新能源
New Energy

中國廣核新能源控股有限公司
CGN New Energy Holdings Co., Ltd.

(Incorporated in Bermuda with limited liability)
Stock Code : 1811.HK

Interim Report 2016

Contents

Corporate Information

REGISTERED OFFICE

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31 Victoria Street
Hamilton HM10
Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

STOCK CODES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

1811 (Shares)
5964 (Bonds due 2018)

COMPANY'S WEBSITE

www.cgnne.com

BOARD OF DIRECTORS

Chairman and Non-executive Director

Mr. Chen Sui (re-designated from executive director to non-executive director with effect from 12 July 2016)

President and Executive Director

Mr. Lin Jian

Non-executive Directors

Mr. Xu Yuan
Mr. Chen Qiming (resigned with effect from 12 July 2016)
Mr. Yin Engang
Mr. Dai Honggang
Mr. Wu Junfeng (appointed with effect from 12 July 2016)
Mr. Xing Ping

Independent Non-executive Directors

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

Corporate Information

Members of the Audit Committee

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

Members of the Remuneration Committee

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

Members of the Nomination Committee

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

Members of the Investment and Risk Management Committee

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

Members of the Strategy Development Committee

Mr. Dai Honggang *(Chairman)*
Mr. Chen Sui
Mr. Lin Jian
Mr. Chen Qiming (resigned with effect from 12 July 2016)
Mr. Wu Junfeng (appointed with effect from 12 July 2016)
Mr. Wang Susheng

Company Secretary

Mr. Lee Kin

Authorized Representatives

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

LEGAL ADVISER

Hong Kong Law

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

Corporate Information

AUDITOR

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

COMPLIANCE ADVISER

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29 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
34/F, ICBC Tower
3 Garden Road
Hong Kong

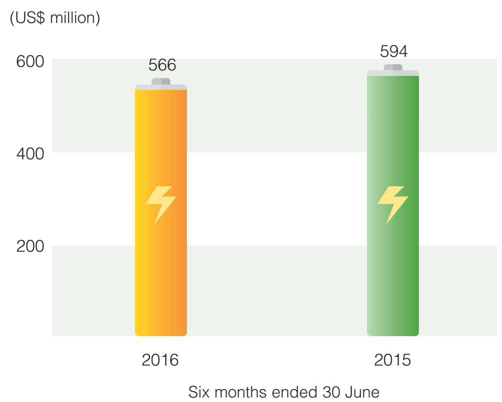
Bank of China (Hong Kong) Limited
9/F, Bank of China Tower
1 Garden Road
Hong Kong

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

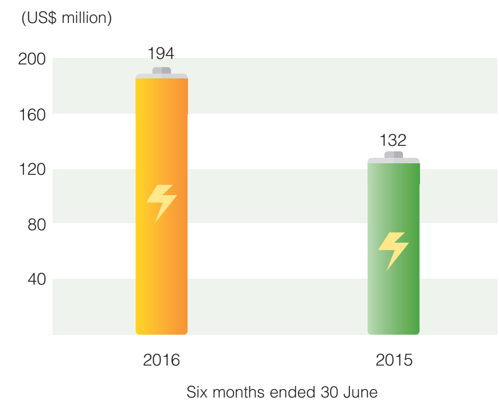
Standard Chartered Bank (Hong Kong) Limited
13/F, Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

Financial and Operating Highlights

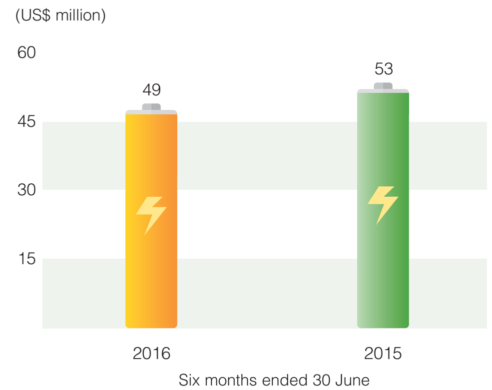
REVENUE



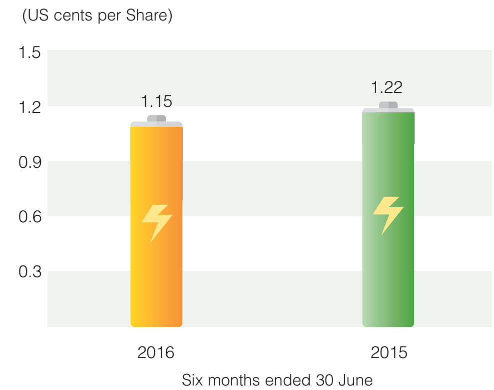
EBITDA[1]



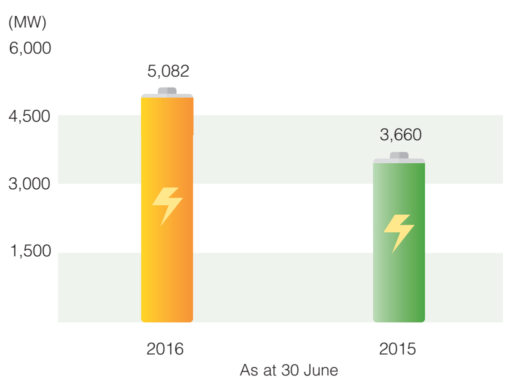
NET PROFIT ATTRIBUTABLE TO OWNER OF THE COMPANY



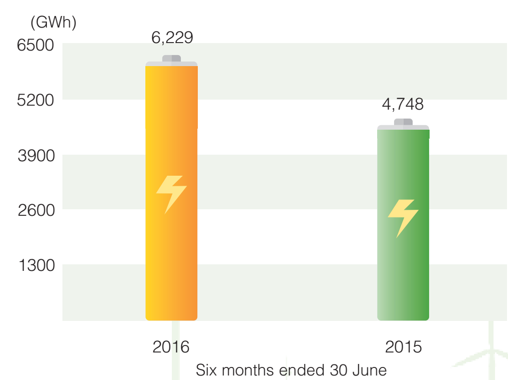
EPS



ATTRIBUTABLE INSTALLED CAPACITY IN OPERATION



ELECTRICITY SALES



Note:

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

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

Looking back the first half of 2016, newly installed capacity of China wind and solar power generation continued to keep a rapid increasing momentum. From January to June, newly commissioning installed capacity of wind and solar power amounted to 5.74 GW and 17.60 GW respectively, of which wind power decreased 0.77 GW and solar power increased 12.48 GW as compared with the same period last year. These indicate that the adjustment and development of China's power structure is accelerating, and that renewable energy has become the major driver for growth. However, it should be noted that given the electricity demand in China has slowed down, it is expected that competition among power generation companies will intensify in the second half of 2016.

With respect to the electricity market in China, according to the regular press conference held by the National Development and Reform Commission of the PRC ("**NDRC**") in July 2016, the total electricity consumption of China in the first half of 2016 grew steadily, with the structure being optimized constantly. The national electricity consumption was 2,775.9 TWh, which increased by 2.7% as compared to that of last year, the acceleration rate went up by 1.4% as compared to the same period last year. Clean energy power generation capacity continued its relatively fast growth. In the first half of the year, water supply from major hydropower stations of the country has improved, whereas hydropower and nuclear power generation increased by 13.4% and 24.9% respectively as compared to that of last year, and the thermal power generation decreased by 3.1% compared to that of last year.

