–	959,240	2,765,886	3,725,126	876,646	4,601,772
Exercise of share options	8,425	–	(4,771)	4,771	8,425	–	8,425
Lapse of share options	–	–	(3,025)	3,025	–	–	–
Transfer to statutory reserves	–	–	127,099	(127,099)	–	–	–
Issue of new shares upon conversion of convertible bonds	758,419	28,566	(103,602)	62,756	746,139	–	746,139
Transition to no-par value regime on 3 March 2014	5,801,913	(5,801,913)	–	–	–	–	–
Contribution from a non-controlling shareholder of a subsidiary	–	–	–	–	–	280,460	280,460
Dividends recognised as distribution to non-controlling shareholders of subsidiaries	–	–	–	–	–	(636,601)	(636,601)
2013 final dividend	–	–	–	(1,037,577)	(1,037,577)	–	(1,037,577)
Total transactions recognised directly in equity	6,568,757	(5,773,347)	15,701	(1,094,124)	(283,013)	(356,141)	(639,154)
Balance at 31 December 2014	12,730,145	–	4,720,843	4,412,781	21,863,769	5,385,992	27,249,761

The notes on pages 100 to 196 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Note	Year ended 31 December 2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Cash generated from operations	40(a)	**10,531,246**	9,093,676
Interest paid		**(2,327,619)**	(2,580,620)
PRC income tax paid		**(1,261,681)**	(832,232)
Net cash generated from operating activities		**6,941,946**	5,680,824
Cash flows from investing activities			
Payments for property, plant and equipment		**(2,792,473)**	(2,670,146)
Prepayments for construction of power plants		**(2,643,565)**	(2,420,420)
Payments for prepaid lease payments		**(30,719)**	(20,096)
Proceeds from disposal of property, plant and equipment		**115,369**	135,621
Proceeds from disposal of available-for-sale financial assets		**1,330,494**	–
Repayment of loans from related parties		**–**	700,000
Capital injection to associates		**(121,800)**	(304,000)
Capital injection to a joint venture		**–**	(10,000)
Repayment from/(advances to) an associate		**150,000**	(205,080)
Dividends received		**793,007**	596,021
Interest received		**42,866**	52,430
Net cash used in investing activities		**(3,156,821)**	(4,145,670)
Cash flows from financing activities			
Drawdown of bank borrowings	40(b)	**11,415,483**	9,293,981
Drawdown of borrowings from related parties	40(b)	**1,093,295**	640,000
Drawdown of short-term other borrowings	40(b)	**–**	50,000
Proceeds from issue of short-term debentures	40(b)	**500,000**	–
Proceeds from issue of commercial notes	40(b)	**–**	1,835,700
Proceeds from issue of corporate bonds	31	**–**	2,000,000
Proceeds from exercise of share options		**–**	8,425
Contributions from non-controlling shareholders of subsidiaries	40(b)	**611,902**	280,460
Repayment of bank borrowings	40(b)	**(12,142,030)**	(11,244,402)
Repayment of borrowings from related parties	40(b)	**(1,931,095)**	(2,007,800)
Repayment of other borrowings	40(b)	**(1,300,000)**	(650,000)
Payments for obligations under finance leases	40(b)	**(161,491)**	(146,633)
Acquisition of non-controlling interests		**(37,327)**	–
Dividend paid	13	**(1,219,003)**	(1,037,577)
Dividends paid to non-controlling shareholders of subsidiaries		**(217,861)**	(779,834)
Net decrease/(increase) in restricted deposits		**4,512**	(292,126)
Net cash used in financing activities		**(3,383,615)**	(2,049,806)
Net increase/(decrease) in cash and cash equivalents		**401,510**	(514,652)
Cash and cash equivalents at 1 January		**1,126,917**	1,641,368
Exchange (losses)/gains, net		**(410)**	201
Cash and cash equivalents at 31 December	26	**1,528,017**	1,126,917

The notes on pages 100 to 196 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

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

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

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

The directors of the Company (the "Directors") previously regarded China Power Investment Corporation (中國電力投資集團公司) ("CPI Group"), a wholly state-owned enterprise established in the PRC which is the beneficial owner of CPIH, as the ultimate holding company. During the year ended 31 December 2015, the State Council of the PRC has approved CPI Group for reorganisation with State Nuclear Power Technology Corporation (國家核電技術公司) to form the State Power Investment Corporation (國家電力投資集團公司) ("SPIC"). The Directors regard SPIC as the ultimate holding company after completion of the reorganisation.

These consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and have been approved by the board of Directors (the "Board") on 23 March 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). These consolidated financial statements have been prepared under the historical cost convention except that certain available-for-sale financial assets and the derivative financial instruments are measured at fair value, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

As at 31 December 2015, the Group had net current liabilities of RMB11,429,101,000. In preparing these consolidated financial statements, the Directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As of 31 December 2015, the Group had unutilised banking and short-term debentures facilities available amounting to approximately RMB22,885,820,000 and will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable. Under these circumstances, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and therefore have prepared these consolidated financial statements on a going concern basis.

The provisions of the new Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the "new CO") regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor Company Ordinance (Cap. 32 of the Laws of Hong Kong) or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) Effect of adopting amendments to standards

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

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

The following new standards and amendments to standards have been issued but are not effective and have not been early adopted by the Group:

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

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after a date to be determined

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

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

HKFRS 9 Financial Instruments (Continued)

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of Hong Kong Accounting Standard ("HKAS") 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group has a continuous assessment of the related impact of the application of HKFRS 9 and expects there will be no material impact on the results and financial position of the Group based on the review of the Group's financial instruments as at 31 December 2015 and the Group's existing business model.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

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

Amendments to HKAS 1 Disclosure Initiative

The amendments to HKAS 1 "Presentation of Financial Statements" give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The Group does not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised or the presentation and disclosure in the Group's consolidated financial statements.

The Group anticipates that there will be no material changes to the Group's results, financial position and presentation of the consolidated financial statements on adoption of the other new standards and amendments to standards.

2.2 Consolidation

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation *(Continued)*

(a) Subsidiaries *(Continued)*

(i) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation *(Continued)*

(b) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interests in associates are recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation *(Continued)*

(c) Joint ventures

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The principal activities of the Group are mainly transacted in RMB and accordingly the consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance costs". All other foreign exchange gains and losses are presented in the income statement within "other gains/(losses), net".

Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the "Available-for-sale financial assets reserve" in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation *(Continued)*

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of that reporting period;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.4 Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less accumulated depreciation and impairment losses. Cost includes purchase price of the asset, costs transferred from construction in progress and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment (other than construction in progress) is calculated using the straight-line method to allocate their costs less accumulated impairment losses over their estimated useful lives to their residual values, as follows:

Dam	30–50 years
Buildings	8–45 years
Leasehold improvements	Shorter of 5 years and over the lease term
Power generators and equipment	9–28 years
Electricity supply equipment	13–30 years
Furniture and fixture	3–5 years
Tools and other equipment	3–18 years
Transportation facilities	2–12 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment *(Continued)*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9). Such impairment losses are recognised in the income statement.

Gains or losses on disposals are determined by comparing the net sales proceeds with the carrying amount of the relevant assets and are recognised in the income statement.

2.5 Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets are stated at the lower of carrying amount and fair value less costs of disposal.

When the sales of the non-current assets classified as held for sale are no longer highly probable, the Group ceases to classify the asset as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale at the lower of: (a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and (b) its recoverable amount at the date of the subsequent decision not to sell.

The Group includes any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale in profit or loss in the period in which the sales of such non-current assets are no longer highly probable.

2.6 Construction in progress

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the costs of plant and machinery, direct labour costs and overheads and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for the intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated in Note 2.4 above.

2.7 Prepaid lease payments

Prepaid lease payments are stated at cost less accumulated amortisation and accumulated impairment losses (if any). Cost mainly represents consideration paid for the rights to use the land on which various plants and buildings are situated for a period of 23 to 69 years from the date the respective right was granted. Amortisation of prepaid lease payments is calculated on a straight-line basis over the period of the prepaid lease payments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation/depreciation and are at least tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("CGUs"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of the Group's financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets *(Continued)*

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Group's loans and receivables include accounts and other receivables, deposits, amounts due from related parties and bank deposits and balances in the consolidated statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period.

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "other gains/(losses), net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement within "other gains/(losses), net".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets *(Continued)*

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. However, if the range of reasonable fair value estimate is significant and the probabilities of the various estimate cannot be reasonably assessed, such financial assets are carried at cost less accumulated impairment losses.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of financial assets *(Continued)*

For equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the income statement.

2.12 Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.13 Inventories

Inventories comprise coal, oil, consumable supplies and spare parts held for consumption and usage and are stated at the lower of cost and net realisable value after provision for obsolete items, and are expensed to fuel costs or repairs and maintenance expense when used, or capitalised to property, plant and equipment when installed, as appropriate using weighted average method. Cost comprises purchase price and other costs incurred in bringing the inventories to their present location and condition and excludes borrowing costs.

2.14 Accounts and other receivables

Accounts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. If collection of accounts and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Restricted deposits are separately disclosed from cash and cash equivalents.

2.16 Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Accounts and other payables (including construction costs payable and amounts due to related parties) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. An equity instrument is any contract that does not meet the definition of financial liability and evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Convertible bonds

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The liability component of a compound financial instrument is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Current and deferred income tax *(Continued)*

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the places where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable rights to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Employee benefits

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's contributions to the Mandatory Provident Fund Scheme established under the Hong Kong Mandatory Provident Fund Schemes Ordinance are expensed as incurred. Both the Group and its employees in Hong Kong are required to contribute 5% of each individual's relevant income with a maximum amount of HK$1,500 per month as a mandatory contribution. Employees may also elect to contribute more than the minimum as a voluntary contribution. The assets of the scheme are held separately from those of the Group and managed by independent professional fund managers. The Group has no future payment obligation once the contributions have been paid.

For employees in Mainland China, the Group contributes on a monthly basis to various defined contribution plans organised by the relevant municipal and provincial governments in the PRC based on certain percentage of the relevant employees' monthly salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further constructive obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

All contributions to pension plans are fully and immediately vested and the Group had no unvested benefits available to reduce its future contributions.

(b) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(c) Share-based compensation expense

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the share options granted including any market performance conditions (for example, an entity's share price); excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets, forfeiture rate and remaining an employee of the entity over a specific time period), and including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Employee benefits *(Continued)*

(c) Share-based compensation expense *(Continued)*

At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

2.21 Provisions

Provisions (including environmental restoration provisions) are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

2.22 Government grants

Grants and subsidies from the government are recognised at their fair value where there is a reasonable assurance that the grant or subsidy will be received and the Group will comply with all attached conditions.

Government grants and subsidies relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants and subsidies relating to property, plant and equipment and other environmental improvement projects are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets and projects.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Finance lease

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in short-term and long-term finance lease obligations. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.24 Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made or received under operating leases (net of any incentives received from the lessor) are charged or credited to the income statement on a straight-line basis over the period of the lease.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors and certain senior management that make strategic decisions.

2.26 Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax ("VAT") and discounts and after eliminating sales within the Group.

The Group recognises revenue and income when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(i) Sales of electricity are recognised when electricity is generated and transmitted.

(ii) Sales of electricity quota and unused power production quota are recognised when contracts are executed by the counterparties.

(iii) Sales of emission quotas are recognised when the registration of change of title has been completed.

(iv) Hotel revenue from room rentals, food and beverages sales, and other ancillary services are recognised upon the provision of the relevant goods and services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue and income recognition *(Continued)*

(v) Management fee income and service fee income are recognised when services are rendered.

(vi) Dividend income is recognised when the Group's right to receive payments is established.

(vii) Interest income is recognised on a time-proportion basis using the effective interest method.

(viii) Operating lease rental income is recognised on a straight-line basis over the lease periods.

(ix) Profits on trading of coal, coal by-products and spare parts are recognised when the goods are delivered to the customers.

(x) Income from the provision of repairs and maintenance services is recognised upon the provision of service.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or Directors as appropriate.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, interest rate risks and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions settled in RMB. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk primarily with respect to Japanese Yen ("JPY"), Hong Kong dollars ("HK$") and United States dollars ("US$").

The Group's assets and liabilities, and transactions arising from its operations primarily do not expose to material foreign exchange risk. Other than certain of its bank and other borrowings, and certain cash and cash equivalents, the Group's assets and liabilities are primarily denominated in RMB. The Group generates RMB from sales in the PRC to meet its liabilities denominated in RMB.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(Continued)*

(a) Foreign exchange risk *(Continued)*

At 31 December 2015, the Group was exposed to foreign exchange risk primarily with respect to certain of its bank borrowings which were denominated in JPY and US$, commercial notes which were denominated in US$, and certain of its cash and cash equivalents which were denominated in US$ and HK$, details of which have been disclosed in Note 29, Note 31(e) and Note 26 respectively.

The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates. Management also used certain derivative financial instruments to manage foreign exchange exposures. As at 31 December 2015, the Group had certain derivative financial instruments mainly to sell RMB for US$, details of which have been disclosed in Note 36.

RMB experienced certain depreciation against JPY and US$ during the year which is the major reason for the exchange differences recognised by the Group for the year. Further exchange rate fluctuation of JPY and US$ against RMB will affect the Group's financial position and results of operations.

At 31 December 2015, if RMB had weakened/strengthened by 5% (2014: 5%) against JPY, with all other variables held constant, post-tax profit for the year would have been approximately RMB13,494,000 lower/higher (2014: RMB25,217,000 lower/higher), mainly as a result of foreign exchange losses/gains on translation of JPY-denominated borrowings.

At 31 December 2015, if RMB had weakened by 5% (2014: 5%) against US$, with all other variables held constant, post-tax profit for the year would have been RMB7,464,000 lower (2014:RMB85,571,000 lower), which is the combined results of foreign exchange losses on translation of US$-denominated borrowings and bank deposits, and fair value gain on derivative financial instruments.

At 31 December 2015, if RMB had strengthened by 5% (2014: 5%) against US$, with all other variables held constant, post-tax profit for the year would have been RMB14,214,000 higher (2014: RMB85,571,000 higher), which is the combined results of foreign exchange gains on translation of US$-denominated borrowings and bank deposits, and fair value loss on derivative financial instruments.

At 31 December 2015, if RMB had weakened/strengthened by 5% (2014: 5%) against HK$, with all other variables held constant, post-tax profit for the year would have been RMB3,359,000 higher/lower (2014: RMB776,000 higher/lower), mainly as a result of foreign exchange gains/losses on translation of HK$-denominated bank deposits.

In the Group management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(Continued)*

(b) Interest rate risks

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing assets mainly include an amount due from an associate, and bank balances and deposits, details of which have been disclosed in Notes 25 to 26. The Group's exposure to changes in interest rates is mainly attributable to its borrowings, details of which have been disclosed in Notes 29 to 31. Borrowings carried at floating rates expose the Group to cash flow interest rate risk whereas borrowings carried at fixed rates expose the Group to fair value interest rate risk, details of which have been disclosed in Notes 29 to 31. The Group has not used any specific interest rate swap contracts to hedge its exposure to interest rate risk.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of People's Bank of China interest rate arising from the Group's RMB denominated floating rate bank borrowings.

At 31 December 2015, if the interest rates on bank borrowings and borrowings from related parties had been 50 basis points (2014: 50 basis points) higher/lower than the prevailing interest rates, with all other variables held constant, post-tax profit for the year (net of interest capitalised) would have been RMB89,954,000 lower/higher (2014: RMB160,989,000 lower/higher) mainly as a result of higher/lower interest expense on floating rate bank borrowings and borrowings from related parties.

(c) Price risk

The Group is exposed to equity securities price risk in respect of investments held by the Group which are classified as available-for-sale financial assets. Most of the Group's available-for-sale financial assets are publicly traded. However, the Group does not trade these investments as such investments are held for strategic rather than trading purpose. The stock market is relatively more volatile in recent years. At 31 December 2015, if the quoted market price of the equity investments held by the Group had increased/decreased by 10% to 30% (2014: 10% to 30%), with all other variables held constant, the results of the Group would have been unaffected as these investments are classified as available-for-sale and no investments had been considered impaired; and equity would have been RMB401,075,000 to RMB1,203,225,000 (2014: RMB236,330,000 to RMB708,990,000) higher/lower, mainly as a result of the changes in fair value of available-for-sale financial assets.

The Group also exposes to commodity price risk mainly in relation to the coal price. The Group manages such risk by entering into certain bulk purchase agreements with coal suppliers and continues to look for development of coal mine projects.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(Continued)*

(d) Credit risk

The Group's credit risk primarily arises from cash at bank and time deposits (Note 26), accounts receivable (Note 24), amounts due from related parties (Note 25), and deposits and other receivables.

Substantially all of the Group's cash at bank and time deposits are held in major financial institutions, which management believes are of high credit quality. Management does not expect any losses from non-performance by these counterparties.

The Group is exposed to significant concentration of credit risk in terms of electricity sales as a majority of the Group's sales of electricity were made to regional and provincial power grid companies. The Group normally grants credit terms ranging from 15 to 90 days to these power grid companies and the Group normally does not require collaterals from trade debtors. Ageing analysis of the Group's accounts receivable is disclosed in Note 24. Management does not expect any losses from non-performance by these counterparties.

Management makes periodic collective assessment as well as individual assessment on the recoverability of all loans and receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors. The Group's historical experience in collection of loans and receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible receivables has been made.

(e) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of credit facilities.

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

As at 31 December 2015, the net current liabilities of the Group amounted to RMB11,429,101,000. Management monitors regularly the Group's current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of facilities to meet its working capital requirements. The amount of banking and short-term debentures facilities available at the end of reporting period are disclosed in Notes 29(f) and 31(d) to the financial statements. The Directors believe that the Group's current operating cash flows and credit facilities from banks are sufficient for financing its capital commitments in the near future and for working capital purposes.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(Continued)*

(e) Liquidity risk *(Continued)*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash outflows.

	Group			
	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 3 and 5 years RMB'000	Over 5 years RMB'000
At 31 December 2015				
Payables and accruals	**4,788,322**	**–**	**–**	**–**
Amounts due to related parties	**694,179**	**–**	**–**	**–**
Bank borrowings	**8,509,539**	**5,775,802**	**13,091,049**	**21,740,854**
Borrowings from related parties	**858,505**	**120,233**	**2,392,557**	**10,659**
Other borrowings	**2,601,282**	**2,077,941**	**1,057,748**	**–**
Obligations under finance leases	**283,499**	**490,299**	**713,779**	**113,519**
At 31 December 2014				
Payables and accruals	5,327,841	–	–	–
Amounts due to related parties	455,896	–	–	–
Bank borrowings	9,671,674	5,913,438	13,502,664	18,739,278
Borrowings from related parties	1,534,781	577,567	2,216,924	16,729
Other borrowings	3,335,178	162,322	3,958,538	–
Obligations under finance leases	188,872	259,601	1,022,254	12,974

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic condition. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or to obtain bank and other borrowings.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debts (including current and non-current borrowings as well as obligations under finance leases as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the consolidated statement of financial position, plus net debt.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management *(Continued)*

The table below analyses the Group's capital structure as at 31 December 2015.

	2015 RMB'000	2014 RMB'000
Bank borrowings (Note 29)	**32,842,196**	33,551,277
Borrowings from related parties (Note 30)	**3,017,311**	3,855,111
Other borrowings (Note 31)	**5,445,610**	6,865,144
Obligations under finance leases (Note 32)	**1,382,668**	1,277,121
Less: Cash and cash equivalents (Note 26)	**(1,528,017)**	(1,126,917)
Net debt	**41,159,768**	44,421,736
Total equity	**34,225,799**	27,249,761
Total capital	**75,385,567**	71,671,497
Gearing ratio	**55%**	62%

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2015 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2015				
Assets				
Available-for-sale financial assets				
— equity securities	**5,347,661**	**–**	**–**	**5,347,661**
Derivative financial instruments	**–**	**–**	**202,840**	**202,840**
At 31 December 2014				
Assets				
Available-for-sale financial assets				
— equity securities	3,151,068	–	–	3,151,068

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

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

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

- Quoted market prices or dealer quotes for similar instruments.

- Other techniques, such as discounted cash flow analysis and option pricing model.

The following table presents the changes in derivative financial instruments for the year:

	RMB'000
At 1 January 2015	**–**
Addition	**141,757**
Fair value gain recognised in the consolidated income statement (Note 7)	**61,083**
At 31 December 2015	**202,840**

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives, residual values and depreciation charge of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment, other than construction in progress. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. It could change significantly as a result of technological advancement and innovations in the power industry. Management will adjust the depreciation charge where useful lives or residual values vary with previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods. At 31 December 2015, the carrying amount of property, plant and equipment, other than construction in progress is RMB64,097,084,000 (2014: RMB59,065,388,000).

(ii) Impairment of non-financial assets

The Group tests annually whether goodwill has suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on higher of value in use calculations and fair value less costs of disposal. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated income statement.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) Impairment of non-financial assets *(Continued)*

During the year ended 31 December 2015, pursuant to the State policy of energy saving and environmental protection issued during the year, certain power generators and equipment, as well as certain buildings in coal-fired power plants, which belong to the "Coal-fired electricity segment", are subjected to pollutant-reduction-related upgrades and are expected to be dismantled in 2016. The aforesaid assets are stated at its recoverable amounts which are assessed by the management of the Group, and accordingly management has made a provision for impairment of property, plant and equipment of RMB291,701,000 (2014: Nil) which was charged to the consolidated income statement as other losses.

During the year ended 31 December 2014, one power generator ceased operation and is stated at its recoverable amount of RMB16,053,000. Management has made a provision for impairment of property, plant and equipment of RMB165,371,000 and it was recognised in the consolidated income statement.

(iii) Current and deferred income tax expenses

The Group is subject to income taxes in various jurisdictions. Judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation charges in the period in which such estimate is changed.

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

Revenue, representing turnover net of sales related taxes, recognised during the year is as follows:

	2015 **RMB'000**	2014 RMB'000
Sales of electricity to regional and provincial power grid companies (note (a))	**20,173,845**	20,429,306
Provision for power generation and related services (note (b))	**22,825**	17,845
	20,196,670	20,447,151

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Notes:

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

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

Segment information

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

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

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

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

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

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Year ended 31 December 2015					
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue						
Sales of electricity	14,483,727	5,537,358	152,760	20,173,845	–	20,173,845
Provision for power generation and related services	22,825	–	–	22,825	–	22,825
	14,506,552	5,537,358	152,760	20,196,670	–	20,196,670
Segment results	3,352,518	3,573,129	30,302	6,955,949	–	6,955,949
Unallocated income	–	–	–	–	1,444,503	1,444,503
Unallocated expenses	–	–	–	–	(538,663)	(538,663)
Operating profit	3,352,518	3,573,129	30,302	6,955,949	905,840	7,861,789
Finance income	6,583	13,883	349	20,815	22,051	42,866
Finance costs	(602,829)	(1,276,188)	(12,636)	(1,891,653)	(346,643)	(2,238,296)
Share of profits of associates	732,584	–	–	732,584	7,967	740,551
Share of profits/(losses) of joint ventures	162,137	–	–	162,137	(16,023)	146,114
Profit before taxation	3,650,993	2,310,824	18,015	5,979,832	573,192	6,553,024
Income tax (expense)/credit	(553,288)	(374,896)	6,818	(921,366)	(302,060)	(1,223,426)
Profit for the year	3,097,705	1,935,928	24,833	5,058,466	271,132	5,329,598
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure						
— Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	3,925,943	413,533	1,139,719	5,479,195	1,276	5,480,471
Depreciation of property, plant and equipment	1,745,360	1,218,096	60,689	3,024,145	9,258	3,033,403
Amortisation of prepaid lease payments	9,204	5,405	25	14,634	1,406	16,040
Loss on disposal of property, plant and equipment, net	196,567	83	–	196,650	–	196,650
Impairment of property, plant and equipment	291,701	32,576	–	324,277	–	324,277
Impairment of interest in a joint venture	–	–	–	–	156,370	156,370
Impairment of inventories	7,075	–	–	7,075	–	7,075

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	As at 31 December 2015					
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets						
Other segment assets	35,536,059	36,612,423	2,670,719	74,819,201	–	74,819,201
Goodwill	67,712	767,453	–	835,165	–	835,165
Interests in associates	2,851,030	–	–	2,851,030	99,019	2,950,049
Interests in joint ventures	484,693	–	–	484,693	70,560	555,253
	38,939,494	37,379,876	2,670,719	78,990,089	169,579	79,159,668
Available-for-sale financial assets	–	–	–	–	5,502,373	5,502,373
Derivative financial instruments	–	–	–	–	202,840	202,840
Deferred income tax assets	–	–	–	–	158,213	158,213
Other unallocated assets	–	–	–	–	1,220,018	1,220,018
Total assets per consolidated statement of financial position	38,939,494	37,379,876	2,670,719	78,990,089	7,253,023	86,243,112
Segment liabilities						
Other segment liabilities	(4,720,479)	(2,912,194)	(243,358)	(7,876,031)	–	(7,876,031)
Borrowings	(12,088,645)	(22,546,892)	(939,500)	(35,575,037)	(5,730,080)	(41,305,117)
	(16,809,124)	(25,459,086)	(1,182,858)	(43,451,068)	(5,730,080)	(49,181,148)
Taxation payable	–	–	–	–	(437,194)	(437,194)
Deferred income tax liabilities	–	–	–	–	(1,968,569)	(1,968,569)
Other unallocated liabilities	–	–	–	–	(430,402)	(430,402)
Total liabilities per consolidated statement of financial position	(16,809,124)	(25,459,086)	(1,182,858)	(43,451,068)	(8,566,245)	(52,017,313)

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Year ended 31 December 2014					
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue						
Sales of electricity	15,348,852	4,986,781	93,673	20,429,306	–	20,429,306
Provision for power generation and related services	17,845	–	–	17,845	–	17,845
	15,366,697	4,986,781	93,673	20,447,151	–	20,447,151
Segment results	2,887,665	3,040,611	27,068	5,955,344	–	5,955,344
Unallocated income	–	–	–	–	149,241	149,241
Unallocated expenses	–	–	–	–	(214,792)	(214,792)
Operating profit	2,887,665	3,040,611	27,068	5,955,344	(65,551)	5,889,793
Finance income	8,416	16,047	76	24,539	27,891	52,430
Finance costs	(931,560)	(1,373,147)	(30,500)	(2,335,207)	(30,913)	(2,366,120)
Share of profits of associates	623,909	–	–	623,909	16,465	640,374
Share of profits/(losses) of joint ventures	98,349	–	–	98,349	(12,079)	86,270
Profit/(loss) before taxation	2,686,779	1,683,511	(3,356)	4,366,934	(64,187)	4,302,747
Income tax (expense)/credit	(293,211)	(368,052)	3,655	(657,608)	(2,607)	(660,215)
Profit/(loss) for the year	2,393,568	1,315,459	299	3,709,326	(66,794)	3,642,532
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure						
— Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	3,720,287	3,311,630	725,772	7,757,689	10,500	7,768,189
Depreciation of property, plant and equipment	1,656,952	1,123,461	29,877	2,810,290	9,521	2,819,811
Amortisation of prepaid lease payments	10,396	4,358	–	14,754	1,144	15,898
Loss/(gain) on disposal of property, plant and equipment, net	206,837	526	1,524	208,887	(126)	208,761
Impairment of other receivables	–	67	–	67	–	67
Impairment of property, plant and equipment	180,665	–	–	180,665	–	180,665
Impairment of assets held for sale	–	77,802	–	77,802	–	77,802
Impairment of inventories	4,096	–	–	4,096	–	4,096

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	As at 31 December 2014					
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets						
Other segment assets	34,203,413	37,143,924	1,049,309	72,396,646	–	72,396,646
Goodwill	67,712	767,453	–	835,165	–	835,165
Interests in associates	2,650,417	23,851	–	2,674,268	43,967	2,718,235
Interests in joint ventures	389,684	–	–	389,684	242,952	632,636
Assets held for sale	–	589,545	–	589,545	–	589,545
	37,311,226	38,524,773	1,049,309	76,885,308	286,919	77,172,227
Available-for-sale financial assets	–	–	–	–	3,305,780	3,305,780
Deferred income tax assets	–	–	–	–	106,442	106,442
Other unallocated assets	–	–	–	–	1,211,342	1,211,342
Total assets per consolidated statement of financial position	37,311,226	38,524,773	1,049,309	76,885,308	4,910,483	81,795,791
Segment liabilities						
Other segment liabilities	(4,477,015)	(3,512,016)	(162,471)	(8,151,502)	–	(8,151,502)
Borrowings	(18,168,870)	(24,837,662)	(587,500)	(43,594,032)	(677,500)	(44,271,532)
	(22,645,885)	(28,349,678)	(749,971)	(51,745,534)	(677,500)	(52,423,034)
Taxation payable	–	–	–	–	(449,728)	(449,728)
Deferred income tax liabilities	–	–	–	–	(1,354,453)	(1,354,453)
Other unallocated liabilities	–	–	–	–	(318,815)	(318,815)
Total liabilities per consolidated statement of financial position	(22,645,885)	(28,349,678)	(749,971)	(51,745,534)	(2,800,496)	(54,546,030)

All revenue from external customers are generated from the PRC. Except that certain cash and bank balances equivalent to RMB397,027,000 were deposited in certain banks in Hong Kong at 31 December 2015 (2014: RMB235,000,000), substantially all of the Group's assets, liabilities and capital expenditure are located or utilised in the PRC.

The Group's major customers are regional and provincial power grid companies. During the year ended 31 December 2015, the Group's external revenue amounting to RMB15,583,354,000 (2014: RMB16,679,000,000) was generated from 4 (2014: 5) major customers, each of which accounted for 10% or more of the Group's external revenue.

6. OTHER INCOME

	2015 RMB'000	2014 RMB'000
Rental income	**71,158**	65,612
Hotel operations income	**35,116**	34,729
Income from the provision of repairs and maintenance services	**57,656**	44,209
Dividend income (Note 42(a)(iv))	**95,343**	84,399
Management fee income	**41,010**	26,770
VAT refund (note)	**237,601**	128,488
Compensation income	**13,989**	12,778
	551,873	396,985

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

7. OTHER GAINS/(LOSSES), NET

	2015 RMB'000	2014 RMB'000
Amortisation of deferred income	**2,317**	1,659
Government subsidies (note)	**190,189**	3,294
Gain on disposal of emission quota	**4,143**	632
Loss on disposal of property, plant and equipment, net	**(196,650)**	(208,761)
Gain on disposal of available-for-sale financial assets (Note 21)	**1,175,193**	–
Fair value gain on derivative financial instruments (Note 36)	**61,083**	–
Sales of unused power production quota	**55,731**	200,793
Impairment of property, plant and equipment (Note 15)	**(324,277)**	(180,665)
Impairment of interest in a joint venture (Note 20)	**(156,370)**	–
Impairment of assets held for sale (Note 38)	**–**	(77,802)
Profits on trading of coal, coal by-products and spare parts	**36,212**	11,695
Others	**9,022**	1,718
	856,593	(247,437)

Note: The government subsidies received by the Group during the year ended 31 December 2015 mainly comprise of government grants of RMB180,000,000 in relation to the Group's effort in shutting down its outdated power generators during the years of 2012 and 2013. Such government grants are unconditional and all the related costs for which such grants are intended to compensate had been charged to the profit or loss in previous years, therefore the grants received during the year ended 31 December 2015 is recognised directly in the consolidated income statement as other gains.

8. OPERATING PROFIT

Operating profit is stated after charging the following:

	2015 RMB'000	2014 RMB'000
Amortisation of prepaid lease payments	**16,040**	15,898
Auditor's remuneration	**6,459**	7,734
Depreciation of property, plant and equipment (Note 15)		
— owned property, plant and equipment	**2,957,006**	2,776,829
— property, plant and equipment under finance leases	**76,397**	42,982
Operating lease rental expenses in respect of		
— equipment	**7,061**	11,417
— leasehold land and buildings	**44,307**	42,783
Impairment of other receivables	**–**	67
Impairment of inventories	**7,075**	4,096
Reservoir maintenance and usage fees	**141,996**	130,738
Cost of purchase unused power production quota	**105,471**	27,463
Staff costs including Directors' emoluments (Note 11)	**1,931,765**	1,599,793
Write-off of pre-operating expenses	**58,445**	28,194

9. FINANCE INCOME AND FINANCE COSTS

	2015 RMB'000	2014 RMB'000
Finance income		
Interest income from bank deposits	**39,888**	36,780
Interest income from an associate (Note 42(a)(i))	**2,900**	14,449
Interest income from China Power Investment Financial Company Limited ("CPIF") (Note 42(a)(i))	**78**	244
Interest income from a company controlled by SPIC other than CPIF (Note 42(a)(i))	**–**	957
	42,866	52,430
Finance costs		
Interest expense on		
— bank borrowings	**1,786,222**	2,134,997
— long-term borrowings from related parties	**164,701**	203,482
— short-term borrowings from related parties	**19,714**	17,050
— long-term other borrowings	**188,233**	229,217
— short-term other borrowings	**10,754**	16,660
— amount due to CPIH	**2,923**	843
— obligations under finance leases	**72,518**	36,410
— provisions for other long-term liabilities (Note 33)	**85,136**	66,644
	2,330,201	2,705,303
Less: amounts capitalised	**(222,162)**	(266,307)
	2,108,039	2,438,996
Net foreign exchange losses/(gains)	**130,257**	(72,876)
	2,238,296	2,366,120

The weighted average interest rate on capitalised borrowings is approximately 5.37% (2014: 5.73%) per annum.

10. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for as the Group did not have any estimated assessable profit in Hong Kong for the years ended 31 December 2015 and 2014.

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

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

	2015 RMB'000	2014 RMB'000
PRC current income tax charge	**1,244,801**	745,711
Deferred income tax credit (Note 37)	**(22,457)**	(85,496)
Under provision in prior year	**1,082**	–
	1,223,426	660,215

The income tax expense on the Group's profit before taxation differs from the theoretical amount that would arise using the income tax rate of the PRC as follows:

	2015 RMB'000	2014 RMB'000
Profit before taxation	**6,553,024**	4,302,747
Less: Share of profits of associates	**(740,551)**	(640,374)
Share of profits of joint ventures	**(146,114)**	(86,270)
	5,666,359	3,576,103
Calculated at the PRC statutory tax rate of 25% (2014: 25%)	**1,416,590**	894,026
Effect of tax concession	**(29,714)**	(46,752)
Income not subject to taxation	**(17,915)**	(37,837)
Expenses not deductible for taxation purposes	**23,595**	14,826
Reduction of tax in respect of investment tax credits ("Tax Credits")	**(23,449)**	(79,124)
Tax losses for which no deferred income tax asset was recognised	**27,017**	36,724
Temporary difference for which no deferred income tax asset was recognised	**56,485**	–
Utilisation of tax losses previously not recognised	**(185,950)**	(69,268)
Recognition of tax losses previously unrecognised	**–**	(50,323)
Utilisation of temporary difference previously not recognised	**(40,686)**	–
Under provision in prior year	**1,082**	–
Others	**(3,629)**	(2,057)
Income tax expense	**1,223,426**	660,215

10. INCOME TAX EXPENSE (CONTINUED)

The PRC current income tax charge during the year ended 31 December 2015 included the related taxation charge arising from the gain on disposal of shares of Shanghai Electric Power Co., Ltd. ("Shanghai Power") of RMB279,964,000 (Note 21).