With the deepening of power system reform and further implementation of the electricity reform supplementary document No.2 "Implementation Opinions on Facilitating the Construction of Power Market《關於推進電力市場建設的實施意見》" and supplementary document No.4 "Implementation Opinions on the Orderly Liberalization of the Electricity Consumption Plan《關於有序放開用電計劃的實施意見》", guarantee of dispatch priority over clean energy has been strengthened, and the balance of power and energy was guaranteed. Supplementary document No.5 "Implementation Opinions on Promoting the Reform on Selling Power《關於推進售電側改革的實施意見》" was well received by localities, power generation companies were able to increase the power generating capacity by participating in power trading activities such as direct power supply to major customers and delivery of power to other provinces. For the "Three-North" power restriction issue in China, the National Energy Administration issued various policies in the first half of 2016, such as the "Guidance on Development of Guiding System on Exploration and Utilization Targets for Renewable Energy"《關於建立可再生能源開發利用目標引導制度的指導意見》, the "Management Measures on Full Protective Acquisition of Renewable Energy Power Generation"《可再生能源發電全額保障性收購管理辦法》, the "Reply on Approval of the Implementation of Pilot Program on Consumption and Inclusion of Renewable Energy Nearby in Gansu Province, Inner Mongolia Autonomous Region and Jilin Province"《關於同意甘肅省、內蒙古自治區、吉林省開展可再生能源就近消納試點方案的復函》, the "Notice on Proper Implementation of Management Requirements on Full Protective Acquisition of Wind Power and Solar Power Generation"《關於做好風電、光伏發電全額保障性收購管理工作有關要求的通知》, and the "Assessment System on Power Generation Quota for Non-hydro Renewable Energy of Coal-fired Thermal Power Units"《燃煤火電機組非水可再生能源發電配額考核制度》, offering policy support on resolving the issue of consumption and inclusion of renewable energy for all provinces.

With respect to the foreign markets, the economy of Korea was affected by the downturn in global trade, and its economic growth has slowed down. Electricity demand was weak, commissioning of new power plants and operations of nuclear power plants has resumed. It is expected that the power reserve margin of Korea will remain at high level in 2016, and the average system marginal price ("**SMP**") dropped from KRW101/kWh in 2015 to KRW79/kWh in the first half of 2016. However, in respect of the impact on earnings, the drop in SMP will be partially offset by the decrease in natural gas prices.

Taipingshan Wind Power Project (Phase I)

Nantong Cogen Project

II. BUSINESS REVIEW

The principal business of the Group is operated in the Chinese and Korean power markets with balanced regional operations. As of 30 June 2016, the operations in the PRC and Korea accounted for approximately 59.7% and 40.3% of our attributable installed capacity of 5,082.1 MW respectively. Additionally, our business in the PRC covers 9 provinces, an autonomous region and a municipality. The principal business of the Group involves various fuels. As of 30 June 2016, clean and renewable energy projects, namely wind, solar, gas-fired, hydro and fuel cell projects, accounted for approximately 65.2% of our attributable installed capacity, and conventional energy projects, namely coal-fired, oil-fired and cogen projects, accounted for approximately 34.8% of our attributable installed capacity.

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

US$' million	Gas-fired projects	Coal-fired, cogen and steam projects	Oil-fired project	Hydro projects	Wind projects	Solar projects	Corporate	Total
For the six months ended 30 June 2016								
Revenue	**347.4**	**92.2**	**11.8**	**20.5**	**63.2**	**18.8**	**11.8**	**565.7**
Operating expenses	**310.4**	**65.1**	**6.3**	**9.4**	**30.8**	**9.5**	**17.3**	**448.8**
Operating profit	**37.0**	**27.1**	**5.5**	**11.1**	**32.4**	**9.3**	**(5.5)**	**116.9**
Profit for the period	**17.7**	**34.9**	**3.7**	**8.6**	**13.3**	**4.6**	**(24.5)**	**58.3**
Profit attributable to the owner of the Company	**15.1**	**28.7**	**3.7**	**8.5**	**13.1**	**4.6**	**(24.5)**	**49.2**
For the six months ended 30 June 2015								
Revenue	455.3	96.2	15.4	16.1	–	–	10.6	593.6
Operating expenses	399.8	71.4	10.3	9.3	–	–	16.6	507.4
Operating profit	55.5	24.8	5.1	6.8	–	–	(6.0)	86.2
Profit for the period	29.6	37.4	3.1	5.5	–	–	(14.4)	61.2
Profit attributable to the owner of the Company	26.7	31.6	3.1	5.5	–	–	(14.4)	52.5

Yulchon Gas-fired Project (Phase II)

Daesan Oil-fired Project (Phase I)

Management Discussion and Analysis

The attributable installed capacity of the Group's power assets as at 30 June 2016 and 2015 by fuel type are set out as follows:

	30 June 2016 ***(MW)***	30 June 2015 *(MW)*
Clean and renewable energy portfolio		
Wind	**1,201.2**	–
Solar	**198.3**	–
Gas-fired	**1,775.7**	1,770.7
Hydro	**137.3**	119.3
Subtotal	**3,312.5**	1,890.0
Conventional energy portfolio		
Coal-fired	**1,187.6**	1,187.6
Oil-fired	**507.0**	507.0
Cogen	**75.0**	75.0
Subtotal	**1,769.6**	1,769.6
Total attributable installed capacity	**5,082.1**	3,659.6

As of 30 June 2016, the attributable installed capacity of the Group's power plants reached 5,082.1 MW, representing an increase of 1,422.5 MW or 38.9% as compared with the first half of 2015. As of 30 June 2016, the consolidated installed capacity of power plants of the Group reached 4,310.1 MW.

As China General Nuclear Power Corporation, Ltd. ("**CGN**")'s sole global platform for the development and operation of non-nuclear clean and renewable power generation projects, the Group has the right to acquire CGN's non-nuclear power generation projects. In September 2015, the first asset injection was completed, and the attributable installed capacity of the Group increased by approximately 1,380 MW. The acquisition from CGN will allow the Company to add quality wind power and solar power assets to its portfolio on one hand, and, on the other hand, gain a solid foothold in the wind power and solar power generation sectors, which are in fast growth with strong government support in the PRC.

In respect of the Company's business development, a 18 MW Guangxi Fushi Hydro Project (Phase II) (adjacent to the existing 54 MW Guangxi Fushi Phase I Hydro Project site, as an expansion of Phase I), officially started on-grid connection and electricity generation in July 2015. In October 2015, the Group commenced commercial operation of the 5 MW Yulchon Fuel Cell Project (Phase III) in Korea.

Zuojiang Hydro Project

Puguang Coal-fired Project

The Shangyang Project located in Pingshan District of Shenzhen was invested, constructed and subsequently operated and managed by CGN Solar (Shenzhen) Company Limited, a wholly-owned subsidiary of the Company, with a total operating capacity of 2 MW, and was connected to the power grid and commenced power generation in January 2016. In April 2016, the Laoling Tieying Project of CGN Solar (Dezhou) Company Limited, a wholly-owned subsidiary of the Company located in Tieying Town, Laoling City, Dezhou, Shandong Province started on-grid connection and electricity generation with good efficiency, and the total installed capacity in operation reached 14.3 MW.

In the first half of 2016, the net electricity generated from the consolidated power generation projects of the Group reached 6,229.0 GWh, representing an increase of 31.2% compared with the first half of 2015. It was mainly attributable to the power generation contributed by our wind power and solar power projects. The total steam sold by the Group in the first half of 2016 amounted to 1,557,000 tons, representing an increase of 7.3% as compared with the first half of 2015.

Due to the cessation of supply of fuel to Weigang Power Project by its major fuel supplier, Weigang Power Project has ceased operation since the end of June 2016. The management is considering the possible arrangements arising from the cessation of operation, including without limitation the termination of the relevant agreements and the handling of other follow up matters in relation to the cessation.

Laoling Tieying Solar Power Project

Management Discussion and Analysis

The following table sets out the average utilization hour applicable to our power projects:

Average utilization hour by fuel type [1]

	For the six months ended 30 June	
	2016	2015
PRC Gas-fired Projects [2]	**705**	544
Korea Gas-fired Projects [3]	**2,503**	2,352
PRC Coal-fired Projects [4]	**1,762**	1,753
PRC Cogen Projects [5]	**3,051**	2,619
Korea Oil-fired Project [6]	–	13
PRC Hydro Projects [7]	**2,123**	1,801
PRC Wind Projects [8]	**757**	–
PRC Solar Projects [9]	**702**	–

Notes:

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

(2) Average utilization hour for the PRC gas-fired projects increased mainly due to higher local demand at Hanneng Power Project.

(3) Our Korea gas-fired power projects had higher utilization hour in the first half of 2016 mainly due to higher demand for our Yulchon I Power Project.

(4) Average utilization hour for the PRC coal-fired projects in the first half of 2016 remained stable as compared to last year.

(5) Average utilization hour for the PRC cogen projects increased, it was in line with the increase in steam production in the first half of 2016.

(6) Our Korea oil-fired power project (i.e. Daesan I Power Project) is a peaking plant and had no power generation during the period due to the high power reserve margin in Korea.

(7) Average utilization hour for the PRC Hydro projects increased mainly due to the increased rainfall in the Guangxi Province.

(8) Average utilization hour for the first half of 2016 for the PRC wind projects was 757. Average utilization hours for the PRC wind projects operating in the Shandong province, the Zhejiang province and the Gansu province were 1,107, 996 and 617, respectively in the first half of 2016.

(9) Average utilization hour for the first half of 2016 for the PRC solar projects was 702. Average utilization hours for the PRC solar projects operating in the western region (Dunhuang I/II, Jinta, Xitieshan I/II/III, Wulan) and the eastern region (Jiaxing, Airport I/II, Shangyang, Laoling Tieying) of the PRC were 774 and 428, respectively in the first half of 2016.

Management Discussion and Analysis

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

Weighted average tariff (inclusive of VAT) *(1)*

	Unit	For the six months ended 30 June 2016	2015
PRC Gas-fired Projects	RMB per kWh	**0.53**	0.53
Korea Gas-fired Projects *(2)*	KRW per kWh	**97.21**	133.11
PRC Coal-fired Projects *(3)*	RMB per kWh	**0.43**	0.49
PRC Cogen Projects *(4)*	RMB per kWh	**0.45**	0.49
Korea Oil-fired Project	KRW per kWh	**–**	339.51
PRC Hydro Projects	RMB per kWh	**0.39**	0.38
PRC Wind Projects	RMB per kWh	**0.56**	–
PRC Solar Projects	RMB per kWh	**1.10**	–

Weighted average tariff – steam (inclusive of VAT)

PRC Cogen Projects *(5)*	RMB per ton	**168.43**	178.14

Notes:

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

(2) The weighted average tariff for Korea gas-fired projects includes the tariff for the 15.4 MW fuel cell projects owned by Yulchon I Power Project. The weighted average tariff for Korea gas-fired projects decreased in the first half of 2016 which was in line with the decrease in Korea gas price and market demand.

(3) The weighted average tariff for the PRC coal-fired and PRC cogen projects decreased in the first half of 2016 since there have been national on-grid tariff downward adjustments directed by the NDRC in May 2015 and January 2016.

(4) The weighted average tariff for our PRC cogen projects excludes steam tariff.

(5) The weighted average tariff-steam decreased in the first half of 2016 was in line with the decrease in PRC coal price.

Management Discussion and Analysis

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

		For the six months ended 30 June	
	Unit	**2016**	2015
PRC weighted average gas price *(1)(2)(3)*	RMB per normal cubic meter ("**Nm³**")	**2.10**	2.72
PRC weighted average standard coal price *(1)(4)*	RMB per ton	**459**	560
Korea weighted average gas price *(1)(5)*	KRW per Nm³	**476**	631
Korea average oil price *(6)*	KRW per liter	**–**	1,455

Notes:

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

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

(3) Our PRC weighted average gas price in the first half of 2016 decreased compared to the first half of 2015 mainly due to the directive issued by the NDRC to decrease gas prices at gate stations by RMB0.35 per Nm³ in December 2015, with effect from 20 November 2015.

(4) The PRC weighted average standard coal price in the first half of 2016 decreased compared to the first half of 2015 due to a general weakness in demand.

(5) Our Korea weighted average gas price in the first half of 2016 decreased compared to the first half of 2015 due to decreases in market gas prices, as indicated by the Japanese Crude Cocktail, a measurement of average prices of crude oil imported into Japan and an important determinant of natural gas prices in Korean markets. Yulchon I Power Project power purchase agreement ("**PPA**") allows us to contractually incorporate fuel cost fluctuations in the tariff charged to our customers.

(6) We only purchase oil in Korea to supply Daesan I Power Project. There is no power generation during the first half of 2016.

Management Discussion and Analysis

III. OPERATING RESULTS AND ANALYSIS

In the first half of 2016, the revenue of the Group amounted to US$565.7 million, representing a decrease of 4.7% compared with US$593.6 million of the first half of 2015. The profit attributable to the shareholders of the Company amounted to US$49.2 million, representing a decrease of US$3.3 million or 6.3% as compared with US$52.5 million of the first half of 2015.

In the first half of 2016, the profit for the period of the Group amounted to US$58.3 million, representing a decrease of US$2.9 million or 4.7% as compared with US$61.2 million of the first half of 2015.

Revenue

In the first half of 2016, the revenue of the Group amounted to US$565.7 million, representing a decrease of 4.7% compared with US$593.6 million of the first half of 2015. The decrease in revenue was mainly attributable to the decreased revenue of Yulchon I Power Project and Yulchon II Power Project. It was mainly due to the decrease in Korea gas-fired tariff as a result of the decreased gas price and the increased supply in the Korea power market. The decrease in revenue in Korea was partially offset by the increased revenue contributed by our wind power and solar power projects being acquired in September 2015.

Operating Expenses

In the first half of 2016, the operating expenses of the Group amounted to US$448.8 million, representing a decrease of 11.5% compared with US$507.4 million of the first half of 2015. The decrease in operating expenses was mainly due to the decrease in gas price and fuel costs of our Yulchon I Power Project and Yulchon II Power Project.