Share of taxation charge attributable to associates and joint ventures for the year ended 31 December 2015 of RMB238,781,000 (2014: RMB202,293,000) and RMB54,263,000 (2014: RMB28,905,000) respectively are included in the Group's share of profits of associates/joint ventures for the year.

A subsidiary of the Group, which started operations in 2011, is entitled to a two-year exemption and subsequent three-year 50% reduction in income tax rate of 12.5% until 2016.

During the year ended 31 December 2015, two subsidiaries of the Group had Tax Credits with an accumulated amount of RMB189,308,000 (2014: RMB177,892,000) of which RMB102,573,000 (2014: RMB79,124,000) were utilised against their income tax charges since the granting of such Tax Credits. The Tax Credits are calculated based on 10% of the purchase price of specific environmental friendly, water and energy-saving, safety enhanced facilities used in the Group's coal-fired power business. The Tax Credits are recognised as a reduction of current income tax when they are realised. The portion of Tax Credits that has not been utilised in the current year can be carried forward over a period of no more than five years.

11. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2015 **RMB'000**	2014 RMB'000
Wages, salaries and bonuses	**1,283,059**	1,033,365
Staff welfare	**416,287**	367,621
Pension costs — defined contribution plans	**232,419**	198,807
	1,931,765	1,599,793

12. EARNINGS PER SHARE

(a) Basic

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

	2015	2014
Profit attributable to owners of the Company (RMB'000)	**4,149,018**	2,765,886
Weighted average number of shares in issue (shares in thousands)	**7,205,454**	6,629,933
Basic earnings per share (RMB)	**0.58**	0.42

12. EARNINGS PER SHARE (CONTINUED)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume exercise or conversion of all dilutive potential ordinary shares arising from the Company's share options and convertible bonds. For the years ended 31 December 2015 and 2014, the Company has share options and convertible bonds that are dilutive potential ordinary shares. The convertible bonds are assumed to have been converted into ordinary shares, and the profit attributable to owners of the Company is adjusted to eliminate the interest expense less the tax effect.

For the share options, calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2015	2014
Profit attributable to owners of the Company (RMB'000)	**4,149,018**	2,765,886
Adjustment for finance costs on convertible bonds (after tax) (RMB'000)	**9,433**	52,078
Profit used to determine diluted earnings per share (RMB'000)	**4,158,451**	2,817,964
Weighted average number of shares in issue (shares in thousands)	**7,205,454**	6,629,933
Adjustment for convertible bonds (shares in thousands)	**147,185**	687,909
Adjustment for share options (shares in thousands)	**11,602**	6,587
Weighted average number of shares for the purpose of calculating diluted earnings per share (shares in thousands)	**7,364,241**	7,324,429
Diluted earnings per share (RMB)	**0.56**	0.38

13. DIVIDENDS

	2015 **RMB'000**	2014 RMB'000
Final, proposed, dividend of RMB0.232 (2014: RMB0.168) per ordinary share	**1,706,398**	1,169,870
2014 final dividend paid — RMB0.168 (equivalent to HK$0.2119) per ordinary share	**1,219,003**	–
2013 final dividend paid —RMB0.160 (equivalent to HK$0.2025) per ordinary share	**–**	1,037,577
	1,219,003	1,037,577

At the Board meeting held on 23 March 2016, the Directors recommended the payment of a final dividend for the year ended 31 December 2015 of RMB0.232 (equivalent to HK$0.2770) per ordinary share (2014: RMB0.168 (equivalent to HK$0.2119) per ordinary share), totalling RMB1,706,398,000 (equivalent to HK$2,037,381,000) (2014: RMB1,169,870,000 (equivalent to HK$1,475,568,000)), which is based on 7,355,164,741 shares (2014: 6,963,509,222 shares) in issue on 23 March 2016 (2014: 18 March 2015). This proposed dividend is not reflected as dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2016.

14. EMOLUMENTS FOR DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT REMUNERATION

(a) Directors' emoluments

The remuneration of each of the Directors for the year ended 31 December 2015 is set out below:

Name of Director	Fees RMB'000	Basic salary, housing allowance, other allowances and benefits in kind RMB'000	Share-based compensation expense RMB'000	Discretionary bonuses RMB'000	Employer's contribution to pension scheme RMB'000	Total RMB'000
Executive Directors						
Ms. Li Xiaolin[(1)]	–	359	–	313	81	753
Mr. Yu Bing[(2)]	–	574	–	211	82	867
Mr. Wang Zichao[(3)]	–	206	–	228	36	470
Non-executive Directors						
Mr. Wang Binghua[(4)]	–	–	–	–	–	–
Mr. Guan Qihong[(5)]	–	–	–	–	–	–
Independent non-executive Directors						
Mr. Kwong Che Keung, Gordon	168	117	–	–	–	285
Mr. Li Fang	168	117	–	–	–	285
Mr. Tsui Yiu Wa, Alec	168	117	–	–	–	285
	504	1,490	–	752	199	2,945

(1) Ms. Li Xiaolin, due to new work arrangement, resigned as an executive Director, the Chairman of the Board, the chairman of the Executive Committee and the chief executive officer of the Company with effect from 28 July 2015.

Her remuneration included the back pay remuneration of RMB71,000 for the year 2013. Her remuneration for the year 2015 was RMB682,000.

(2) Mr. Yu Bing, currently an executive Director, the president of the Company and a member of the Executive Committee, was appointed as the chairman of the Executive Committee with effect from 28 July 2015. Mr. Yu as the president of the Company replaced the function of the chief executive officer.

(3) Mr. Wang Zichao was re-designated from a non-executive Director to an executive Director with effect from 28 July 2015.

(4) Mr. Wang Binghua was appointed as a non-executive Director and the Chairman of the Board with effect from 28 July 2015.

(5) Mr. Guan Qihong has agreed to waive his director fees during his directorship with the Company.

14. EMOLUMENTS FOR DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT REMUNERATION (CONTINUED)

(a) Directors' emoluments *(Continued)*

The executive Directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Group. The non-executive Directors' and independent non-executive Directors' emoluments shown above were mainly for their services as Directors of the Company.

The remuneration of each of the Directors for the year ended 31 December 2014 is set out below:

Name of Director	Fees RMB'000	Basic salary, housing allowance, other allowances and benefits in kind RMB'000	Share-based compensation expense RMB'000	Discretionary bonuses RMB'000	Employer's contribution to pension scheme RMB'000	Total RMB'000
Executive Directors						
Ms. Li Xiaolin[(1)]	–	571	–	375	84	1,030
Mr. Yu Bing[(2)]	–	332	–	–	29	361
#Mr. Gu Dake[(3)]	–	290	–	340	17	647
Non-executive Directors						
Mr. Guan Qihong[(4)]	–	–	–	–	–	–
#Mr. Wang Zichao	–	301	–	203	62	566
Independent non-executive Directors						
Mr. Kwong Che Keung, Gordon	157	87	–	–	–	244
Mr. Li Fang	157	79	–	–	–	236
Mr. Tsui Yiu Wa, Alec	157	87	–	–	–	244
	471	1,747	–	918	192	3,328

(1) Ms. Li Xiaolin was also the chief executive officer of the Company before resignation which was effective from 28 July 2015. Her discretionary bonuses received in 2014 included the back pay performance bonus of RMB131,000 for the years 2010 to 2012. Her remuneration for the year 2014 was RMB899,000.

(2) Mr. Yu Bing was appointed on 20 June 2014.

(3) Mr. Gu Dake resigned on 20 June 2014.

(4) Mr. Guan Qihong had agreed to waive his director fees during his directorship with the Company.

\# During the year ended 31 December 2015, no share options were exercised by the Directors (2014: 872,300 and 540,000 share options were exercised by Mr. Gu Dake and Mr. Wang Zichao respectively). The share based compensation is determined based on the fair value of the share options granted to the relevant Directors at the date of grant and recognised over the vesting period. The last vesting period was year 2012.

14. EMOLUMENTS FOR DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT REMUNERATION (CONTINUED)

(a) Directors' emoluments *(Continued)*

The executive Directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Group. The non-executive Directors' and independent non-executive Directors' emoluments shown above were mainly for their services as Directors of the Company.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 1 (2014: 1) Director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 4 (2014: 4) individuals during the year are as follows:

	2015 RMB'000	2014 RMB'000
Basic salaries, housing allowance, other allowances and benefits in kind	**1,757**	1,694
Discretionary bonuses	**1,136**	1,173
Employer's contribution to pension scheme	**335**	230
	3,228	3,097

Their emoluments fell within the following bands:

	Number of individuals	
	2015	2014
Zero to HK$1,000,000 (equivalent to RMB837,780 (2014: RMB792,033))	**4**	3
HK$1,000,001 to HK$1,500,000 (equivalent to RMB837,781 to RMB1,256,670 (2014: RMB792,034 to RMB1,188,050))	**–**	1

During both years, no emoluments have been paid by the Group to the Directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

(c) Senior management remuneration by band

Senior management is defined as the same persons whose biographical details are disclosed. Their emoluments fell within the following bands:

	Number of individuals	
	2015	2014
Zero to HK$1,000,000 (equivalent to RMB837,780 (2014: RMB792,033))	**8**	8
HK$1,000,001 to HK$1,500,000 (equivalent to RMB837,781 to RMB1,256,670 (2014: RMB792,034 to RMB1,188,050))	**–**	1

15. PROPERTY, PLANT AND EQUIPMENT

	Dam RMB'000	Buildings and leasehold improvements RMB'000	Power generators and equipment RMB'000	Electricity supply equipment RMB'000	Furniture and fixture, tools and other equipment RMB'000	Transportation facilities RMB'000	Construction in progress RMB'000	Total RMB'000
Cost								
At 1 January 2015	20,796,191	18,655,758	27,490,748	6,366,399	3,106,647	347,838	7,675,942	84,439,523
Additions and transfer from prepayment (note (vi))	20,206	504	54,809	80,761	42,437	68,233	4,202,599	4,469,549
Disposals	–	(471,911)	(539,259)	(229,950)	(218,712)	(6,751)	–	(1,466,583)
Transfer from assets held for sale (Note 38)	–	–	–	589,545	–	–	–	589,545
Transfer between categories	9,658	1,682,713	4,144,306	707,079	1,182,958	118,186	(7,844,900)	–
At 31 December 2015	20,826,055	19,867,064	31,150,604	7,513,834	4,113,330	527,506	4,033,641	88,032,034
Accumulated depreciation and impairment losses								
At 1 January 2015	1,244,581	4,351,228	8,505,934	2,199,859	1,239,592	156,999	–	17,698,193
Depreciation charge for the year	419,586	683,004	1,285,979	270,700	328,477	45,657	–	3,033,403
Impairment charge for the year (Notes 4(ii) and 7)	–	40,509	283,768	–	–	–	–	324,277
Disposals	–	(330,533)	(393,313)	(209,102)	(215,526)	(6,090)	–	(1,154,564)
At 31 December 2015	1,664,167	4,744,208	9,682,368	2,261,457	1,352,543	196,566	–	19,901,309
Net book value								
At 31 December 2015	19,161,888	15,122,856	21,468,236	5,252,377	2,760,787	330,940	4,033,641	68,130,725

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Dam RMB'000	Buildings and leasehold improvements RMB'000	Power generators and equipment RMB'000	Electricity supply equipment RMB'000	Furniture and fixture, tools and other equipment RMB'000	Transportation facilities RMB'000	Construction in progress RMB'000	Total RMB'000
Cost								
At 1 January 2014	11,596,053	17,998,163	26,700,946	5,983,773	2,930,451	318,115	11,508,889	77,036,390
Additions and transfer from prepayment (note (vi))	1,112,483	11,435	196,284	133,630	249,314	11,958	6,753,050	8,468,154
Disposals	–	(251,681)	(609,999)	(70,590)	(104,669)	(18,941)	(9,141)	(1,065,021)
Transfer between categories	8,087,655	897,841	1,203,517	319,586	31,551	36,706	(10,576,856)	–
At 31 December 2014	20,796,191	18,655,758	27,490,748	6,366,399	3,106,647	347,838	7,675,942	84,439,523
Accumulated depreciation and impairment losses								
At 1 January 2014	918,305	3,778,872	7,691,407	2,011,053	892,104	126,615	–	15,418,356
Depreciation charge for the year	326,276	721,690	1,073,082	250,493	409,436	38,834	–	2,819,811
Impairment charge for the year	–	21,825	158,840	–	–	–	–	180,665
Disposals	–	(171,159)	(417,395)	(61,687)	(61,948)	(8,450)	–	(720,639)
At 31 December 2014	1,244,581	4,351,228	8,505,934	2,199,859	1,239,592	156,999	–	17,698,193
Net book value								
At 31 December 2014	19,551,610	14,304,530	18,984,814	4,166,540	1,867,055	190,839	7,675,942	66,741,330

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

(i) As at 31 December 2015, certain of the Group's property, plant and equipment with carrying amounts of RMB2,601,413,000 (2014: RMB2,852,000,000) were situated on leasehold land in the PRC leased from SPIC which held the rights on the leasehold land. The remaining period of the Group's rights on leasehold land as at 31 December 2015 is ranging from 4 to 10 years (2014: 5 to 11 years).

(ii) As at 31 December 2015, the legal title of certain properties of the Group with carrying amounts of RMB3,132,347,000 (2014: RMB3,142,000,000) had not been transferred to the Group subject to certain administrative procedures to be completed by the relevant local government authorities. However, the Directors are of the opinion that the risks and rewards of using these assets have been transferred to the Group.

In addition, certain of the Group's property, plant and equipment are situated on leasehold land in the PRC which was granted for the use by the relevant government authorities to the relevant entities in the Group at nil consideration with no specific terms of usage.

(iii) As at 31 December 2015, the cost and accumulated depreciation of power generators and equipment held by the Group under finance leases amounted to RMB1,589,584,000 (2014: RMB1,589,584,000) and RMB273,193,000 (2014: RMB196,796,000) respectively.

As at 31 December 2015, the construction in progress held by the Group under finance leases amounted to RMB194,520,000 (2014: Nil).

(iv) As at 31 December 2015, certain property, plant and equipment of the Group with carrying amounts of RMB510,203,000 (2014: RMB540,139,000) were pledged as security for certain long-term bank borrowings of the Group (Note 29(d)).

(v) As at 31 December 2015, the accumulated impairment losses of property, plant and equipment amounted to RMB590,451,000 (2014: RMB428,920,000).

(vi) Additions of dam for the year ended 31 December 2015 include provision in relation to compensations for inundation caused by the construction of two hydropower plants of the Group. As at 31 December 2015, management has reviewed such provision, and an additional provision of RMB20,206,000 (2014: RMB931,296,000) was provided to reflect the current best estimate (Note 33).

16. PREPAYMENTS FOR CONSTRUCTION OF POWER PLANTS

Prepayments for construction of power plants represent advance payments made to contractors in connection with the construction of the Group's power plants including payments for equipment and machineries pending delivery to the relevant power plants for installation.

17. PREPAID LEASE PAYMENTS

The amount represents cost of the prepaid lease payments in respect of land located in the PRC where certain of the Group's property, plant and equipment are built on.

	2015 RMB'000	2014 RMB'000
Current asset	**16,053**	15,482
Non-current asset	**714,870**	700,762
	730,923	716,244

18. GOODWILL

	2015 RMB'000	2014 RMB'000
Cost		
At 1 January and 31 December	**1,002,104**	1,002,104
Accumulated impairment losses		
At 1 January and 31 December	**166,939**	166,939
Net book amount		
At 1 January and 31 December	**835,165**	835,165

Goodwill is allocated to the Group's CGUs identified according to operating segments. The accumulated impairment losses relate to coal-fired electricity segment.

A segment-level summary of the goodwill allocation at cost before impairment and at net book amount is presented below.

18. GOODWILL (CONTINUED)

	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Total RMB'000
Cost			
At 1 January 2014, 31 December 2014 and 31 December 2015	234,651	767,453	1,002,104
Net book amount			
At 1 January 2014, 31 December 2014 and 31 December 2015	67,712	767,453	835,165

For the purposes of impairment reviews, the recoverable amount of goodwill is determined based on value in use calculations. The value in use calculations use pre-tax cash flow projections based on financial budgets approved by management for the purposes of impairment reviews covering a five-year period. Cash flows beyond the five-year period are expected to be similar to that of the fifth year based on the then existing production capacity, taking into account of the expected remaining useful lives of the relevant underlying operating assets.

There are a number of assumptions and estimates involved in the preparation of cash flow projections for the period covered by the approved budget. Management prepared the financial budgets taking into account actual and prior year performance and market development expectations. The pre-tax discount rate used for value in use calculations for goodwill is 9% (2014: 9%). Management estimates the discount rate using pre-tax rates that reflect market assessments of the time value of money and the specific risks relating to the cash-generating units. Other key assumptions applied in the impairment tests include the expected tariff rates, fuel costs, and demand of electricity in the region where the power plants are located, where applicable.

19. INTERESTS IN ASSOCIATES

	2015 RMB'000	2014 RMB'000
Unlisted investments, at cost	**2,061,258**	1,939,458
Share of undistributed post-acquisition reserves	**888,791**	778,777
	2,950,049	2,718,235

Interests in associates include goodwill of RMB158,732,000 (2014: RMB158,732,000).

There are no contingent liabilities relating to the Group's interests in the associates and the associates did not have any material contingent liabilities as at 31 December 2015 and 2014.

Dividends of RMB630,537,000 (2014: RMB451,622,000) was received from associates during the year ended 31 December 2015.

19. INTERESTS IN ASSOCIATES (CONTINUED)

The following are the details of the associates as at 31 December 2015 and 2014:

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest		Type of legal entity	Principal activities
			Held by the Company	Held by a subsidiary		
Interest held directly by the Company:						
* 江蘇常熟發電有限公司 (Jiangsu Changshu Electric Power Generating Company Limited) ("Changshu Power Plant")	The PRC	RMB2,685,000,000	50%	–	Sino-foreign equity joint venture	Generation and sale of electricity
^ 貴州普安地瓜坡煤業有限公司 (Guizhou Pu'an Digua Coal Industry Co., Ltd.)	The PRC	RMB630,000,000/ RMB94,500,000	35%	–	Sino-foreign equity joint venture	Coal management and consultancy service
Interest held indirectly by the Company:						
湖南華潤電力鯉魚江有限公司 (Hunan China Resources Power Liyujiang Company Limited)	The PRC	RMB573,660,000	–	40%	Sino-foreign equity joint venture	Generation and sale of electricity
*# 湖南核電有限公司 (Hunan Nuclear Power Company Limited)	The PRC	RMB289,000,000	–	20%	Limited liability company	Generation and sale of electricity
江蘇常電環保科技有限公司 (Jiangsu Changdian Environmental Technology Company Limited)	The PRC	RMB8,000,000	–	50%	Sino-foreign equity joint venture	Sale of electricity generation by-products

^ The coal mine is under development.

The power plant is under development.

* During the year ended 31 December 2015, the paid up capital of Changshu Power Plant and Hunan Nuclear Power Company Limited have been increased from RMB2,505,000,000 to RMB2,685,000,000 and from RMB234,000,000 to RMB289,000,000, respectively.

19. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised unaudited financial information of a material associate

Set out below are the summarised unaudited financial information for Changshu Power Plant, which, in the opinion of the Directors, is a material associate to the Group.

Summarised statement of financial position

	Changshu Power Plant	
	2015	2014
	RMB'000	RMB'000
Current assets	**724,411**	1,249,430
Current liabilities	**(2,603,509)**	(4,409,719)
Net current liabilities	**(1,879,098)**	(3,160,289)
Non-current assets	**9,841,972**	10,221,476
Non-current liabilities	**(3,431,502)**	(2,900,291)
Net non-current assets	**6,410,470**	7,321,185
Net assets	**4,531,372**	4,160,896

Summarised income statement and statement of comprehensive income

	Changshu Power Plant	
	2015	2014
	RMB'000	RMB'000
Revenue	**5,566,345**	6,076,231
Profit and total comprehensive income for the year	**1,272,308**	1,098,550
Dividend received by the Group from the associate during the year	**540,916**	345,754

19. INTERESTS IN ASSOCIATES (CONTINUED)

Reconciliation of summarised unaudited financial information

Reconciliation of summarised unaudited financial information presented above to the carrying amount of interest in Changshu Power Plant is as follows:

	Changshu Power Plant	
	2015	2014
	RMB'000	RMB'000
Opening net assets	**4,160,896**	3,153,853
Profit and total comprehensive income for the year	**1,272,308**	1,098,550
Capital injection	**180,000**	600,000
Dividend paid	**(1,081,832)**	(691,507)
Closing net assets	**4,531,372**	4,160,896
Interest in associate (50%) — At carrying value	**2,265,686**	2,080,448

Aggregate information of associates that are not individually material

	2015	2014
	RMB'000	RMB'000
The Group's share of profit and total comprehensive income for the year	**104,397**	91,099
Aggregate carrying amount of the Group's interests in these associates	**684,363**	637,787

20. INTERESTS IN JOINT VENTURES

	2015	2014
	RMB'000	RMB'000
Unlisted investments, at cost	**603,200**	603,200
Impairment	**(156,370)**	–
Share of undistributed post-acquisition reserves	**108,423**	29,436
	555,253	632,636

20. INTERESTS IN JOINT VENTURES (CONTINUED)

The following are the details of the joint ventures as at 31 December 2015 and 2014:

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest Held by the Company	Held by a subsidiary	Type of legal entity	Principal activities
Interest held directly by the Company:						
四川廣旺集團船景煤業有限責任公司 (Sichuan Guangwang Group Chuanjing Coal Industry Company Limited) ("Chuanjing Coal")	The PRC	RMB472,000,000/ RMB329,182,000	49%	–	Sino-foreign equity joint venture	Coal mining
廣州中電荔新電力實業有限公司 (Guangzhou China Power Lixin Industry Company Limited)	The PRC	RMB604,000,000	50%	–	Sino-foreign equity joint venture	Generation and sale of electricity
河南中平煤電有限責任公司 (Henan Zhongping Coal & Electricity Co., Ltd.)	The PRC	RMB132,061,000	50%	–	Sino-foreign equity joint venture	Coal transportation and selling

None of the joint ventures were individually material.

In 2015, as a result of continuous deterioration of coal industry, Chuanjing Coal, is with extremely difficulty in financing its basic construction in progress. Based on the impairment testing results, the carrying amount of the interest in Chuanjing Coal of RMB156,370,000 was fully impaired as at 31 December 2015.

There are no contingent liabilities relating to the Group's interests in the joint ventures and the joint ventures did not have any material contingent liabilities as at 31 December 2015 (2014: Nil).

Dividend of RMB67,127,000 (2014: RMB60,000,000) was received from a joint venture during the year.

20. INTERESTS IN JOINT VENTURES (CONTINUED)

Aggregate information of joint ventures that are not individually material

	2015 RMB'000	2014 RMB'000
The Group's share of profit and total comprehensive income for the year	**146,114**	86,270
Aggregate carrying amount of the Group's interests in these joint ventures	**555,253**	632,636

Capital commitments in respect of property, plant and equipment

	2015 RMB'000	2014 RMB'000
Contracted but not provided for	**125,342**	161,088

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 RMB'000	2014 RMB'000
Unlisted equity investments in the PRC		
— at cost (note (a))	**154,712**	154,712
Equity securities listed in the PRC		
— at fair value (note (b))	**5,347,661**	3,151,068
	5,502,373	3,305,780
Market value of equity securities listed in the PRC	**5,347,661**	3,151,068

Notes:

(a) Unlisted equity investments mainly represent interests in certain unlisted companies which are principally engaged in financial services and coal production respectively.

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

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Notes: (Continued)

(b) Details of the equity securities listed in the PRC as at 31 December 2015 and 2014 are as follows:

Name of company	Place of establishment and operation	Registered and paid up capital	Equity interest attributable to the Group	Type of legal entity	Principal activity
Interests held directly by the Company:					
Shanghai Power#	The PRC	RMB2,139,739,000	16.98% (2014:18.86%)	Joint stock company with limited liability with its A-shares listed on the Shanghai Stock Exchange	Investment holdings and the generation and sale of electricity

Shanghai Power is a subsidiary of SPIC.

During the year ended 31 December 2015, the Company disposed of 40,173,628 shares of Shanghai Power. After the disposal, the Company's equity interest in Shanghai Power was reduced from 18.86% to 16.98%. The cumulative gain recognised in other comprehensive income in relation to the shares disposed of was RMB1,175,193,000 (before taxation effects), which was then reclassified from other comprehensive income to profit or loss (Note 7).

22. INVENTORIES

	2015 RMB'000	2014 RMB'000
Coal and oil	**165,061**	332,432
Spare parts and consumables	**154,040**	161,166
	319,101	493,598

23. OTHER NON-CURRENT ASSETS

	2015 RMB'000	2014 RMB'000
Deductible VAT and other tax	**203,306**	382,773
Deposits for obligation under finance leases	**38,242**	–
	241,548	382,773

24. ACCOUNTS RECEIVABLE

	2015 RMB'000	2014 RMB'000
Accounts receivable from regional and provincial power grid companies (note (a))	**2,415,646**	2,014,032
Accounts receivable from other companies (note (a))	**5,320**	8,221
	2,420,966	2,022,253
Notes receivable (note (c))	**216,970**	216,875
	2,637,936	2,239,128

Notes:

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

	2015 RMB'000	2014 RMB'000
1 to 3 months	**2,401,027**	2,022,253
4 to 6 months	**10,404**	–
7 to 12 months	**9,535**	–
	2,420,966	2,022,253

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

(b) Accounts receivable that were past due but not impaired amounted to RMB19,939,000 (2014: Nil) for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

(c) Notes receivable are bank acceptance notes issued by third parties. The notes receivable are normally with maturity period of 180 days (2014: 180 days).

(d) As at 31 December 2015, certain bank borrowings and long-term borrowings from CPIF (Notes 29(d) and 30(b)) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings as at 31 December 2015 amounted to RMB1,769,988,000 (2014: RMB1,302,959,000).

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

25. AMOUNTS DUE FROM/(TO) RELATED PARTIES

	2015 RMB'000	2014 RMB'000
Amounts due from related parties		
Amounts due from CPIF	**7,738**	8,605
Amounts due from companies controlled by SPIC other than CPIF (note (i))	**7,699**	–
Amounts due from fellow subsidiaries (note (i))	**5,826**	118,800
Amounts due from an associate (note (ii))	**55,109**	205,631
Amounts due from CPIH	**1,153**	2,152
Amounts due from immediate holding company	**–**	140
Amounts due from non-controlling shareholders	**–**	252
	77,525	335,580
Amounts due to related parties		
Amounts due to CPIF	**63,013**	–
Amounts due to companies controlled by SPIC other than CPIF	**49,372**	13,518
Amounts due to fellow subsidiaries	**58,266**	89,962
Amounts due to SPIC	**124,149**	170,279
Amounts due to CPIH (note (iii))	**134,486**	129,243
Amounts due to non-controlling shareholders	**263,496**	50,499
	692,782	453,501

Notes:

(i) Amounts due from companies controlled by SPIC other than CPIF and fellow subsidiaries are within 180 days (2014: 180 days) based on the invoice date.

(ii) Except for an amount due from an associate of RMB55,080,000 (2014: RMB205,080,000) which carries interest rate at 1.75% (2014: 3.00% to 5.60%) per annum and is repayable on demand, the remaining amount due from the associate is unsecured, interest free and repayable on demand.

(iii) Except for an amount due to CPIH of RMB106,440,000 (2014: RMB106,440,000) which carries interest rate of 1.75% (2014: 3.00%) per annum and is repayable on demand, the remaining amount due to CPIH is unsecured, interest free and repayable on demand.

(iv) Balances with related parties, other than those disclosed in notes (ii) and (iii), are unsecured, interest free and repayable on demand.

(v) The fair values of these balances approximate their carrying amounts as the impact of discounting is not significant.

26. CASH AND CASH EQUIVALENTS

	2015 RMB'000	2014 RMB'000
Cash at bank and in hand	**1,528,017**	1,126,917
Denominated in:		
RMB	**1,376,620**	1,066,740
US$	**61,882**	39,493
HK$	**89,515**	20,684
	1,528,017	1,126,917

The Group's cash and cash equivalents denominated in RMB of RMB1,072,803,000 (2014: RMB869,433,000) are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

27. SHARE CAPITAL

(a) Share capital

	Ordinary shares, issued and fully paid	
	Number of shares	RMB'000
Ordinary shares, issued and fully paid:		
At 1 January 2014	6,404,153,422	6,161,388
Transition to no-par value regime on 3 March 2014 (note)	–	5,801,913
Issue of new shares upon conversion of convertible bonds	497,770,303	758,419
Issue of new shares upon exercise of share options	4,195,400	8,425
At 31 December 2014	6,906,119,125	12,730,145
Issue of new shares upon conversion of convertible bonds (Note 31(c))	**449,045,616**	**804,000**
At 31 December 2015	**7,355,164,741**	**13,534,145**

27. SHARE CAPITAL (CONTINUED)

(a) Share capital *(Continued)*

Note: Under the Companies Ordinance, which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists. In accordance with sections 135 and 37 of Schedule 11 of the Companies Ordinance, the Company's shares no longer have a par or nominal value, any amount standing to the credit of the share premium account has become part of the Company's share capital. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

These shares rank pari passu in all respects with the existing shares.

(b) Share option scheme

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

Details of the share options granted under the Option Scheme outstanding as at 31 December 2015 are as follows:

			Number of shares subject to the share options	
Date of grant	Expiry date	Exercise price	At 31 December 2015	At 31 December 2014
Directors (note)				
4 April 2007	3 April 2017	HK$4.07	**804,000**	2,709,000
2 July 2008	1 July 2018	HK$2.326	**1,100,000**	1,920,000
Senior management and other employees				
4 April 2007	3 April 2017	HK$4.07	**7,263,000**	6,735,000
2 July 2008	1 July 2018	HK$2.326	**18,560,000**	18,880,000
			27,727,000	30,244,000

Note: Ms. Li Xiaolin resigned as the Chairman of the Board, an executive Director and the chief executive officer of the Company on 28 July 2015. A total of 2,725,000 share options granted to her were reclassified from the category of "Directors" to "Senior management and other employees" accordingly.

27. SHARE CAPITAL (CONTINUED)

(b) Share option scheme *(Continued)*

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

	2015		2014	
	Average exercise price in HK$ per share	Number of shares subject to the share options	Average exercise price in HK$ per share	Number of shares subject to the share options
At 1 January	**2.871**	**30,244,000**	2.876	31,874,000
Lapsed	**3.280**	**(2,517,000)**	2.968	(1,630,000)
At 31 December	**2.833**	**27,727,000**	2.871	30,244,000

As at 31 December 2015, all of the 27,727,000 (2014: 30,244,000) outstanding share options were vested and exercisable. During the year, no share options were exercised (2014: Nil) and 2,517,000 (2014:1,630,000) share options lapsed under the Option Scheme.

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

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

The fair values of share options granted under the Option Scheme determined using the Black-Scholes Option Pricing Model were as follows:

	Date of grant of share options	
	2 July 2008	4 April 2007
Share option value	HK$0.62	HK$1.14
Significant inputs into the valuation model:		
Exercise price	HK$2.326	HK$4.07
Share price at grant date	HK$2.09	HK$4.07
Expected volatility (note)	36.44%	30.95%
Risk-free interest rate	3.41%	4.16%
Expected life of share options	6.25 years	6.25 years
Expected dividend yield	2.27%	2.75%

Note: The volatility of the underlying stock during the life of the share options was estimated based on the historical volatility of the Company since its listing on the Stock Exchange on 15 October 2004 up to the date of grant of the relevant share options.

28. RESERVES

	Merger Reserve (note (i)) RMB'000	Capital reserve (note (ii)) RMB'000	Available-for-sale financial assets reserve RMB'000	Statutory reserves (note (iii)) RMB'000	Share-based compensation reserve RMB'000	Convertible option reserve RMB'000	Others RMB'000	Other reserves subtotal RMB'000	Retained earnings (note (iv)) RMB'000	Total RMB'000
At 1 January 2015	306,548	2,262,848	1,161,680	607,138	20,214	104,547	257,868	4,720,843	4,412,781	9,133,624
Fair value gain on available-for-sale financial assets	–	–	3,527,087	–	–	–	–	3,527,087	–	3,527,087
Deferred tax on fair value gain on available-for-sale financial assets	–	–	(878,600)	–	–	–	–	(878,600)	–	(878,600)
Release on disposal of available-for-sale financial assets	–	–	(1,175,193)	–	–	–	–	(1,175,193)	–	(1,175,193)
Release of deferred tax upon disposal of available-for-sale financial assets	–	–	293,798	–	–	–	–	293,798	–	293,798
Issue of new shares upon conversion of convertible bonds	–	–	–	–	–	(104,547)	–	(104,547)	42,184	(62,363)
Lapse of share options	–	–	–	–	(1,971)	–	–	(1,971)	1,971	–
Contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	12,299	12,299	–	12,299
Acquisition of non-controlling interests	–	–	–	–	–	–	5,716	5,716	–	5,716
Transfer to statutory reserves	–	–	–	115,810	–	–	–	115,810	(115,810)	–
2014 final dividend	–	–	–	–	–	–	–	–	(1,219,003)	(1,219,003)
Profit for the year	–	–	–	–	–	–	–	–	4,149,018	4,149,018
At 31 December 2015	**306,548**	**2,262,848**	**2,928,772**	**722,948**	**18,243**	**–**	**275,883**	**6,515,242**	**7,271,141**	**13,786,383**
At 1 January 2014	306,548	2,262,848	202,440	480,039	28,010	208,149	257,868	3,745,902	2,741,019	6,486,921
Issue of new shares upon conversion of convertible bonds	–	–	–	–	–	(103,602)	–	(103,602)	62,756	(40,846)
Fair value gain on available-for-sale financial assets	–	–	1,278,987	–	–	–	–	1,278,987	–	1,278,987
Deferred tax on fair value gain on available-for-sale financial assets	–	–	(319,747)	–	–	–	–	(319,747)	–	(319,747)
Exercise of share options	–	–	–	–	(4,771)	–	–	(4,771)	4,771	–
Lapse of share options	–	–	–	–	(3,025)	–	–	(3,025)	3,025	–
Transfer to statutory reserves	–	–	–	127,099	–	–	–	127,099	(127,099)	–
2013 final dividend	–	–	–	–	–	–	–	–	(1,037,577)	(1,037,577)
Profit for the year	–	–	–	–	–	–	–	–	2,765,886	2,765,886
At 31 December 2014	306,548	2,262,848	1,161,680	607,138	20,214	104,547	257,868	4,720,843	4,412,781	9,133,624

28. RESERVES (CONTINUED)

Notes:

(i) Merger reserve

The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the registered capital of the subsidiaries transferred to the Company pursuant to the reorganisation of the Group took place in 2004.

(ii) Capital reserve

Capital reserve represents the difference between the fair value of the net assets injected by the then owner of the relevant companies of the Group and the registered capital of these companies upon their establishment.

(iii) Statutory reserves

Statutory reserves are non-distributable and the transfers to these funds are determined by the board of directors of the relevant PRC subsidiaries in accordance with the relevant laws and regulations in the PRC.

(iv) Retained earnings

Accumulated profits retained by the Group, its associates and joint ventures included impairment losses on property, plant and equipment of certain subsidiaries and an associate which have been accounted for in the Group's consolidated income statement in prior years. In the local statutory financial statements of the relevant subsidiaries and associates, these impairment losses have been dealt with in the respective company's capital reserves in accordance with the relevant local accounting rules and regulations. Profit distributions made by these companies were based on the distributable reserves as reported in the statutory financial statements of the respective companies.