Operating Profit

In the first half of 2016, the operating profit, which is equal to revenue minus operating expenses, of the Group amounted to US$116.9 million, representing an increase of US$30.7 million or 35.6% compared with US$86.2 million of the first half of 2015. The increase in operating profit was mainly contributed by our wind power and solar power projects.

Other Income

Other income mainly represented income from sales of scrapped materials, interest income and the refund of value added tax. In the first half of 2016, the other income of the Group amounted to US$5.6 million, representing a slight decrease of US$0.9 million compared with US$6.5 million of the first half of 2015.

Finance Costs

In the first half of 2016, the finance costs of the Group amounted to US$58.4 million, representing an increase of 103.5% compared with US$28.7 million of the first half of 2015. The increase in finance costs was mainly attributable to the increase in weighted average balances of bank borrowings and loans from related companies for the acquisition of our wind power projects and solar power projects in the second half of 2015.

Share of Results of Associates

In the first half of 2016, the share of results of associates amounted to US$16.1 million, representing a decrease of US$3.1 million compared with US$19.2 million in the first half of 2015. The decrease in profit of the associates was mainly due to the national tariff reduction in May 2015 and January 2016 for PRC coal-fired plants, partially offset by the decrease in standard coal price in the PRC.

Management Discussion and Analysis

Income Tax Expenses

In the first half of 2016, the income tax expenses of the Group amounted to US$21.5 million, representing a decrease of US$0.7 million compared with US$22.2 million of the first half of 2015.

Liquidity and Capital Resources

The Group's bank balances and cash increased from US$342.5 million as at 31 December 2015 to US$388.0 million as at 30 June 2016, primarily due to the cash generated from operations during the current period.

Net Debt/Equity Ratio

The Group's net debt/equity ratio decreased from 2.74 as at 31 December 2015 to 2.61 as at 30 June 2016 due to the decrease in net debt (which equals total debt less available cash) as a result of the repayment of borrowings and the cash generated from operations during the current period.

Interim Dividend

The Board resolved not to declare an interim dividend for the six months ended 30 June 2016.

Earnings per Share

	For the six months ended 30 June	
	2016	2015
	US cents	*US cents*
Earnings per share, basic and diluted – calculated based on the weighted average number of ordinary shares for the period	**1.15**	1.22
	US$'000	*US$'000*
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owner of the Company)	**49,245**	52,504
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**4,290,824**	4,290,824

Trade Receivables

	As at	
	30 June 2016	31 December 2015
	US$'000	*US$'000*
Trade receivables	**182,149**	200,954
Less: allowance for doubtful debts	**(186)**	(189)
	181,963	200,765

The Group allowed a credit period from 30 to 90 days throughout the period to its trade customers. Over 73% (31 December 2015: 99%) of the trade receivables were neither past due nor impaired as at 30 June 2016. The management considers that these receivables have good credit scoring attributable to the credit review policy adopted by the Group.

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

	As at	
	30 June 2016	31 December 2015
	US$'000	*US$'000*
0 – 60 days	**123,522**	199,355
61 – 90 days	**11,208**	552
Over 90 days	**47,233**	858
	181,963	200,765

Trade Payables

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

	As at	
	30 June 2016	31 December 2015
	US$'000	*US$'000*
0 – 60 days	**53,744**	88,154
61 – 90 days	**1,485**	140
Over 90 days	**2,180**	1,484
Total	**57,409**	89,778

The average credit period for purchases of goods was 35 days (31 December 2015: 40 days) for the six months ended 30 June 2016. The Group has financial risk management policies in place to ensure all payables are settled within the credit frame.

Financial Position

Non-current assets decreased from US$3,022.1 million as at 31 December 2015 to US$2,940.1 million as at 30 June 2016. It was mainly due to the depreciation charges for the six months ended 30 June 2016.

Current assets decreased from US$830.7 million as at 31 December 2015 to US$804.7 million as at 30 June 2016. It was mainly attributable to the decreased trade and other receivables, offset by the increased cash and bank deposits. The decreased trade receivables was mainly due to the faster settlement by major customers of the power projects in Korea, while the increase in cash and bank deposits was mainly attributable to the cash generated from operations.

Current liabilities decreased from US$488.3 million as at 31 December 2015 to US$357.5 million as at 30 June 2016, which was mainly due to the decreased trade and other payables, repayment of bank borrowings and loans from fellow subsidiaries during the six months ended 30 June 2016.

Non-current liabilities slightly increased from US$2,515.0 million as at 31 December 2015 to US$2,539.2 million as at 30 June 2016, which was mainly attributable to the increase in bank borrowings.

Bank Borrowings

The Group's total bank borrowings increased from US$1,650.6 million as at 31 December 2015 to US$1,669.9 million as at 30 June 2016. Details of bank borrowings are as follows:

	As at	
	30 June 2016 *US$'000*	31 December 2015 *US$'000*
Secured	**1,490,043**	1,547,952
Unsecured	**179,845**	102,678
	1,669,888	1,650,630

The maturity profile of bank borrowings is as follows:

Within one year	**109,261**	114,024
More than one year but not exceeding two years	**120,679**	136,438
More than two years but not exceeding five years	**407,885**	370,845
Over five years	**1,032,063**	1,029,323
	1,669,888	1,650,630
Less: Amounts due for settlement within one year shown under current liabilities	**(109,261)**	(114,024)
Amounts due for settlement after one year	**1,560,627**	1,536,606

As at 30 June 2016, the Group had committed unutilised banking facilities of US$1,210.6 million.

All bank borrowings at the end of the reporting period are denominated in the functional currency of the respective group entities that include RMB, USD and KRW. The bank borrowings of the Group carry interest rates which range from 1.75% to 6.62% (31 December 2015: 1.75% to 5.96%) per annum during the six months ended 30 June 2016. The analysis of bank borrowings with fixed interest rate and floating interest rate is analysed below:

	30 June 2016 *US$'000*	31 December 2015 *US$'000*
Fixed rate	**209,540**	213,870
Floating rate	**1,460,348**	1,436,760
	1,669,888	1,650,630

Bond Payables

The Company issued bonds in an aggregate principal amount of US$350.0 million on 19 August 2013 priced at 99.686% of the principal amount that carries interest at 4% per annum and interest is payable semi-annually in arrears and will become mature on 19 August 2018, unless redeemed earlier. The carrying amount of the bond payables was US$354.3 million as at 30 June 2016.

Loans from Fellow Subsidiaries

Loan from China Clean Energy Development Limited, a fellow subsidiary of the Company, amounted to US$450.0 million as at 30 June 2016 and 31 December 2015, is unsecured, interest bearing at 4.5% per annum and repayable in 2025. It is shown as non-current liability as at 30 June 2016 and 31 December 2015.

Loans from CGN Finance Co., Ltd. ("**CGN Finance**"), a fellow subsidiary of the Company, amounted to US$19.6 million as at 30 June 2016, decreased by US$92.3 million as compared to US$111.9 million as at 31 December 2015. The decrease is mainly due to repayment and bank borrowing refinancing during the current period. These loans from CGN Finance are unsecured, interest bearing from 4.37% per annum to 4.86% per annum. Among which US$5.4 million are loans repayable within one year and are shown as current liabilities as at 30 June 2016, while the remaining US$14.2 million is repayable in 2024 and is classified as non-current liability as at 30 June 2016.