29. BANK BORROWINGS

Bank borrowings are analysed as follows:

	2015 RMB'000	2014 RMB'000
Non-current		
Long-term bank borrowings		
— secured (note (d))	**15,411,773**	15,891,730
— unsecured (note (e))	**14,021,412**	13,780,599
	29,433,185	29,672,329
Less:		
— current portion of long-term bank borrowings	**(3,453,458)**	(4,087,331)
	25,979,727	25,584,998
Current		
Short-term bank borrowings		
— secured (note (d))	**–**	394,388
— unsecured	**3,409,011**	3,484,560
Current portion of long-term bank borrowings	**3,453,458**	4,087,331
	6,862,469	7,966,279
Total bank borrowings	**32,842,196**	33,551,277

Notes:

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

	2015 RMB'000	2014 RMB'000
RMB	**32,409,521**	32,393,111
JPY	**359,842**	672,456
US$	**72,833**	485,710
	32,842,196	33,551,277

29. BANK BORROWINGS (CONTINUED)

Notes: (Continued)

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

	2015 RMB'000	2014 RMB'000
Within one year	**3,453,458**	4,087,331
In the second year	**4,277,967**	4,352,672
In the third to fifth year	**9,074,484**	9,776,826
After the fifth year	**12,627,276**	11,455,500
	29,433,185	29,672,329

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

	2015	2014
Current bank borrowings	**4.44%**	4.77%
Non-current bank borrowings	**5.22%**	5.92%

(d) As at 31 December 2015 and 2014, the bank borrowings of the Group are secured as follows:

	2015 RMB'000	2014 RMB'000
Secured against the rights on accounts receivable of certain subsidiaries of the Group (Note 24(d))	**14,796,953**	15,536,910
Secured against property, plant and equipment of certain subsidiaries of the Group (Note 15(iv))	**314,820**	354,820
Secured against bank deposits of certain subsidiaries of the Group (Note 39)	**300,000**	394,388
	15,411,773	16,286,118

(e) As at 31 December 2015, bank borrowings amounting to RMB359,842,000 (2014: RMB358,035,000) are guaranteed by Hunan Provincial Finance Bureau.

As at 31 December 2014, bank borrowings amounting to RMB791,150,000 and RMB314,420,000 were guaranteed by Hunan Provincial Power Company and CPIF respectively.

29. BANK BORROWINGS (CONTINUED)

Notes: (Continued)

(f) At 31 December 2015, the Group has the following available unutilised borrowing facilities:

	2015 RMB'000	2014 RMB'000
Bank borrowings	**22,385,820**	13,517,300

(g) The fair values of short-term bank borrowings approximate their carrying amounts as the impact of discounting is not significant.

The fair values of long-term bank borrowings at floating interest rates approximate their carrying amounts.

At 31 December 2015, the carrying amounts and fair values of long-term bank borrowings at fixed interest rates amount to RMB4,449,237,000 (2014: RMB1,991,855,000) and RMB4,432,377,000 (2014: RMB1,947,479,000) respectively. The fair values are calculated using cash flows discounted at a rate based on the borrowing rate ranging from 0.75% to 4.67% (2014: ranging from 0.75% to 6.00%) per annum and are within level 3 of the fair value hierarchy.

30. BORROWINGS FROM RELATED PARTIES

	2015 RMB'000	2014 RMB'000
Non-current		
Long-term borrowings from SPIC (note (a))	**2,744,111**	3,804,111
Long-term borrowings from CPIF (note (b))	**10,200**	11,000
Less: Current portion of long-term borrowings from SPIC	**(450,000)**	(1,330,295)
Less: Current portion of long-term borrowings from CPIF	**(800)**	–
	2,303,511	2,484,816
Current		
Short-term borrowings from a fellow subsidiary (note (c))	**263,000**	40,000
Current portion of long-term borrowings from SPIC (note (a))	**450,000**	1,330,295
Current portion of long-term borrowings from CPIF (note (b))	**800**	–
	713,800	1,370,295
	3,017,311	3,855,111

30. BORROWINGS FROM RELATED PARTIES (CONTINUED)

Notes:

(a) The long-term borrowings from SPIC are unsecured, bearing interest at rates ranging from 5.02% to 5.60% (2014: ranging from 4.93% to 6.40%) per annum and are wholly repayable within 5 years.

These borrowings are repayable as follows:

	2015 RMB'000	2014 RMB'000
Within one year	**450,000**	1,330,295
In the second year	**–**	450,000
In the third to fifth year	**2,294,111**	2,023,816
	2,744,111	3,804,111

(b) The long-term borrowings from CPIF of RMB10,200,000 (2014: RMB11,000,000) are secured against the rights on accounts receivable of a subsidiary of the Group, bearing interest rate at 4.41% (2014: 5.90%) per annum. The repayment terms of these borrowings are analysed as follows:

	2015 RMB'000	2014 RMB'000
Within one year	**800**	–
In the second year	**800**	800
In the third to fifth year	**2,400**	2,400
After the fifth year	**6,200**	7,800
	10,200	11,000

(c) The short-term borrowings from a fellow subsidiary as at 31 December 2015 are unsecured, bearing interest rate at 4.35% (2014: 5.60%) per annum and repayable within one year.

(d) The fair values of short-term borrowings from related parties approximate their carrying amounts as the impact of discounting is not significant.

As at 31 December 2015, the carrying amounts and fair values of long-term borrowings from related parties at fixed interest rates amount to RMB2,744,111,000 (2014: RMB3,815,111,000) and RMB2,800,517,000 (2014: RMB3,810,431,000) respectively. The fair values are calculated using cash flows discounted at a rate based on the borrowing rates ranging from 5.02% to 5.60% (2014: ranging from 5.04% to 6.00%) per annum and are within level 3 of the fair value hierarchy.

31. OTHER BORROWINGS

	2015 RMB'000	2014 RMB'000
Non-current		
Corporate bonds issued by:		
— the Company (note (a))	**2,000,000**	2,800,000
— a subsidiary (note (b))	**997,530**	1,496,590
	2,997,530	4,296,590
Less:		
Current portion of corporate bonds issued by:		
— the Company (note (a))	**–**	(800,000)
— a subsidiary (note (b))	**–**	(500,000)
	2,997,530	2,996,590
Convertible bonds issued by the Company (note (c))	**–**	732,854
	2,997,530	3,729,444
Current		
Corporate bonds issued by the Company reclassified as current (note (a))	**–**	800,000
Corporate bonds issued by a subsidiary reclassified as current (note (b))	**–**	500,000
Short-term other borrowings:		
— Short-term debentures issued by a subsidiary (note (d))	**500,000**	–
— Commercial notes (note (e))	**1,948,080**	1,835,700
	2,448,080	3,135,700
	5,445,610	6,865,144

Notes:

(a) The balance of 31 December 2014 included unsecured RMB denominated corporate bonds of RMB800,000,000 issued by the Company in December 2010 for a term of 5 years at an interest rate of 3.20% (2014: 3.20%) per annum. The amount was fully repaid during the year ended 31 December 2015.

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

At 31 December 2015, the fair value of these corporate bonds amounts to RMB1,979,060,000 (2014: RMB2,801,400,000), which is the quoted prices in active markets for identical liabilities and is within level 1 of fair value hierarchy.

31. OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

(b) Long-term corporate bonds issued by a subsidiary include certain bonds of RMB997,530,000 (2014: RMB996,590,000) issued by Wu Ling Power Corporation ("Wuling") which are bearing interest at 4.60% (2014: 4.60%) per annum for a term of 10 years from April 2009. The bonds are guaranteed by SPIC.

In 2013, Wuling issued corporate bonds of RMB500,000,000 which bear interest at 5.50% per annum for a term of 2 years from June 2013. The amount was fully repaid during the year ended 31 December 2015.

At 31 December 2015, the fair value of the corporate bonds amounts to RMB1,042,010,000 (2014: RMB1,526,530,000), which is the quoted prices from pricing services and is within level 2 of fair value hierarchy.

(c) Convertible bonds

	2015 **RMB'000**	2014 RMB'000
2012 Convertible Bonds	–	732,854

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

At the option of bond holders, the aggregate amount of RMB1,140,000,000 will be convertible into fully paid shares with a par value of HK$1 each of the Company. The 2012 Convertible Bonds will, subject to other terms and conditions, mature in five years from the issue date at 100% of the nominal value or can be converted into ordinary shares of the Company on or after 28 October 2012 at an initial conversion price of HK$2.52 per share (as adjusted to HK$2.094 per share with effect from 22 June 2015) pursuant to the terms and conditions as stipulated in the offering memorandum of the 2012 Convertible Bonds at a fixed exchange rate of RMB0.8185 to HK$1.00.

The 2012 Convertible Bonds are listed on the Stock Exchange.

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

31. OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

(c) Convertible bonds (Continued)

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

	RMB'000
Carrying amount as at 1 January 2014	1,005,701
Conversion	(304,686)
Accrued interest	31,839
Carrying amount as at 31 December 2014	732,854
Conversion	(741,637)
Accrued interest	8,783
Carrying amount as at 31 December 2015	–

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

During the year ended 31 December 2015, all the remaining 2012 Convertible Bonds were fully converted. The aggregate amount of RMB741,637,000 (2014: RMB304,686,000) of the 2012 Convertible Bonds was converted into 449,045,616 (2014: 185,138,254) new shares, resulting in an increase in share capital of RMB804,000,000 (2014: RMB335,500,000).

The 2012 Convertible Bonds were delisted from the Stock Exchange on 2 November 2015.

(d) Unsecured RMB denominated short-term debentures of RMB300,000,000 as at 31 December 2015 were issued by a subsidiary in November 2015 for a term of 1 year at an interest rate of 3.79% per annum and are fully repayable in 2016.

Unsecured RMB denominated short-term debentures of RMB200,000,000 as at 31 December 2015 were issued by a subsidiary in December 2015 for a term of 1 year at an interest rate of 3.32% per annum and are fully repayable in 2016.

The fair values of the debentures approximate their carrying amounts as the impact of discounting is not significant.

As at 31 December 2015, the subsidiary has the following unutilised short-term debentures facilities:

	2015 RMB'000	2014 RMB'000
Short-term debentures	500,000	–

31. OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

(e) Pursuant to the Commercial Paper Dealer Agreement entered into by the Company on 8 July 2014, the Company may issue US$ denominated commercial notes to institutional accredited investors in the United States with an aggregate amount of not more than US$300,000,000 for a 3-year period starting 8 July 2014. The term of each commercial note is not more than 270 days. Commercial notes of US$300,000,000 (approximately RMB1,948,080,000) (2014: US$300,000,000 (approximately RMB1,835,700,000)) were issued by the Company as at 31 December 2015. The commercial notes do not bear nominal interest rates but were issued at discount rates ranging from 0.42% to 0.50%.

The incidental costs arising from issue of the commercial notes for the year ended 31 December 2015 amounted to RMB20,609,000 (2014: RMB12,921,000).

The fair values of commercial notes approximate their carrying amounts as the impact of discounting is not significant.

32. OBLIGATIONS UNDER FINANCE LEASES

	2015 RMB'000	2014 RMB'000
Obligations under finance leases	**1,382,668**	1,277,121
Current portion of obligations under finance leases	**(202,573)**	(118,950)
Non-current portion of obligations under finance leases	**1,180,095**	1,158,171

Certain property, plant and equipment of the Group are under finance leases. As at 31 December 2015 and 2014, the Group's obligations under finance leases are repayable as follows:

	Minimum lease payments	
	2015 RMB'000	2014 RMB'000
Within one year	**283,499**	188,872
In the second year	**490,299**	259,601
In the third to fifth year	**713,779**	1,022,254
After the fifth year	**113,519**	12,974
	1,601,096	1,483,701
Future finance charges on obligations under finance leases	**(218,428)**	(206,580)
Present value of obligations under finance leases	**1,382,668**	1,277,121

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 4.19% to 5.82% (2014: 5.76% to 5.82%) per annum. These leases have no terms of renewal or purchase options and escalation clauses.

32. OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

The present value of the Group's obligations under finance leases is as follows:

	Present value of minimum lease payments	
	2015	2014
	RMB'000	RMB'000
Within one year	**202,573**	118,950
In the second year	**476,334**	197,444
In the third to fifth year	**600,727**	948,090
After the fifth year	**103,034**	12,637
Present value of obligations under finance leases	**1,382,668**	1,277,121

As at 31 December 2014, bank deposit of RMB35,000,000 was pledged as security for an obligation under finance lease of RMB314,790,000.

33. PROVISIONS FOR OTHER LONG-TERM LIABILITIES

Provisions for other long-term liabilities as at 31 December 2015 mainly represent provision of RMB1,024,921,000 (2014: RMB982,452,000) in relation to compensations for inundation caused by the construction of two hydropower plants of the Group.

The provision is measured at the present value of the expenditures expected to be required to settle the compensations, based on the latest rules and regulations as set out by the relevant PRC local government authorities and the expected useful life of the two hydropower plants, using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provision due to the passage of time is recognised as interest expense.

Analysis of the provision for other long-term liabilities as at 31 December 2015 and 2014 is as follows:

	2015	2014
	RMB'000	RMB'000
Compensations for inundation		
Non-current liabilities (included in provisions for other long-term liabilities)	**906,339**	934,552
Current liabilities (included in other payables and accrued charges) (Note 35)	**118,582**	47,900
	1,024,921	982,452
Early retirement benefits		
Non-current liabilities (included in provisions for other long-term liabilities)	**–**	1,705
	1,024,921	984,157

33. PROVISIONS FOR OTHER LONG-TERM LIABILITIES (CONTINUED)

The movement of the provision for compensations for inundation during the years ended 31 December 2015 and 2014 is as follows:

	2015 RMB'000	2014 RMB'000
Opening balance as at 1 January	**982,452**	–
Recognised during the year (Note 15(vi))	**20,206**	931,296
Interest expense (Note 9)	**85,136**	66,644
Payment	**(62,873)**	(15,488)
Closing balance as at 31 December	**1,024,921**	982,452

34. ACCOUNTS AND BILLS PAYABLES

	2015 RMB'000	2014 RMB'000
Accounts payable (note (a))	**412,241**	917,992
Bills payable (note (b))	**207,004**	183,558
	619,245	1,101,550

Notes:

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

	2015 RMB'000	2014 RMB'000
1 to 6 months	**376,456**	883,308
7 to 12 months	**3,228**	22,658
Over 1 year	**32,557**	12,026
	412,241	917,992

(b) Bills payable are bills of exchange with average maturity period of 3 to 12 months (2014: 3 to 6 months).

As at 31 December 2014, bank deposits of RMB2,353,000 were pledged against bills payable of RMB11,432,000 as security.

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

35. OTHER PAYABLES AND ACCRUED CHARGES

	2015 RMB'000	2014 RMB'000
Salaries and staff welfare payable	**39,795**	40,234
VAT payable	**113,977**	57,508
Other taxes payable	**338,392**	366,722
Repairs and maintenance expense payable	**21,697**	11,386
Insurance expense payable	**2,592**	5,796
Discharge fees payable	**10,209**	12,231
Reservoir maintenance and usage fees payables	**182,036**	171,074
Interest payable	**70,075**	195,699
Current portion of provisions for other long-term liabilities (Note 33)	**118,582**	47,900
Other payables and accrued operating expenses	**355,985**	352,680
	1,253,340	1,261,230

36. DERIVATIVE FINANCIAL INSTRUMENTS

	2015 RMB'000	2014 RMB'000
Derivative financial instruments — assets	**202,840**	–

During the year ended 31 December 2015, the Company entered into two derivative financial instruments to hedge foreign currency risk for the short term US$ commercial notes issued by the Company in July 2014.

Such two derivative financial instruments are European style US$ call options with expiration date on 28 June 2017. Under the contracts, the Company is entitled to buy US$190,649,000 and US$106,129,000 with RMB at the strike price of 6.1225 and 6.1375 respectively. The premium at the date of acquisition in both contracts amounted to RMB91,862,000 and RMB49,895,000 respectively.

These derivative financial instruments were categorised as financial assets at fair value through profit or loss which were not expected to be settled within 12 months. They were not designated as effective hedging instruments in accordance with HKAS 39. The change in fair value of the derivative financial instruments of RMB61,083,000 was recognised in the consolidated income statement during the year ended 31 December 2015 as other gains (Note 7).

37. DEFERRED INCOME TAX

Deferred income taxes are calculated in respect of temporary differences under the liability method using the tax rates enacted or substantively enacted by the end of reporting period.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2015 **RMB'000**	2014 RMB'000
Deferred income tax assets	**158,213**	106,442
Deferred income tax liabilities	**(1,968,569)**	(1,354,453)
Net deferred income tax liabilities	**(1,810,356)**	(1,248,011)

The net movement on the deferred income tax assets/(liabilities) is as follows:

	2015 **RMB'000**	2014 RMB'000
At 1 January	**(1,248,011)**	(1,013,760)
Credited to the consolidated income statement (Note 10)	**22,457**	85,496
Charged to other comprehensive income (Note 28)	**(584,802)**	(319,747)
At 31 December	**(1,810,356)**	(1,248,011)

37. DEFERRED INCOME TAX (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax liabilities:

	Accelerated tax depreciation		Changes in fair value of available-for-sale financial assets and derivative financial instruments		Others		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
At 1 January	**(1,114,132)**	(1,045,800)	**(429,692)**	(109,945)	**1,568**	(26,551)	**(1,542,256)**	(1,182,296)
(Charged)/credited to the consolidated income statement	**(63,630)**	(68,332)	**(15,271)**	–	**16**	28,119	**(78,885)**	(40,213)
Charged to other comprehensive income (Note 28)	**–**	–	**(584,802)**	(319,747)	**–**	–	**(584,802)**	(319,747)
At 31 December	**(1,177,762)**	(1,114,132)	**(1,029,765)**	(429,692)	**1,584**	1,568	**(2,205,943)**	(1,542,256)

Deferred income tax assets:

	Decelerated tax depreciation		Provisions		Tax losses		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
At 1 January	**85,732**	77,566	**158,190**	90,970	**50,323**	–	**294,245**	168,536
Credited/(charged) to the consolidated income statement	**34,756**	8,166	**83,671**	67,220	**(17,085)**	50,323	**101,342**	125,709
At 31 December	**120,488**	85,732	**241,861**	158,190	**33,238**	50,323	**395,587**	294,245

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2015, the Group had unrecognised tax losses to be carried forward against future taxable income amounted to RMB367,177,000 (2014: RMB1,002,909,000), which will expire within 5 years.

As at 31 December 2015, the Group had deductible temporary differences of RMB362,612,000 (2014: RMB299,416,000), which mainly relates to the impairment losses of the Group's property, plant and equipment and interest in a joint venture. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As the Company is a deemed PRC Tax Resident Enterprise, the Company is exempted from the withholding tax charged on the dividends remitted to the Company by the subsidiaries, associates or joint ventures. As such, no deferred income tax liabilities on unremitted earnings of subsidiaries, associates or joint ventures would be recognised.

38. ASSETS HELD FOR SALE

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

As at 31 December 2014, due to the fact that certain necessary procedures with the government authority were in progress, the sale of these assets has not completed. As the Group management is committed to completing the sale of these assets and the sale transaction is highly probable to complete within one year, the Group has continued to classify these assets as held for sale in the consolidated statement of financial position. Based on management's estimate, the fair value less costs of disposal of these assets was RMB589,545,000 as at 31 December 2014. As such, the Group further recognised a provision for impairment of RMB77,802,000 in the consolidated income statement for the year ended 31 December 2014.

In December 2015, due to the new policies announced by the relevant PRC government authority in relation to the reform of the electricity supply market and the further delay in the approval process, the management of the Group considers that the sale of such hydropower electricity transmission assets is no longer highly probable and the held for sale criteria in accordance with HKFRS 5 are no longer met. These assets were thus being removed from the assets held for sale category and were reclassified to property, plant and equipment as at 31 December 2015.

39. RESTRICTED DEPOSITS

Restricted deposits mainly include restricted cash deposits and bank deposits pledged as securities.

The restricted cash deposits mainly represent cash deposits held in the "joint control account" under the names of the group entities for the co-development of wind power plant with local government. The deposits are operated with the approvals from both the group entities and the local government, and it will be released upon the completion of power plant construction.

The carrying amounts of the restricted deposits as at 31 December 2015 and 2014 are as follows:

	2015 RMB'000	2014 RMB'000
Restricted cash deposits	**36,841**	–
Bank deposits secured against		
— bills payable (Note 34(b))	**–**	2,353
— an obligation under finance lease (Note 32)	**–**	35,000
— long-term borrowings (Note 29(d))	**300,000**	304,000
	300,000	341,353
	336,841	341,353
Analysed for reporting purposes as:		
— Non-current assets	**330,032**	300,000
— Current assets	**6,809**	41,353
	336,841	341,353

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before taxation to cash generated from operations

	2015 RMB'000	2014 RMB'000
Profit before taxation	**6,553,024**	4,302,747
Share of profits of associates	**(740,551)**	(640,374)
Share of profits of joint ventures	**(146,114)**	(86,270)
Finance income	**(42,866)**	(52,430)
Finance costs	**2,238,296**	2,366,120
Dividend income	**(95,343)**	(84,399)
Depreciation of property, plant and equipment	**3,033,403**	2,819,811
Impairment of property, plant and equipment	**324,277**	180,665
Impairment of assets held for sale	**–**	77,802
Impairment of interest in a joint venture	**156,370**	–
Amortisation of prepaid lease payments	**16,040**	15,898
Amortisation of deferred income	**(2,317)**	(1,659)
Loss on disposal of property, plant and equipment, net	**196,650**	208,761
Gain on disposal of available-for-sale financial assets	**(1,175,193)**	–
Fair value gain on derivative financial instruments	**(61,083)**	–
Impairment of inventories	**7,075**	4,096
Impairment of other receivables	**–**	67
Operating profit before working capital changes	**10,261,668**	9,110,835
(Increase)/decrease in accounts receivable	**(398,808)**	254,554
Decrease in prepayments, deposits and other receivables	**228,709**	26,386
Decrease in inventories	**167,422**	150,711
Changes in balances with related parties	**377,222**	63,718
Increase of derivative financial instruments	**(141,757)**	–
Increase in amounts due from associates	**–**	(9,374)
Decrease in accounts and bills payables	**(482,305)**	(705,903)
Increase in other payables and accrued charges	**520,800**	204,510
Decrease in provisions for other long-term liabilities	**(1,705)**	(1,761)
Cash generated from operations	**10,531,246**	9,093,676

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Analysis of changes in financing during the year

	Bank borrowings and other borrowings RMB'000	Borrowings from related parties RMB'000	Obligations under finance leases RMB'000	Non-controlling interests RMB'000
Balance at 1 January 2015	40,416,421	3,855,111	1,277,121	5,385,992
Drawdown of bank borrowings	11,415,483	–	–	–
Proceeds from issue of short-term debentures	500,000	–	–	–
Repayment of bank borrowings	(12,142,030)	–	–	–
Repayment of other borrowings	(1,300,000)	–	–	–
Interest element for convertible bonds	8,783	–	–	–
Interest element for short-term debentures	940	–	–	–
Repayment of borrowings from related parties	–	(1,931,095)	–	–
Drawdown of borrowings from related parties	–	1,093,295	–	–
Payments for obligations under finance leases	–	–	(161,491)	–
Interest element for obligations under finance leases	–	–	72,518	–
New finance lease (note (c)(iii))	–	–	194,520	–
Contributions from non-controlling shareholders of subsidiaries	–	–	–	599,603
Profit attributable to non-controlling interests	–	–	–	1,180,580
Acquisition of non-controlling interests	–	–	–	(43,043)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	(217,861)
Net foreign exchange losses	129,846	–	–	–
Conversion of convertible bonds	(741,637)	–	–	–
Balance at 31 December 2015	38,287,806	3,017,311	1,382,668	6,905,271

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Analysis of changes in financing during the year *(Continued)*

	Bank borrowings and other borrowings RMB'000	Borrowings from related parties RMB'000	Obligations under finance leases RMB'000	Non-controlling interests RMB'000
Balance at 1January 2014	39,911,615	5,222,911	554,749	4,865,487
Drawdown of bank borrowings	9,293,981	–	–	–
Proceeds from issue of corporate bonds	2,000,000	–	–	–
Proceeds from issue of commercial notes	1,835,700	–	–	–
Repayment of bank borrowings	(11,244,402)	–	–	–
Drawdown of short-term other borrowings	50,000	–	–	–
Repayment of other borrowings	(650,000)	–	–	–
Interest element for convertible bonds	37,446	–	–	–
Interest element for corporate bonds	897	–	–	–
Repayment of borrowings from related parties	–	(2,007,800)	–	–
Drawdown of borrowings from related parties	–	640,000	–	–
Payments for obligations under finance leases	–	–	(146,633)	–
Interest element for obligations under finance leases	–	–	36,410	–
New finance lease (note (c)(iii))	–	–	832,595	–
Contributions from non-controlling shareholders of subsidiaries	–	–	–	280,460
Profit attributable to non-controlling interests	–	–	–	876,646
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	(636,601)
Net foreign exchange gains	(72,677)	–	–	–
Conversion of convertible bonds	(746,139)	–	–	–
Balance at 31 December 2014	40,416,421	3,855,111	1,277,121	5,385,992

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Major non-cash transactions

(i) During the year ended 31 December 2014, all remaining 2011 Convertible Bonds were fully converted. The aggregate amount of RMB441,453,000 of the 2011 Convertible Bonds was converted into 312,632,049 new shares, resulting in an increase in share capital of RMB451,485,000. These shares rank pari passu in all respects with the existing shares.

(ii) During the year ended 31 December 2015, all remaining 2012 Convertible Bonds were fully converted. The aggregate amount of RMB741,637,000 (2014: RMB304,686,000) of the 2012 Convertible Bonds was converted into 449,045,616 (2014: 185,138,254) new shares, resulting in an increase in share capital of RMB804,000,000 (2014: RMB335,500,000) (Note 31(c)). These shares rank pari passu in all respects with the existing shares.

(iii) The Group entered into a finance lease agreement during the year ended 31 December 2015 to acquire property, plant and equipment amounted to RMB194,520,000 (2014: RMB832,595,000).

41. COMMITMENTS

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

	2015 **RMB'000**	2014 RMB'000
Contracted but not provided for in respect of		
— property, plant and equipment	**6,398,606**	3,688,559
— capital contribution to associates	**187,313**	277,425
— capital contribution to a joint venture	**–**	584
	6,585,919	3,966,568

41. COMMITMENTS (CONTINUED)

(b) Commitments under operating leases

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

	2015 RMB'000	2014 RMB'000
Land and buildings		
— No later than one year	**43,284**	87,840
— Later than one year and not later than five years	**91,773**	21,207
— Later than five years	**22,230**	–
	157,287	109,047

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

	2015 RMB'000	2014 RMB'000
Property, plant and equipment		
— No later than one year	**57,013**	14,071
— Later than one year and not later than five years	**109,083**	19,190
	166,096	33,261

42. RELATED PARTY TRANSACTIONS

The Group is controlled by CPIH, an intermediate holding company which directly holds approximately 28.21% (2014: 30.04%) of the Company's shares, and indirectly holds approximately 27.14% (2014: 28.91%) of the Company's shares through CPDL. As at 31 December 2015, CPIH owned approximately 55.35% (2014: 58.95%) equity interest of the Company in aggregate. The Directors regard SPIC, a wholly state-owned enterprise established in the PRC which is the beneficial owner of CPIH, as the ultimate holding company.

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

42. RELATED PARTY TRANSACTIONS (CONTINUED)

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

Major related parties that had transactions with the Group were as follows:

Related parties	Relationship with the Company
SPIC (國家電投)	Ultimate holding company
CPIH (中電國際)	Intermediate holding company
CPDL	Immediate holding company
CPIF (中電投財務)	A company controlled by SPIC
SPIC Henan Electric Power Co., Ltd. (國家電投集團河南電力有限公司) (formerly known as China Power Investment Henan Power Corporation (中電投河南電力有限公司)) and its subsidiaries	Companies controlled by SPIC
CPI Yuanda Environmental-Protection Engineering Co., Ltd. (中電投遠達環保工程有限公司) and its subsidiaries	Companies controlled by SPIC
CPI Logistics Company Limited (中電投物流有限責任公司)	A company controlled by SPIC
China Power Complete Equipment Co., Ltd. (中國電能成套設備有限公司)	A company controlled by SPIC
CPI Science and Technology Research Institute Company Limited (中電投科學技術研究院有限公司)	A company controlled by SPIC
CPI Information Technology Co., Ltd. (中電投信息技術有限公司)	A company controlled by SPIC
SPIC Yunnan International Power Investment Co., Ltd. (國電投雲南國際電力投資有限公司) and its subsidiaries	Companies controlled by SPIC

42. RELATED PARTY TRANSACTIONS (CONTINUED)

Related parties	Relationship with the Company
CPI Sichuan Electric Power Company Limited (中電投四川電力有限公司) and its subsidiaries	Companies controlled by SPIC
SPIC Capital Holding Company (國家電投資本控股有限公司)	A company controlled by SPIC
CPI Insurance Brokers Co., Ltd. (中電投保險經紀有限公司)	A company controlled by SPIC
CPI Engineering Co., Ltd. (中電投電力工程有限公司)	A company controlled by SPIC
Shanxi Shentou Electric Industry Company Limited (山西神頭電力實業有限責任公司)	Fellow subsidiary
Anhui Huainan Pingwei Electric Power Industry Company Limited (安徽淮南平圩電力實業有限責任公司)	Fellow subsidiary
Pingdingshan Yaomeng Power Industrial Co., Ltd. (平頂山姚孟電力實業有限責任公司)	Fellow subsidiary
Guizhou Qian Dong Power Corporation (貴州黔東電力有限公司)	Fellow subsidiary
China Power Maintenance Engineering Company Limited (中電電力檢修工程有限公司) and its subsidiaries	Fellow subsidiaries
Beijing China Power Environmental Engineering Company Limited (北京中電環境工程有限公司) and its subsidiaries	Fellow subsidiaries
Liaoning Qinghe Electric Power Company Limited (遼寧清河發電有限責任公司)	Fellow subsidiary
China Power New Energy Development Company Limited (中國電力新能源發展有限公司)	Fellow subsidiary
CPIH New Energy Holdings Company Limited (中電國際新能源控股有限公司) and its subsidiaries	Fellow subsidiaries

42. RELATED PARTY TRANSACTIONS (CONTINUED)

Related parties	Relationship with the Company
China Power (Sihui) Thermal Electric Company Limited (中電（四會）熱電有限責任公司)	Fellow subsidiary
Suzhou Tianhe Electric Power Engineering Co., Ltd. (蘇州天河中電電力工程技術有限公司)	Fellow subsidiary
Jiangsu Changshu Electric Power Generating Company Limited (江蘇常熟發電有限公司)	Associate
Guangzhou China Power Lixin Industry Company Limited (廣州中電荔新電力實業有限公司)	Joint venture
Henan Zhongping Coal & Electricity Co., Ltd. (河南中平煤電有限責任公司)	Joint venture
Hunan Xiangtou International Investment Limited (湖南湘投國際投資有限公司)	A non-controlling shareholder
Huainan Mining Industry (Group) Company Limited (淮南礦業（集團）有限責任公司) ("Huainan Mining")	A non-controlling shareholder of a subsidiary
China Coal Energy Company Limited (中國中煤能源股份有限公司) and its subsidiaries	A non-controlling shareholder of a subsidiary

42. RELATED PARTY TRANSACTIONS (CONTINUED)

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

(a) Income

	Note	2015 RMB'000	2014 RMB'000
Interest income from:			
— a company controlled by SPIC other than CPIF	(i)	–	957
— CPIF	(i)	78	244
— an associate	(i)	2,900	14,449
Rental income from a fellow subsidiary	(ii)	54,110	54,110
Management fee income from CPIH	(iii)	10,304	10,304
Dividend income from Shanghai Power	(iv)	90,823	80,689
Dividend income from CPIF	(iv)	4,520	3,710
Income from provision of repairs and maintenance services to:			
— fellow subsidiaries	(v)	5,914	2,964
— companies controlled by SPIC	(v)	5,905	–
Income from provision of IT services to:			
— CPIH	(vi)	189	214
— an associate	(vi)	1,160	1,160
— fellow subsidiaries	(vi)	7,012	13,626
Sales of fuel, raw materials and spare parts to:			
— fellow subsidiaries	(vii)	139,467	60,017
— an associate	(vii)	78,470	104,141
Sales of unused power production quota to companies controlled by SPIC	(viii)	4,971	194,896

Notes:

(i) Interest income from a company controlled by SPIC other than CPIF in 2014 was charged at a fixed interest rate of 6.15% per annum. Interest income from CPIF was charged at 0.35% (2014: 0.35%) per annum. Interest income from an associate was charged at 1.75% (2014: 3.00% to 6.30%) per annum.

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

(iii) Management fee income from CPIH was charged for managing a power plant on behalf of CPIH by the Group. This was charged in accordance with the terms of the relevant agreements.

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

(v) Income from the provision of repairs and maintenance services to fellow subsidiaries and companies controlled by SPIC was charged in accordance with the terms of the relevant agreements.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Income *(Continued)*

Notes: (Continued)

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

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

(viii) Sales of unused power production quota to companies controlled by SPIC were charged in accordance with the terms of the relevant agreements.

(b) Expenses

	Note	**2015 RMB'000**	2014 RMB'000
Purchases of fuel, raw materials and spare parts from:			
— non-controlling shareholders of subsidiaries	(i)	**3,362,582**	3,830,443
— fellow subsidiaries	(i)	**69,119**	124,626
— companies controlled by SPIC	(i)	**103,644**	–
— a joint venture	(i)	**32,647**	42,280
Service fees to:			
— fellow subsidiaries	(ii)	**220,343**	390,157
— companies controlled by SPIC	(ii)	**19,778**	–
Interest expenses to:			
— CPIF	(iii)	**6,004**	8,932
— SPIC	(iii)	**164,148**	202,268
— a fellow subsidiary	(iii)	**14,263**	7,320
— CPIH	(iii)	**2,923**	2,855
Construction costs to fellow subsidiaries	(iv)	**6,319**	6,684
Operating lease rental expenses in respect of:			
— land to SPIC	(v)	**17,061**	17,061
— buildings to CPIH	(v)	**18,183**	16,854
Purchase of unused power production quota from a company controlled by SPIC	(vi)	**32,221**	–

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Expenses *(Continued)*

Notes:

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

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

(iii) Interest expenses to CPIF, SPIC and a fellow subsidiary were charged based on outstanding loan balances at interest rates ranging from 4.41% to 5.90% (2014: 5.76% to 6.00%) per annum, from 4.93% to 6.40% (2014: 3.90% to 6.40%) per annum and from 4.35% to 5.60% (2014: 5.60%) per annum, respectively. Interest expenses to CPIH were charged at interest rate ranging from 1.75% to 3.00% (2014: 3.00% to 5.40%) per annum.

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

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

(vi) The purchase of unused power production quota from a company controlled by SPIC was charged in accordance with the terms of the relevant agreement.