During the six months ended 30 June 2016, US$8.4 million has been advanced from CGNPC Huasheng Investment Limited, a fellow subsidiary of the Company, which is unsecured, interest bearing at 4.75% per annum and repayable within one year. It is shown as current liability as at 30 June 2016.

Loan from an Intermediate Holding Company

Loan from CGNPC International Limited, an intermediate holding company of the Company, amounted to US$100.0 million as at 30 June 2016 and 31 December 2015. It is unsecured, interest bearing at 4.5% per annum and repayable in year 2025.

Capital Expenditures

The Group's capital expenditures increased by US$16.4 million to US$27.6 million in the first half of 2016 from US$11.2 million in the first half of 2015, mainly due to increased capital expenditures incurred by our wind power and solar power projects.

Contingent Liabilities

As at 30 June 2016 and 31 December 2015, the Group had no material contingent liabilities.

Pledged Assets

The Group pledged certain property, plant and equipment, trade receivables, land use rights and bank deposits for credit facilities granted to the Group. As at 30 June 2016, the total book value of the pledged assets amounted to US$1,265.0 million.

Employees and Remuneration Policy

As at 30 June 2016, the Group had about 1,728 full-time employees, the majority of which were based in China. The Group provides its employees with salaries and bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes.

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

In Korea, the Group is required by law to contribute 4.5% of the employees' monthly average salaries for the national pension, 3.06% for national health insurance (6.55% of the national health insurance contribution for long term care insurance), 0.9% for unemployment insurance, 0.86% (Seoul Office)/0.76% (Yulchon)/0.76% (Daesan) for the industrial accident compensation insurance and 0.06% for a wage claim guarantee fund.

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

IV. RISK FACTORS AND MANAGEMENT

Risks Relating to the Industry

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

Further, the solar power projects are highly dependent on solar illumination conditions, and the wind power projects are dependent particularly on wind conditions. Extreme wind or weather conditions could lead to downtime of the wind power projects. Illumination conditions and wind conditions vary across seasons and locations, and could be unpredictable and are out of our control.

Risk Relating to Fuel Cost

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

Interest Rate Risk

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

Foreign Exchange Risk

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

V. PROSPECTS

It is expected that in the second half of 2016, the fundamental aspects of China's power market development will remain unchanged, whereas China will continue to accelerate the structural adjustment within the industry, and the newly installed capacity of wind power and solar energy will maintain a relatively fast growth. At the same time, the northern regions will still face serious power restriction problems. However, with the implementation of the "Management Measures on Full Protective Acquisition of Renewable Energy Power Generation"《可再生能源發電全額保障性收購管理辦法》, it is expected that the power restrictions of certain areas such as Gansu will be eased to some extent. In the long run, the energy transformation trend characterized by vigorous development of new energy is unalterable. China's determination to develop renewable energy is firm and persisting. According to the relevant long-term plan, in the year 2030, China's installed capacity of solar energy and wind power are expected to reach the goal of "300 GW and 500 GW" respectively, the prospect of development is encouraging. In general, the Company believes there are more opportunities than challenges for the wind and solar power businesses.

In the future, to cope with the challenges including changes in the macroeconomic and energy development situations, as well as the downward trends of electricity price and utilization hours, power restriction, exchange rate etc., the Company will maintain its excellent operational management, continue to stabilize the Chinese and Korean markets. As CGN's sole global platform for the development and operation of non-nuclear clean and renewable power generation projects, the Group will continue to develop its own greenfield and brownfield projects and will continue to seek for acquisition opportunities in relation to other clean and renewable power generation projects. At the same time, we will continuously acquire clean and renewable power generation projects from CGN, so as to further expand our market share, and strive to become one of the independent clean and renewable power producers with leading profitability in Asia.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to 30 June 2016, an indirect wholly-owned subsidiary of the Company has entered into a sale and purchase agreement with an independent third party under which the subsidiary agrees to dispose the entire equity interest of Sichuan Hexie Electric Power Co., Ltd., ("**Hexie Company**"), an indirect wholly-owned subsidiary of the Company, at a consideration of RMB220.10 million (equivalent to US$33.45 million). The net proceeds after estimated tax is RMB208.1 million (equivalent to US$31.6 million). The net asset value of Hexie Company as at 30 June 2016 was approximately US$17.92 million. Based on the financial information for the six months ended 30 June 2016 with the release of foreign currency translation reserve of US$5.5 million, the unaudited gain on disposal will be approximately US$19.17 million. The disposal is expected to be completed by the end of 2016.

With effect from 12 July 2016, Mr. Chen Sui has been re-designated from an executive Director to a non-executive Director while remaining as the chairman of the Board, the chairman of the nomination committee of the Company and a member of the strategy development committee of the Company (the "**Strategy Development Committee**"); Mr. Chen Qiming has resigned as a non-executive Director and a member of the Strategy Development Committee; and Mr. Wu Junfeng has been appointed as a non-executive Director and a member of the Strategy Development Committee.

Other Information

CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the six months ended 30 June 2016.

COMPLIANCE WITH MODEL CODE

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

Specific enquiries have been made with the Directors, and all Directors confirmed in writing that they have complied with the required standards in respect of securities transactions by the Directors set out in the Model Code and the Code during the six months ended 30 June 2016.

REVIEW OF INTERIM RESULTS

The Group's interim results and the unaudited consolidated interim financial report for the six months ended 30 June 2016 have been reviewed by the audit committee of the Company.

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

As at 30 June 2016, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in options relating to ordinary Shares of the Company

Name of Director	Capacity/Nature of Interest	Number of securities held/interested	Approximate percentage of interests held *(Note ii)*
Chen Sui	Beneficial owner *(Note i)*	700,000 share options	0.02%
Lin Jian	Beneficial owner *(Note i)*	700,000 share options	0.02%

Notes:

(i) On 8 December 2015, 700,000 share options were granted to each of Chen Sui and Lin Jian with an exercise price at HK$1.612.

(ii) The approximate percentage of interests held was calculated on the basis of 4,290,824,000 ordinary Shares in issue as at 30 June 2016.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to the Directors and the chief executive of the Company, as of 30 June 2016, the following persons, other than the Directors and the chief executive of the Company, had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Capacity/Nature of Interest	Number of Shares	Approximate % of Shareholding
China General Nuclear Power Corporation, Ltd. ("**CGN**") *Note (1)(2)(3)*	Interests in controlled corporation (long position)	3,130,096,000	72.95%
CGNPC International Limited ("**CGNPC International**") *Note (2)(3)*	Interests in controlled corporation (long position)	3,101,800,000	72.29%
CGNPC Huamei Investment Limited ("**CGNPC Huamei**") *Note (2)(3)*	Beneficial owner (long position)	3,101,800,000	72.29%

Notes:

(1) CGN indirectly holds 100% of the total issued share capital of CGNPC Huamei. As informed by CGN, CGN was deemed to be interested in 3,130,096,000 Shares, in which 3,101,800,000 Shares were held directly by CGNPC Huamei (a controlled corporation of CGN International), and 28,296,000 Shares were held by certain other companies that are controlled directly or indirectly by CGN. There could be a difference between the shareholding of CGN in the Company as at 30 June 2016 and the disclosure of interest information disclosed on the website of the Stock Exchange, as the disclosure of interest information disclosed on the website of the Stock Exchange represents information disclosed by CGN pursuant to its obligation under Section 336 of the SFO only. For the avoidance of doubt and double counting, it should be noted that the shareholdings stated against CGNPC International and CGNPC Huamei represented the same block of Shares.

(2) CGNPC International directly holds 70.59% of the total issued share capital of CGNPC Huamei, which directly holds approximately 72.29% of the issued share capital of the Company, and CGNPC International also indirectly holds 29.41% of the total issued share capital of CGNPC Huamei, through its wholly-owned subsidiary Gold Sky Capital Limited. Accordingly, CGNPC International is deemed to have an interest in all Shares held by CGNPC Huamei. For the avoidance of doubt and double counting, it should be noted that the shareholdings stated against CGNPC International and CGNPC Huamei represented the same block of Shares.

(3) Save as disclosed in the section headed "Biographies of Directors and Senior Management" in the 2015 annual report of the Company, as of the date of this report, none of the Directors is a director or employee of a company which had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of the Directors subsequent to the date of the 2015 annual report of the Company, which required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Mr. Leung Chi Ching Frederick, the independent non-executive director of the Company has been appointed as an independent non-executive director and a member of each of the audit and nomination committees of China Logistics Property Holdings Co., Ltd (a company listed on the Stock Exchange, Stock Code: 1589) with effect from 14 June 2016.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

Other Information

USE OF PROCEEDS

The Company was listed on the Main Board of the Stock Exchange on 3 October 2014. Net proceeds from the global offering (including the proceeds from the exercise of the over-allotment option) were approximately HK$1,966.1 million (after deducting the underwriting fees and commissions and other listing-related expenses). As at 30 June 2016, the unutilised proceeds of approximately HK$579.3 million were kept in current accounts with banks.

Use of net proceeds from global offering

	Percentage to total amount	Net proceeds *(HK$ million)*	Utilised amount (up to 30 June 2016) *(HK$ million)*	Unutilised amount (up to 30 June 2016) *(HK$ million)*
Acquisition of clean and renewable power projects from CGN, the parent company of the Company	70%	1,376.3	1,376.3	–
Acquisition of operational power projects and development of greenfield projects acquired from independent third parties	30%	589.8	10.5	579.3
		1,966.1	1,386.8	579.3

Other Information

SHARE OPTION SCHEME

As at 30 June 2016, the Company had 34,980,000 share options (the "**Options**") outstanding under the share option scheme of the Company adopted on 24 November 2015 (the "**Share Option Scheme**").

No Options were granted, exercised, lapsed or cancelled under the Share Option Scheme during the six months ended 30 June 2016.

Particulars of the Options outstanding under the Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2016 and the Options granted, exercised, lapsed or cancelled under the Share Option Scheme are set out as below:

		Number of Share Options							
Grantee	**Date of grant**	**as at 1 January 2016**	**Granted during the six months ended 30 June 2016**	**Exercised during the six months ended 30 June 2016**	**Lapsed during the six months ended 30 June 2016**	**as at 30 June 2016**	**Exercise price per share** *(HK$)*	**Closing price per share immediately before the date of grant** *(HK$)*	**Exercise period**
Chen Sui	8 December 2015	700,000	–	–	–	700,000	1.612	1.640	*Note 2*
Lin Jian	8 December 2015	700,000	–	–	–	700,000	1.612	1.640	*Note 2*
Employees	8 December 2015	32,420,000	–	–	–	32,420,000	1.612	1.640	*Note 2*
Employees	30 December 2015	1,160,000	–	–	–	1,160,000	1.712	1.730	*Note 2*
		34,980,000	–	–	–	34,980,000			

Note 1: No Options were cancelled during the six months ended 30 June 2016.

Note 2: Subject to the fulfilment of the exercise conditions and the expiry of two years from the date of grant, the Options are exercisable during each period specified below for up to the number of shares specified below:

(a) on the first business day after 24 months from the date of grant to the last business day in the 60th month after the date of grant, approximately one third of the Options granted will be exercisable; (b) on the first business day after 36 months from the date of grant to the last business day in the 72nd month after the date of grant, approximately an additional one-third of the Options granted will be exercisable; and (c) on the first business day after 48 months from the date of grant to the last business day in the 84th month after the date of grant, approximately one third of the remaining Options granted will be exercisable.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF CGN NEW ENERGY HOLDINGS CO., LTD.
中國廣核新能源控股有限公司
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of CGN New Energy Holdings Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 25 to 44, which comprise the condensed consolidated statement of financial position as of 30 June 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
17 August 2016

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2016

		Six months ended 30 June	
	NOTES	**2016** **US$'000** **(Unaudited)**	2015 US$'000 (Unaudited)
Revenue	3	**565,716**	593,587
Operating expenses:			
Coal, oil and gas		**297,840**	396,963
Depreciation of property, plant and equipment		**74,914**	44,403
Repair and maintenance		**16,288**	11,424
Staff costs		**31,437**	30,864
Others		**28,279**	23,764
Total operating expenses		**448,758**	507,418
Operating profit		**116,958**	86,169
Other income		**5,552**	6,461
Other gains and losses		**(456)**	272
Finance costs		**(58,373)**	(28,733)
Share of results of associates		**16,093**	19,185
Profit before tax		**79,774**	83,354
Income tax expenses	4	**(21,475)**	(22,200)
Profit for the period	5	**58,299**	61,154
Other comprehensive (expenses) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign subsidiaries and associates		**(34,720)**	(13,161)
Reclassification adjustments for amounts transferred to profit or loss			
– release of hedging reserve		**(61)**	(65)
– deferred tax credit arising on release of hedging reserve		**15**	16
Other comprehensive expenses for the period		**(34,766)**	(13,210)
Total comprehensive income for the period		**23,533**	47,944
Profit for the period attributable to:			
Owner of the Company		**49,245**	52,504
Non-controlling interests		**9,054**	8,650
		58,299	61,154
Total comprehensive income attributable to:			
Owner of the Company		**16,843**	40,989
Non-controlling interests		**6,690**	6,955
		23,533	47,944
Earnings per share			
– Basic *(US cents)*	7	**1.15**	1.22
– Diluted *(US cents)*	7	**1.15**	1.22