(c) Year-end balances with related parties

	Note	2015 RMB'000	2014 RMB'000
Borrowing from CPIF	(i)	**(10,200)**	(11,000)
Borrowings from SPIC	(ii)	**(2,744,111)**	(3,804,111)
Borrowing from a fellow subsidiary	(iii)	**(263,000)**	(40,000)
Amounts due from:			
— non-controlling shareholders	(vi)	**–**	252
— an associate	(iv)	**55,109**	205,631
— fellow subsidiaries	(vi)	**5,826**	118,800
— companies controlled by SPIC other than CPIF	(vi)	**7,699**	–
— CPIH	(vi)	**1,153**	2,152
— CPIF	(vi)	**7,738**	8,605
— CPDL	(vi)	**–**	140
Amounts due to:			
— non-controlling shareholders	(vi)	**(263,496)**	(50,499)
— fellow subsidiaries	(vi)	**(58,266)**	(89,962)
— companies controlled by SPIC other than CPIF	(vi)	**(49,372)**	(13,518)
— SPIC	(vi)	**(124,149)**	(170,279)
— CPIH	(v)	**(134,486)**	(129,243)
— CPIF	(vi)	**(63,013)**	–

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Year-end balances with related parties *(Continued)*

Notes:

(i) Borrowing from CPIF is secured and bearing interest at rate of 4.41% (2014: 5.90%) per annum.

(ii) Borrowings from SPIC are unsecured, carrying interest at rates ranging from 5.02% to 5.60% (2014: 4.93% to 6.40%) per annum and are repayable by the year 2018.

(iii) Borrowing from a fellow subsidiary is unsecured and bearing interest at rate of 4.35% (2014: 5.60%) per annum and is repayable within one year.

(iv) Except for an amount due from an associate of RMB55,080,000 (2014: RMB205,080,000) which carries interest rate of 1.75% (2014: 3.00% to 5.60%) per annum and is repayable on demand, the remaining amount due from the associate is unsecured, interest free and repayable on demand.

(v) Except for an amount due to CPIH of RMB106,440,000 (2014: RMB106,440,000) which carries interest rate of 1.75% (2014: 3.00%) per annum and is repayable on demand, the remaining amount due to CPIH is unsecured, interest free and repayable on demand.

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

(d) For the years ended 31 December 2015 and 2014, the Group's significant transactions and balances with entities that are controlled, jointly-controlled or significantly influenced by the PRC government mainly include:

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

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

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

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

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

(vi) service fees to state-owned enterprises

(vii) compensations for inundation to the PRC government

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

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Key management personnel compensation

	2015 RMB'000	2014 RMB'000
Fees, basic salaries, housing allowance, other allowances and benefit in kind, discretionary bonus, employer's contribution to pension scheme and other benefits	**9,052**	8,811

(f) As at 31 December 2015 and 2014, for guarantees issued by related parties, please refer to Notes 29(e) and 31(b).

(g) Purchases of property, plant and equipment

	2015 RMB'000	2014 RMB'000
Purchases of property, plant and equipment from fellow subsidiaries	**71,946**	–

Note: Purchases of property, plant and equipment from fellow subsidiaries were charged in accordance with the terms of the relevant agreements.

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following is a list of the principal subsidiaries at 31 December 2015 and 2014:

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Type of legal entity	Principal activities
Interests held directly by the Company:						
安徽淮南平圩發電有限責任公司 (Anhui Huainan Pingwei Electric Power Company Limited)	The PRC	RMB841,600,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
淮南平圩第二發電有限責任公司 (Huainan Pingwei No. 2 Electric Power Co., Ltd.)	The PRC	US$104,153,000	75%	–	Sino-foreign equity joint venture	Generation and sale of electricity

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest Held by the Company	Proportion of ownership interest Held by a subsidiary	Type of legal entity	Principal activities
*淮南平圩第三發電有限責任公司 (Huainan Pingwei No. 3 Electric Power Co., Ltd.) ("Pingwei No. 3 Power")	The PRC	RMB1,571,800,000/ RMB1,460,079,000	60% (2014:100%) (note (i))	–	Sino-foreign equity joint venture	Generation and sale of electricity
黃岡大別山發電有限責任公司 (Huanggang Dabieshan Power Company Limited)	The PRC	RMB815,526,000	51%	–	Sino-foreign equity joint venture	Generation and sale of electricity
平頂山姚孟發電有限責任公司 (Pingdingshan Yaomeng Power Company Limited)	The PRC	RMB1,702,336,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
天澤發展有限公司 (Tianze Development Limited)	British Virgin Islands	US$1	100%	–	Limited liability company	Investment holding
五凌電力有限公司 (Wu Ling Power Corporation)	The PRC	RMB5,000,000,000	63%	–	Sino-foreign equity joint venture	Generation and sale of electricity
*四川中電福溪電力開發有限公司 (Sichuan CPI Fuxi Power Company Limited)	The PRC	RMB968,000,000 (note (iii))	51%	–	Sino-foreign equity joint venture	Generation and sale of electricity
中電恒源物流（北京）有限公司 (CPI Hengyuan Logistics (Beijing) Company Limited)	The PRC	HK$5,000,000	100%	–	Wholly foreign-owned enterprise	Provision of logistics services
*中電國瑞物流有限公司 (China Power Guorui Logistics Company Limited)	The PRC	HK$123,000,000 (note (iv))	100%	–	Wholly foreign-owned enterprise	Provision of logistics services
北京中電匯智科技有限公司 (Beijing China Power Huizhi Technology Company Limited)	The PRC	RMB20,000,000	51%	–	Sino-foreign equity joint venture	Provision of IT services
中電神頭發電有限責任公司 (China Power Shentou Power Generating Company Limited)	The PRC	RMB1,000,000,000/ RMB900,309,000	80%	–	Sino-foreign equity joint venture	Generation and sale of electricity
蕪湖發電有限責任公司 (Wuhu Electric Power Generating Company Limited)	The PRC	US$142,500,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
*#中電（普安）發電有限責任公司 (China Power (Pu'an) Power Generating Company Limited)	The PRC	RMB600,000,000/ RMB200,178,000 (note (ii))	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
中電華創電力技術研究有限公司 (China Power Hua Chuang Electric Power Technology Research Company Limited)	The PRC	RMB50,000,000	100%	–	Wholly foreign-owned enterprise	Provision of technical services related to generation of electricity

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest Held by the Company	Held by a subsidiary	Type of legal entity	Principal activities
^#山西中電神頭第二發電有限責任公司 (Shanxi China Power No. 2 Power Generating Company Limited)	The PRC	US$20,000,000/ US$3,130,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
^#鐵嶺中電光伏發電有限公司 (Tieling China Power Photovoltaic Power Generating Company Limited)	The PRC	RMB97,420,000/ RMB81,000,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
^#淮南中電焦崗湖光伏發電有限責任公司 (Huainan China Power Jiaoganghu Photovoltaic Power Generating Company Limited)	The PRC	RMB56,100,000/ Nil	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
^#大同中電光伏發電有限公司 (Datong China Power Photovoltaic Power Generating Company Limited)	The PRC	RMB200,000,000/ RMB155,000,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
^#揚州中電綠洋湖光伏有限公司 (Yangzhou China Power Luyanghu Photovoltaic Power Generating Company Limited)	The PRC	RMB25,000,000/ RMB15,000,000	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
^# 中電(江門)綜合能源有限公司 (China Power Jiangmen Comprehensive Energy Company Limited)	The PRC	RMB168,000,000/ RMB2,600,000	100%	–	Wholly foreign-owned enterprise	Investment on new energy power resources
^#大姚中電光伏發電有限公司 (Dayao China Power Photovoltaic Power Generating Company Limited)	The PRC	RMB135,000,000/ Nil	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
^#姚安中電光伏發電有限公司 (Yao'an China Power Photovoltaic Power Generating Company Limited)	The PRC	RMB135,000,000/ Nil	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
^#湖北中電智光新能源有限公司 (Hubei China Power Zhiguang New Energy Company Limited)	The PRC	RMB140,000,000/ Nil	100%	–	Wholly foreign-owned enterprise	Generation and sale of electricity
Interests held indirectly by the Company:						
山西神頭發電有限責任公司 (Shanxi Shentou Power Generating Company Limited)	The PRC	RMB501,681,000	–	100%	Wholly foreign-owned enterprise	Generation and sale of electricity
^國家電投（蕪湖）售電有限公司 (SPIC (Wuhu) Power Sales Company Limited)	The PRC	RMB30,000,000/ Nil	–	100%	Wholly foreign-owned enterprise	Investment on comprehensive energy resources

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest Held by the Company	Proportion of ownership interest Held by a subsidiary	Type of legal entity	Principal activities
貴州清水江水電有限公司 (Guizhou Qingshuijiang Hydropower Co., Ltd.)	The PRC	RMB3,285,500,000	–	95%	Limited liability company	Generation and sale of electricity
*懷化沅江電力開發有限公司 (Huaihua Yuanjiang Power Development Co., Ltd.) ("Yuanjiang Power")	The PRC	RMB3,800,000,000	–	100% (2014:95%) (note (v))	Limited liability company	Generation and sale of electricity
湖南五華酒店有限公司 (Hunan Wuhua Hotel Co., Ltd.)	The PRC	RMB162,100,000	–	70%	Sino-foreign equity joint venture	Hotel ownership and operation
湖南五凌電力工程公司 (Hunan Wuling Engineering Co., Ltd.)	The PRC	RMB48,000,000	–	100%	Limited liability company	Provision of repair and maintenance services
湖南湘中電力有限公司 (Hunan Xiangzhong Power Co., Ltd.)	The PRC	RMB50,000,000	–	95%	Limited liability company	Generation and sale of electricity
理縣華成水電開發有限責任公司 (Lixian Huacheng Hydropower Development Company Limited)	The PRC	RMB122,818,000	–	100%	Limited liability company	Generation and sale of electricity
四川九源電力開發有限責任公司 (Sichuan Jiuyuan Electric Power Development Company Limited)	The PRC	RMB130,000,000	–	100%	Limited liability company	Generation and sale of electricity
張家界市土木溪水電開發有限公司 (Zhangjiajie Tumuxi Hydropower Development Company Limited)	The PRC	RMB42,000,000	–	100%	Limited liability company	Generation and sale of electricity
四川紅葉電力有限責任公司 (Sichuan Hongye Electric Power Company Limited)	The PRC	RMB50,000,000	–	91%	Limited liability company	Generation and sale of electricity
四川興鐵電氣設備有限公司 (Sichuan Xingtie Electrical Equipment Company Limited)	The PRC	RMB46,000,000	–	70%	Limited liability company	Generation and sale of electricity
五凌電力燃料有限公司 (Wuling Power Fuel Company Limited)	The PRC	RMB80,000,000	–	100%	Limited liability company	Provision of fuel purchase services
小金縣鑫鴻電力開發有限公司 (Xiaojinxian Xinhong Electric Power Development Company Limited)	The PRC	RMB46,000,000	–	100%	Limited liability company	Generation and sale of electricity
茶陵縣聯冠水電開發有限公司 (Chalingxian Lianguan Hydropower Development Company Limited)	The PRC	RMB25,080,000	–	100%	Limited liability company	Generation and sale of electricity
五凌托克遜電力有限公司 (Wuling Toksun Electric Power Co., Ltd.)	The PRC	RMB70,000,000	–	100%	Limited liability company	Generation and sale of electricity

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest Held by the Company	Proportion of ownership interest Held by a subsidiary	Type of legal entity	Principal activities
五凌布爾津電力有限公司 (Wuling Burqin Electric Power Co., Ltd.)	The PRC	RMB70,000,000	–	100%	Limited liability company	Generation and sale of electricity
新龍縣西達水電開發有限公司 (Xinlongxian Xida Hydropower Development Co., Ltd.)	The PRC	RMB20,000,000	–	65%	Limited liability company	Generation and sale of electricity
*五凌汝城電力有限公司 (Wuling Rucheng Electric Power Co., Ltd.)	The PRC	RMB86,000,000 (note (vi))	–	100%	Limited liability company	Generation and sale of electricity
五凌臨湘電力有限公司 (Wuling Linxiang Electric Power Co., Ltd.)	The PRC	RMB93,000,000	–	100%	Limited liability company	Generation and sale of electricity
五凌鄯善電力有限公司 (Wuling Shanshan Electric Power Co., Ltd.)	The PRC	RMB70,000,000	–	100%	Limited liability company	Generation and sale of electricity
張家界土木溪水廠有限公司 (Zhangjiajie Tumuxi Water Plant Co., Ltd.)	The PRC	RMB14,000,000	–	100%	Limited liability company	Generation and sale of water
^五凌吐魯番新能源運營服務有限公司 (Wuling Tulufan New Energy Business Service Co. Ltd.)	The PRC	RMB10,000,000/ RMB7,000,000	–	100%	Limited liability company	Provision of repair and maintenance services
^#五凌永順電力有限公司 (Wuling Yongshun Electric Power Co., Ltd.)	The PRC	RMB88,000,000/ RMB35,200,000	–	100%	Limited liability company	Generation and sale of electricity
^#五凌青河電力有限公司 (Wuling Qinggil Electric Power Co., Ltd.)	The PRC	RMB36,000,000	–	100%	Limited liability company	Generation and sale of electricity
^#五凌新邵電力有限公司 (Wuling Xinshao Electric Power Co., Ltd.)	The PRC	RMB88,000,000/ RMB83,000,000	–	100%	Limited liability company	Generation and sale of electricity
^#五凌攸縣電力有限公司 (Wuling Youxian Electric Power Co., Ltd.)	The PRC	RMB88,000,000/ RMB4,500,000	–	100%	Limited liability company	Generation and sale of electricity
^#五凌桃江電力有限公司 (Wuling Taojiang Electric Power Co., Ltd.)	The PRC	RMB88,000,000/ RMB6,000,000	–	100%	Limited liability company	Generation and sale of electricity
^#古浪縣雍和新能源投資有限責任公司 (Gulangxian Yonghe New Energy Investment Co., Ltd.)	The PRC	RMB167,000,000/ RMB144,800,000	–	70%	Limited liability company	Generation and sale of electricity
^#五凌華寧電力有限公司 (Wuling Huaning Electric Power Co., Ltd.)	The PRC	RMB88,000,000/ RMB25,958,000	30%	70%	Sino-foreign equity joint venture	Generation and sale of electricity

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of companies	Place of establishment and operation	Registered/ paid up capital	Proportion of ownership interest Held by the Company	Held by a subsidiary	Type of legal entity	Principal activities
^#廣元中電投電力有限公司 (Guangyuan CPI Electric Power Co., Ltd.)	The PRC	RMB88,000,000/ Nil	–	100%	Limited liability company	Generation and sale of electricity
^#五凌商都電力有限公司 (Wuling Shangdu Electric Power Co., Ltd.)	The PRC	RMB20,000,000/ Nil	–	100%	Limited liability company	Generation and sale of electricity
^#五凌新疆達阪城電力有限公司 (Wuling Xinjiang Dabancheng Electric Power Co., Ltd.)	The PRC	RMB70,000,000/ Nil	–	100%	Limited liability company	Generation and sale of electricity
^#五凌富蘊電力有限公司 (Wuling Fuyun Electric Power Co., Ltd.)	The PRC	RMB70,000,000/ Nil	–	100%	Limited liability company	Generation and sale of electricity
^#五凌炎陵電力有限公司 (Wuling Yanling Electric Power Co., Ltd.)	The PRC	RMB88,000,000/ Nil	–	100%	Limited liability company	Generation and sale of electricity

The power plant is under development.

^ These subsidiaries were newly set up during the year.

* During the years ended 31 December 2015 and 2014, there were changes in the registered/paid up capital or proportion of ownership interest of the following subsidiaries:

(i) On 7 November 2014, the Company and Huainan Mining entered into the Capital Contribution Agreement, pursuant to which Huainan Mining agreed to make capital contribution in cash to the registered capital of Pingwei No.3 Power, which was a wholly-owned subsidiary of the Company. The related transaction was completed in 2015, the shareholding of the Company in Pingwei No. 3 Power was diluted from 100% to 60% of the enlarged registered capital. The Company had not lost control in Pingwei No. 3 Power. Huainan Mining has made capital injection of RMB584,000,000 into Pingwei No.3 Power during the year ended 31 December 2015. The differences of RMB12,299,000 between the contribution from Huainan Mining of RMB584,000,000 and the carrying amount of 40% equity interest in Pingwei No. 3 Power is credited to other reserve.

(ii) During the year ended 31 December 2015, the paid up capital of China Power (Pu'an) Power Generating Company Limited has been increased from RMB90,178,000 to RMB200,178,000.

(iii) During the year ended 31 December 2015, the paid up capital of Sichuan CPI Fuxi Power Company Limited has been increased from RMB933,653,000 to RMB968,000,000.

(iv) During the year ended 31 December 2015, the registered and paid up capital of China Power Guorui Logistics Company Limited has been increased from HK$60,000,000 to HK$123,000,000.

(v) During the year ended 31 December 2015, Wuling acquired 5% additional interests in Yuanjiang Power, therefore its interests in Yuanjiang Power has increased to 100%. The consideration of RMB37,327,000 has been paid in cash. The difference between the consideration paid of RMB37,327,000 and the carrying amount of non-controlling interests of RMB43,043,000 (being the proportionate share of the carrying amount of the net assets of Yuanjiang Power) is credited to other reserve.

(vi) During the year ended 31 December 2015, the paid up capital of Wuling Rucheng Electric Power Co., Ltd. has been increased from RMB61,000,000 to RMB86,000,000.

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Material non-controlling interests

The total non-controlling interests as at 31 December 2015 are RMB6,905,271,000 (2014:RMB5,385,992,000), of which RMB4,244,034,000 (2014: RMB3,532,816,000) is for Wuling and its subsidiaries (collectively, the "Wuling Group"). The total comprehensive income attributable to non-controlling interests for the year ended 31 December 2015 is RMB1,180,580,000 (2014: RMB876,646,000), of which RMB709,103,000 (2014: RMB522,667,000) is for Wuling Group.

The non-controlling interests in respect of the rest of entities with non-controlling interests were individually not material. Set out below are the summarised financial information for Wuling Group. Refer to Note 42 for transactions and balances with non-controlling interests.

Summarised consolidated statement of financial position

	Wuling Group	
	2015	2014
	RMB'000	RMB'000
Current assets	**1,184,920**	1,698,985
Current liabilities	**(7,707,266)**	(9,311,383)
Net current liabilities	**(6,522,346)**	(7,612,398)
Non-current assets	**39,336,418**	38,281,643
Non-current liabilities	**(21,131,366)**	(20,955,674)
Net non-current assets	**18,205,052**	17,325,969
Net assets	**11,682,706**	9,713,571
Non-controlling interests within Wuling Group	**(212,343)**	(165,420)
Net assets attributable to owners of Wuling	**11,470,363**	9,548,151
Non-controlling interests of Wuling (at 37%)	**4,244,034**	3,532,816

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Material non-controlling interests *(Continued)*

Summarised consolidated income statement and consolidated statement of comprehensive income

	Wuling Group	
	2015	2014
	RMB'000	RMB'000
Revenue	**5,690,118**	5,080,454
Profit before taxation	**2,321,924**	1,792,298
Income tax expense	**(369,323)**	(365,192)
Profit and total comprehensive income for the year	**1,952,601**	1,427,106
Total comprehensive income for the year attributable to non-controlling interests within Wuling Group	**(36,105)**	(14,493)
Total comprehensive income for the year attributable to owners of Wuling	**1,916,496**	1,412,613
Total comprehensive income allocated to non-controlling interests of Wuling (at 37%)	**709,103**	522,667

Summarised consolidated statement of cash flows

	Wuling Group	
	2015	2014
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	**3,905,518**	5,043,687
Interest paid	**(1,411,345)**	(2,115,049)
PRC income tax paid	**(475,457)**	(1,432,462)
Net cash generated from operating activities	**2,018,716**	1,496,176
Net cash used in investing activities	**(2,198,354)**	(1,927,050)
Net cash generated from financing activities	**212,551**	356,245
Net increase/(decrease) in cash and cash equivalents	**32,913**	(74,629)
Cash and cash equivalents at 1 January	**329,812**	404,441
Cash and cash equivalents at 31 December	**362,725**	329,812

The financial information presented above is before inter-company eliminations.

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	**3,200**	5,464
Investments in subsidiaries	**11,832,383**	11,138,823
Interests in associates	**1,401,991**	1,285,687
Interests in joint ventures	**372,504**	603,200
Available-for-sale financial assets	**5,347,661**	3,151,068
Loans to subsidiaries	**4,750,000**	2,000,000
Derivative financial instruments	**202,840**	–
	23,910,579	18,184,242
Current assets		
Loans to subsidiaries	**4,201,369**	4,461,360
Prepayments, deposits and other receivables	**2,805**	7,226
Amounts due from related parties	**55,409**	205,655
Amounts due from subsidiaries	**115,273**	97,222
Dividends receivable	**348,168**	643,978
Cash and cash equivalents	**734,695**	511,004
	5,457,719	5,926,445
Total assets	**29,368,298**	24,110,687
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital (Note 27)	**13,534,145**	12,730,145
Reserves	**6,099,795**	3,886,566
Total equity	**19,633,940**	16,616,711

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
LIABILITIES		
Non-current liabilities		
Bank borrowings	**2,500,000**	–
Other borrowings	**2,000,000**	2,732,854
Deferred income tax liabilities	**1,029,764**	429,692
	5,529,764	3,162,546
Current liabilities		
Other payables and accrued charges	**42,767**	54,297
Amounts due to related parties	**133,124**	126,538
Amounts due to subsidiaries	**783,040**	899,895
Bank borrowings	**1,230,000**	615,000
Other borrowings	**1,948,080**	2,635,700
Taxation payable	**67,583**	–
	4,204,594	4,331,430
Total liabilities	**9,734,358**	7,493,976
Total equity and liabilities	**29,368,298**	24,110,687
Net current assets	**1,253,125**	1,595,015
Total assets less current liabilities	**25,163,704**	19,779,257

The statement of financial position was approved and authorised for issue by the Board on 23 March 2016 and is signed on its behalf by:

Yu Bing
Director

Wang Zichao
Director

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Note:

Movement in the Company's reserve

	Available-for-sale financial assets reserve RMB'000	Share-based compensation reserve RMB'000	Convertible option reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2015	**1,334,302**	**20,214**	**104,547**	**2,427,503**	**3,886,566**
Lapse of share options	**–**	**(1,971)**	**–**	**1,971**	**–**
Fair value gain on available-for-sale financial assets	**3,527,087**	**–**	**–**	**–**	**3,527,087**
Deferred tax on fair value gain on available-for-sale financial assets	**(878,600)**	**–**	**–**	**–**	**(878,600)**
Release on disposal of available-for-sale financial assets	**(1,192,381)**	**–**	**–**	**–**	**(1,192,381)**
Release of deferred tax upon disposal of available-for-sale financial assets	**293,798**	**–**	**–**	**–**	**293,798**
Issue of new shares upon conversion of convertible bonds	**–**	**–**	**(104,547)**	**42,184**	**(62,363)**
2014 final dividend	**–**	**–**	**–**	**(1,219,003)**	**(1,219,003)**
Profit for the year	**–**	**–**	**–**	**1,744,691**	**1,744,691**
At 31 December 2015	**3,084,206**	**18,243**	**–**	**2,997,346**	**6,099,795**
At 1 January 2014	375,062	28,010	208,149	2,073,970	2,685,191
Exercise of share options	–	(4,771)	–	4,771	–
Lapse of share options	–	(3,025)	–	3,025	–
Fair value gain on available-for-sale financial assets	1,278,987	–	–	–	1,278,987
Deferred tax on fair value gain on available-for-sale financial assets	(319,747)	–	–	–	(319,747)
Issue of new shares upon conversion of convertible bonds	–	–	(103,602)	62,756	(40,846)
2013 final dividend	–	–	–	(1,037,577)	(1,037,577)
Profit for the year	–	–	–	1,320,558	1,320,558
At 31 December 2014	1,334,302	20,214	104,547	2,427,503	3,886,566

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of RMB1,744,691,000 (2014: RMB1,320,558,000).

45. EVENT AFTER THE REPORTING PERIOD

On 18 January 2016, the Company has entered into the letter of intent with SPIC, whereby the Company proposes to acquire and SPIC proposes to sell 100% of the equity interest in Henan Power.

Henan Power and its subsidiaries are principally engaged in the operation, production, investment and management of power and heat generation, with installed capacity of approximately 5,600MW, of which approximately 4,600MW was from coal-fired power. Henan Power is currently wholly owned by SPIC.

The proposed acquisition when entered into may constitute a major transaction for the Company and also will constitute a connected transaction of the Company.

The process to identify and value these individual assets and liabilities of Henan Power has begun. The above tasks are not completed up to the date of approval for issuance of these consolidated financial statements.

FIVE-YEAR FINANCIAL AND OPERATIONS SUMMARY

	2015 RMB million	2014 RMB million	2013 RMB million	2012 RMB million	2011 RMB million
Revenue	**20,196.7**	20,447.2	18,826.7	17,497.1	16,082.1
Profit before taxation	**6,553.0**	4,302.7	4,234.1	2,128.7	782.2
Income tax expense	**(1,223.4)**	(660.2)	(958.7)	(447.4)	(193.8)
Profit for the year	**5,329.6**	3,642.5	3,275.4	1,681.3	588.4
Attributable to:					
Owners of the Company	**4,149.0**	2,765.9	2,289.9	1,181.1	505.2
Non-controlling interests	**1,180.6**	876.6	985.5	500.2	83.2
Basic earnings per share (RMB)	**0.58**	0.42	0.40	0.22	0.10
Dividend per share (RMB)	**0.232**	0.168	0.160	0.090	0.045
Total non-current assets	**81,033.6**	76,155.4	69,455.0	63,299.3	56,945.3
Total current assets	**5,209.5**	5,640.4	7,284.0	6,610.1	6,447.2
Total assets	**86,243.1**	81,795.8	76,739.0	69,909.4	63,392.5
Total current liabilities	**16,638.6**	19,266.5	17,384.6	14,245.3	13,347.0
Total non-current liabilities	**35,378.7**	35,279.5	36,067.3	36,734.7	33,556.0
Net assets	**34,225.8**	27,249.8	23,287.1	18,929.4	16,489.5
Equity attributable to owners of the Company	**27,320.5**	21,863.8	18,421.6	14,942.2	13,125.0
Non-controlling interests	**6,905.3**	5,386.0	4,865.5	3,987.2	3,364.5
Total equity	**34,225.8**	27,249.8	23,287.1	18,929.4	16,489.5
Attributable installed capacity (MW)	**16,255**	15,028	14,822	11,731	11,510
Gross power generation (MWh)	**63,531,141**	61,692,480	55,582,400	51,859,151	50,132,564
Total Electricity Sold (MWh)	**60,868,493**	58,957,127	52,795,155	49,202,653	47,391,185
Net coal consumption rate (g/KWh)	**307.08**	310.91	314.84	316.70	319.40

TECHNICAL GLOSSARY AND DEFINITIONS

"attributable installed capacity"	the proportionate amount of installed capacities of a power plant attributable to a company based on the percentage of equity interest held by the company in that power plant
"average utilization hours"	for a specified period, the amount of electricity (MWh) produced in such period divided by the average installed capacity (MW) in such period
"Baishi Power Plant"	the hydropower plant project in Baishi of Guizhou Qingshuijiang Hydropower Co., Ltd.* (貴州清水江水電有限公司白市水電站項目)
"Beijing CP Environmental"	Beijing China Power Environmental Engineering Company Limited* (北京中電環境工程有限公司)
"Board"	the board of Directors of the Company
"Changshu Power Plant"	Jiangsu Changshu Electric Power Generating Company Limited (江蘇常熟發電有限公司)
"China Coal Energy"	China Coal Energy Company Limited* (中國中煤能源股份有限公司)
"China Power" or "Company"	China Power International Development Limited
"Companies Ordinance"	Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
"CP Guorui"	China Power Guorui Logistics Company Limited* (中電國瑞物流有限公司)
"CP Hua Chuang"	China Power Hua Chuang Electric Power Technology Research Company Limited* (中電華創電力技術研究有限公司)
"CP Maintenance Engineering"	China Power Maintenance Engineering Company Limited* (中電電力檢修工程有限公司)
"CP Pu'an Power Plant"	China Power (Pu'an) Power Generating Company Limited* (中電(普安)發電有限責任公司)
"CP Shentou Power Plant"	China Power Shentou Power Generating Company Limited* (中電神頭發電有限責任公司)
"CPDL"	China Power Development Limited (中國電力發展有限公司*)
"CPI Group"	China Power Investment Corporation* (中國電力投資集團公司), which reorganized with State Nuclear Power to form SPIC in 2015
"CPI Logistics"	CPI Logistics Company Limited* (中電投物流有限責任公司)

"CPIF" or "CPI Financial"	CPI Financial Company Limited* (中電投財務有限公司)
"CPIH" or "CPI Holding"	China Power International Holding Limited (中國電力國際有限公司)
"Dabieshan Power Plant"	Huanggang Dabieshan Power Company Limited* (黃岡大別山發電有限責任公司)
"Director(s)"	director(s) of the Company
"Donggangling Power Plant"	the wind power plant project in Donggangling of Wu Ling Rucheng Electric Power Co., Ltd.* (五凌汝城電力有限公司東崗嶺風電場項目)
"Fuxi Power Plant"	Sichuan CPI Fuxi Power Company Limited (四川中電福溪電力開發有限公司)
"Group" or "We"	the Company and its subsidiaries from time to time
"Gua Zhi Power Plant"	the hydropower plant project in Guazhi of Guizhou Qingshuijiang Hydropower Co., Ltd.* (貴州清水江水電有限公司掛治水電站項目)
"GW"	gigawatt, that is, one million kilowatts
"Henan Power"	China Power Investment Henan Power Corporation* (中電投河南電力有限公司), which changed its name to SPIC Henan Electric Power Co., Ltd.* (國家電投集團河南電力有限公司) on 21 January 2016
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huainan Mining"	Huainan Mining Industry (Group) Company Limited* (淮南礦業(集團)有限責任公司)
"installed capacity"	the manufacturers' rated power output of a generating unit or a power plant, usually denominated in MW
"KWh"	kilowatt-hour, a standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

"MW"	megawatt, that is, one million watts. The installed capacity of a power plant is generally expressed in MW
"MWh"	megawatt-hour, which is equal to one thousand KWh
"net coal consumption rate"	average consumption of standard coal for supplying 1 KWh power (deducting self-used power)
"Pingwei Industry Company"	Anhui Huainan Pingwei Electric Power Industry Company Limited* (安徽淮南平圩電力實業有限責任公司)
"Pingwei Maintenance Company"	Anhui Huainan Pingwei Power Engineering Maintenance Company Limited* (安徽淮南平圩電力檢修工程有限責任公司)
"Pingwei Power Plant"	Anhui Huainan Pingwei Electric Power Company Limited (安徽淮南平圩發電有限責任公司)
"Pingwei Power Plant II"	Huainan Pingwei No. 2 Electric Power Co., Ltd. (淮南平圩第二發電有限責任公司)
"Pingwei Power Plant III"	Huainan Pingwei No. 3 Electric Power Co., Ltd.* (淮南平圩第三發電有限責任公司)
"Power Production Quota"	the power quota of annual power production plan for relevant power plants issued by Henan Province Development and Reform Commission for the year ending 31 December 2015
"PRC" or "China"	the People's Republic of China (for the purpose of this annual report excluding the Hong Kong, Special Administrative Region of Macau of the PRC and Taiwan)
"Qian Dong Power" or "Qian Dong Power Plant"	Guizhou Qian Dong Power Corporation* (貴州黔東電力有限公司)
"Qinghe Power Plant" or "Qinghe Electric Power"	Liaoning Qinghe Electric Power Company Limited (遼寧清河發電有限責任公司)
"RMB"	Renminbi, the lawful currency of the PRC
"San Ban Xi Power Plant"	the hydropower plant project in Sanbanxi of Guizhou Qingshuijiang Hydropower Co., Ltd.* (貴州清水江水電有限公司三板溪水電站項目)
"Shanghai Power"	Shanghai Electric Power Co., Ltd.* (上海電力股份有限公司)

"Shanshan Power Plant"	Wu Ling Shanshan Electric Power Co., Ltd.* (五凌鄯善電力有限公司)
"Shentou I Power Plant"	Shanxi Shentou Power Generating Company Limited*(山西神頭發電有限責任公司)
"Shuozhou CP Environmental"	Shuozhou China Power Environmental Engineering Company Limited* (朔州中電環境工程有限公司)
"Sichuan Yibin"	Sichuan Yibin China Power Environmental Engineering Company Limited* (四川宜賓中電環境工程有限公司)
"SPIC"	State Power Investment Corporation* (國家電力投資集團公司), formerly known as CPI Group
"standard coal"	coal with an energy content of 7,000 kilocalories per kilogram
"State Nuclear Power"	State Nuclear Power Technology Corporation* (國家核電技術公司)
"Tuokou Power Plant"	a hydropower plant project in Tuokou of Huaihua Yuanjiang Power Development Co., Ltd.* (懷化沅江電力開發有限責任公司托口水電站項目)
"Wu Ling Power"	Wu Ling Power Corporation* (五凌電力有限公司)
"Wuhu Power Plant" or "Wuhu Electric Power"	Wuhu Electric Power Generating Company Limited* (蕪湖發電有限責任公司)
"Xintang Power Plant"	Guangzhou China Power Lixin Industry Company Limited* (廣州中電荔新電力實業有限公司)
"Yaomeng Power Plant"	Pingdingshan Yaomeng Power Company Limited (平頂山姚孟發電有限責任公司), formerly named as Yaomeng Power Plant II
"Yaomeng Power Plant II"	Pingdingshan Yaomeng No. 2 Power Company Limited (平頂山姚孟第二發電有限公司), which changed its name to Yaomeng Power Plant
"Yaoposhan Power Plant"	the wind power plant project in Yaoposhan of Wu Ling Linxiang Electric Power Co., Ltd.* (五凌臨湘電力有限公司窯坡山風電場項目)
"Zhengzhou Power Plant"	Zhengzhou Gas Power Company Limited* (鄭州燃氣發電有限公司)

* For identification purpose only

USEFUL INFORMATION FOR INVESTORS

ANNUAL REPORT

This annual report has been posted on our website at www.chinapower.hk on 22 April 2016. The reports are sent to the shareholders of the Company who have selected to receive the printed version of corporate communication by 27 April 2016.

ANNUAL GENERAL MEETING (AGM)

The Company's AGM will be held on 7 June 2016. Information regarding the business to be considered in the AGM is set out in the circular to the shareholders of the Company dated 27 April 2016 together with a proxy form.

INVESTOR CALENDAR

Closure of register of members for determining shareholders' eligibility to attend and vote at the AGM	3 June 2016 to 7 June 2016 (both days inclusive)
AGM date	7 June 2016
Ex-dividend date	10 June 2016
Closure of register of members for entitlement to 2015 Final Dividend	14 June 2016 to 16 June 2016 (both days inclusive)
Record date for 2015 Final Dividend	16 June 2016
Proposed 2015 Final Dividend payable* ***RMB0.232 (equivalent to HK$0.2770) per ordinary share***	30 June 2016

* Subject to approval by shareholders of the Company at the AGM to be held on 7 June 2016.

INVESTOR ENQUIRIES

For enquiries about share transfer and registration, please contact the share registrar of the Company:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel.: (852) 2862 8628
Fax: (852) 2865 0990
Email: chinapower.ecom@computershare.com.hk

For enquiries from investors and securities analysts, please contact:

Capital Markets & Investor Relations Department
China Power International Development Limited
Suite 6301, 63/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong
Tel.: (852) 2802 3861
Fax: (852) 2802 3922
Email: ir@chinapower.hk
Website: www.chinapower.hk

China Power International Development Limited
中國電力國際發展有限公司

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18 Harbour Road, Wanchai, Hong Kong
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Haidian District, Beijing, China
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Fax: (86-10) 6260 1777

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