Condensed Consolidated Statement of Financial Position

At 30 June 2016

	NOTES	As at 30 June 2016 US$'000 (Unaudited)	As at 31 December 2015 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	**2,459,236**	2,545,785
Prepaid lease payments		**55,717**	57,982
Goodwill		**175,271**	178,967
Interests in associates		**186,794**	174,472
Amounts due from non-controlling shareholders		**322**	704
Deferred tax assets		**28,549**	28,553
Other assets		**34,222**	35,661
		2,940,111	3,022,124
CURRENT ASSETS			
Inventories		**29,009**	28,755
Prepaid lease payments		**3,355**	3,640
Trade receivables	9	**181,963**	200,765
Other receivables and prepayments		**118,543**	130,082
Amounts due from non-controlling shareholders		**1,147**	2,450
Amounts due from associates	10	**150**	43,084
Amounts due from fellow subsidiaries	10	**7,718**	4,319
Tax recoverable		**19**	106
Pledged bank deposits	11	**74,840**	75,045
Bank balances and cash	11	**388,001**	342,498
		804,745	830,744
CURRENT LIABILITIES			
Trade payables	12	**57,409**	89,778
Other payables and accruals		**143,412**	155,873
Amounts due to fellow subsidiaries	10	**4,380**	4,647
Amounts due to non-controlling shareholders		**8,058**	6,198
Loans from fellow subsidiaries – due within one year	10	**13,802**	96,422
Advance from a non-controlling shareholder – due within one year		**6,951**	7,098
Bank borrowings – due within one year	13	**109,261**	114,024
Bond payables – due within one year		**4,717**	4,717
Government grants		**648**	662
Deferred connection charges		**41**	109
Tax payable		**8,813**	8,738
		357,492	488,266
NET CURRENT ASSETS		**447,253**	342,478
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,387,364**	3,364,602

Condensed Consolidated Statement of Financial Position

At 30 June 2016

	NOTES	As at 30 June 2016 US$'000 (Unaudited)	As at 31 December 2015 US$'000 (Audited)
NON-CURRENT LIABILITIES			
Advance from a non-controlling shareholder – due after one year		**777**	794
Loans from fellow subsidiaries	10	**464,194**	465,459
Loan from an intermediate holding company	10	**100,000**	100,000
Bank borrowings – due after one year	13	**1,560,627**	1,536,606
Bond payables – due after one year		**349,574**	349,386
Deferred connection charges		**149**	152
Government grants		**10,324**	10,874
Deferred tax liabilities		**53,536**	51,778
		2,539,181	2,515,049
NET ASSETS		**848,183**	849,553
CAPITAL AND RESERVES			
Share capital	14	**55**	55
Reserves		**740,123**	741,677
Equity attributable to owner of the Company		**740,178**	741,732
Non-controlling interests		**108,005**	107,821
TOTAL EQUITY		**848,183**	849,553

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	Attributable to owner of the Company									
	Share capital	Share premium	Share option reserve	Other non-distributable reserves	Hedging reserve	Translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	US$'000	*US$'000*	*US$'000*	*US$'000* *(Note a)*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2015 (Audited)	55	250,406	–	7,798	1,113	112,804	336,872	709,048	107,042	816,090
Profit for the period	–	–	–	–	–	–	52,504	52,504	8,650	61,154
Exchange difference arising on translation of foreign subsidiaries and associates	–	–	–	–	–	(11,466)	–	(11,466)	(1,695)	(13,161)
Release of hedging reserve	–	–	–	–	(65)	–	–	(65)	–	(65)
Deferred tax credit arising on release of hedging reserve	–	–	–	–	16	–	–	16	–	16
Total comprehensive (expenses) income for the period	–	–	–	–	(49)	(11,466)	52,504	40,989	6,955	47,944
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	(9,593)	(9,593)
Transfer of non-distributable reserves	–	–	–	181	–	–	(181)	–	–	–
At 30 June 2015 (Unaudited)	55	250,406	–	7,979	1,064	101,338	389,195	750,037	104,404	854,441
At 1 January 2016 (Audited)	55	250,406	78	9,975	1,018	41,207	438,993	741,732	107,821	849,553
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**49,245**	**49,245**	**9,054**	**58,299**
Exchange difference arising on translation of foreign subsidiaries and associates	**–**	**–**	**–**	**–**	**–**	**(32,356)**	**–**	**(32,356)**	**(2,364)**	**(34,720)**
Release of hedging reserve	**–**	**–**	**–**	**–**	**(61)**	**–**	**–**	**(61)**	**–**	**(61)**
Deferred tax credit arising on release of hedging reserve	**–**	**–**	**–**	**–**	**15**	**–**	**–**	**15**	**–**	**15**
Total comprehensive (expenses) income for the period	**–**	**–**	**–**	**–**	**(46)**	**(32,356)**	**49,245**	**16,843**	**6,690**	**23,533**
Dividend recognised as distributable (note 6)	**–**	**–**	**–**	**–**	**–**	**–**	**(18,880)**	**(18,880)**	**–**	**(18,880)**
Dividend paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,506)**	**(6,506)**
Recognition of equity-settled share-based payment	**–**	**–**	**483**	**–**	**–**	**–**	**–**	**483**	**–**	**483**
At 30 June 2016 (Unaudited)	**55**	**250,406**	**561**	**9,975**	**972**	**8,851**	**469,358**	**740,178**	**108,005**	**848,183**

Note:

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES	**162,260**	121,858
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(27,569)**	(11,196)
Proceeds from disposal of property, plant and equipment	**8**	–
Repayment from fellow subsidiaries	**1,155**	494
Interest received	**1,734**	2,847
Dividend received from an associate	**40,094**	39,637
Withdrawal of fixed deposits with bank	**–**	36,098
Placement of pledged bank deposits	**(400,022)**	(574,496)
Withdrawal of pledged bank deposits	**400,508**	551,590
NET CASH FROM INVESTING ACTIVITIES	**15,908**	44,974
FINANCING ACTIVITIES		
Repayment of bank borrowings	**(53,941)**	(166,601)
Interest paid	**(58,185)**	(28,460)
Dividends paid to shareholders	**(18,880)**	–
Dividends paid to non-controlling shareholders	**(3,892)**	(4,137)
Advances to non-controlling shareholders	**–**	(1,574)
Repayment to fellow subsidiaries	**(90,336)**	–
Loan from an intermediate holding company	**–**	100,000
Loans from fellow subsidiaries	**8,566**	20,000
New bank borrowings raised	**88,772**	4,019
NET CASH USED IN FINANCING ACTIVITIES	**(127,896)**	(76,753)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**50,272**	90,079
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**342,498**	284,673
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(4,769)**	(1,253)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**388,001**	373,499
Represented by:		
Bank balances and cash	**388,001**	362,270
Bank balances and cash under disposal entity classified as held-for-sale	**–**	11,229
	388,001	373,499

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

1. BASIS OF PREPARATION

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

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

As at 30 June 2016, the Company's ultimate and immediate holding company are China General Nuclear Power Corporation, Ltd ("**CGN**") and CGNPC Huamei Investment Limited ("**CGNPC Huamei**") respectively.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

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

Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception

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

3. REVENUE AND SEGMENT INFORMATION

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

Segment revenue and segment results

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

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

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

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

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

Six months ended 30 June 2016 (Unaudited)

	Power plants in the PRC *US$'000*	Power plants in Korea *US$'000*	Management companies in the PRC *US$'000*	Total *US$'000*
Segment revenue – external	217,490	336,474	11,752	565,716
Segment results	65,962	22,378	697	89,037
Unallocated other income				439
Unallocated operating expenses				(5,638)
Unallocated finance costs				(19,701)
Other gains and losses				(456)
Share of results of associates				16,093
Profit before tax				79,774

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and segment results *(Continued)*

Six months ended 30 June 2015 (Unaudited)

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

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

Revenue from major products and services

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

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Sales of electricity	**460,844**	478,928
Sales of steam	**37,808**	39,184
Capacity charges	**55,148**	64,759
Connection charges and others	**164**	154
Management service fee	**11,752**	10,562
	565,716	593,587

4. INCOME TAX EXPENSES

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period	**17,053**	12,742
Overprovision in prior periods	**(276)**	(543)
	16,777	12,199
Dividend withholding tax – current period	**4,652**	8,588
Deferred tax:		
Current period	**46**	1,413
	21,475	22,200

The Company is exempted from taxation in Bermuda.

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

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

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

Pursuant to KCIT law, the statutory income tax of the Group's Korean subsidiaries was calculated at a rate of 24.2% of the estimated assessable profit for the six months ended 30 June 2016 and 2015.

Pursuant to Hong Kong tax law, the statutory income tax was calculated at a rate of 16.5% of the estimated assessable profit for the six months ended 30 June 2016. No provision for Hong Kong Profits Tax had been made for the six months ended 30 June 2015 as the Group had no assessable profit in Hong Kong.

Pursuant to the tax laws in Republic of Malta and in Mauritius, the statutory income tax was calculated at a rate of 35% and 15%, respectively, for the six months ended 30 June 2016 and 2015. However, subsidiaries of the Group operating in these jurisdictions have not generated taxable income during both periods and therefore, no tax provision has been made by the Group in relation to these subsidiaries.

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

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

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Release of prepaid lease payments	**1,721**	1,058
Staff costs		
– salaries and wages	**26,201**	26,004
– retirement benefits scheme contributions, excluding directors	**5,236**	4,455
Total staff costs, excluding directors	**31,437**	30,459

6. DIVIDEND

During the six months ended 30 June 2016, a final dividend of US$0.44 cents (30 June 2015: nil) per share in respect of the year ended 31 December 2015 was declared and paid.

Subsequent to the end of the reporting period, the board of directors resolved not to declare an interim dividend for the six months ended 30 June 2016 (30 June 2015: nil).

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data.

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
Earnings per share, basic *(US cents)*	**1.15**	1.22
Earnings per share, diluted *(US cents) (Note)*	**1.15**	1.22

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owner of the Company)	**49,245**	52,504

	Six months ended 30 June	
	2016	2015
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**4,290,824,000**	4,290,824,000

Note: The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise prices of those options were higher than the average market prices for shares from date of grant.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired of plant and equipment with aggregated cost of approximately US$27,569,000 (30 June 2015: approximately US$ 132,416,000).

During the six months ended 30 June 2016, the Group disposed of certain plant and machinery with aggregated carrying amount of approximately US$127,000 (30 June 2015: approximately US$26,000) for cash proceeds of approximately US$8,000 (30 June 2015: approximately nil), resulting in a loss on disposal of approximately US$119,000 (30 June 2015: gain of approximately US$26,000).

9. TRADE RECEIVABLES

	30 June 2016 *US$'000* (Unaudited)	31 December 2015 *US$'000* (Audited)
Trade receivables	**182,149**	200,954
Less: allowance for doubtful debts	**(186)**	(189)
	181,963	200,765

The Group allows a credit period from 30 to 90 days throughout the period to its trade customers. Over 73% (31 December 2015: 99%) of the trade receivables are neither past due nor impaired as at 30 June 2016. The management considers that these receivables have good credit rating under the credit review policy used by the Group.

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

	30 June 2016 *US$'000* (Unaudited)	31 December 2015 *US$'000* (Audited)
0 – 60 days	**123,522**	199,355
61 – 90 days	**11,208**	552
Over 90 days	**47,233**	858
	181,963	200,765

Included in the Group's trade receivable balance are debtors with aggregated carrying amount of approximately US$47,991,000 (31 December 2015: approximately US$1,410,000) as at 30 June 2016, which are past due as at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these past due receivables is 105 days (31 December 2015: 92 days) as at 30 June 2016.

9. TRADE RECEIVABLES *(Continued)*

Ageing of trade receivables which are past due but not impaired

	30 June 2016 *US$'000* (Unaudited)	31 December 2015 *US$'000* (Audited)
Past due for:		
1 – 90 days	**16,194**	1,117
91 – 180 days	**31,510**	–
Over 181 days	**287**	293
Total	**47,991**	1,410

The Group has assessed individual cases and provided allowance for doubtful debts when management considers the receivables are unlikely to recover in foreseeable future.

Movement in the allowance for doubtful debts

	30 June 2016 *US$'000* (Unaudited)	31 December 2015 *US$'000* (Audited)
At beginning of the period/year	**189**	118
Exchange differences	**(3)**	(9)
Allowance for bad debts	**–**	80
At end of the period/year	**186**	189

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

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

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

The loan from an intermediate holding company is advanced from CGNPC International Limited, which is unsecured, repayable in 2025 and interest bearing at 4.5% per annum as at 30 June 2016 and 31 December 2015. It is shown as non-current liability as at 30 June 2016 and 31 December 2015.

The loan from China Clean Energy Development Limited ("China Clean Energy"), a fellow subsidiary of the Company, amounting to US$450,000,000 as at 30 June 2016 and 31 December 2015, is unsecured, interest bearing at 4.5% per annum and repayable in 2025. It is shown as non-current liability as at 30 June 2016 and 31 December 2015.

10. BALANCES WITH ASSOCIATES/FELLOW SUBSIDIARIES/AN INTERMEDIATE HOLDING COMPANY *(Continued)*

The loans from CGN Finance Co., Ltd 中廣核財務有限責任公司 ("CGN Finance"), a fellow subsidiary of the Company, amounting to approximately US$19,551,000 (31 December 2015: approximately US$111,881,000) as at 30 June 2016, are unsecured. Among which approximately US$14,194,000 (31 December 2015: approximately US$15,459,000) is repayable in 2024, interest bearing at 4.415% per annum and is shown as non-current liabilities as at 30 June 2016 and 31 December 2015. The remaining balance of approximately US$5,357,000 (31 December 2015: approximately US$96,422,000) is repayable within one year and interest bearing from 4.37% to 4.86% per annum. It is shown as current liabilities as at 30 June 2016 and 31 December 2015.

During the six months ended 30 June 2016, approximately US$8,445,000 has been advanced from CGNPC Huasheng Investment Limited ("CGNPC Huasheng"), a fellow subsidiary of the Company, which is unsecured, interest bearing at 4.75% per annum and repayable within one year. It is shown as current liability as at 30 June 2016.

For the remaining balances, all amounts are non-trade nature, unsecured, non-interest bearing and recoverable/repayable on demand as at 30 June 2016 and 31 December 2015.

11. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances carry interest at market rates which range from 0.1% to 1.49% (31 December 2015: 0% to 1.69%) per annum as at 30 June 2016. The pledged bank deposits carry interest at market rates ranging from 0.1% to 1.46% (31 December 2015: 0.1% to 1.68%) per annum as at 30 June 2016.

Included in the cash balance, approximately US$131,150,000 (31 December 2015: approximately US$125,444,000) deposits has been made to CGNPC Huasheng. These deposits are unsecured, interest bearing at range from 0.01% to 4.8% (31 December 2015: 0.01% to 4.20%) and recoverable on demand. As the Group can withdraw these deposits without giving any notice and without suffering any penalty, the directors of the Company consider that these deposits made to CGNPC Huasheng is qualified as cash.

As at 30 June 2016, approximately US$192,600,000 (31 December 2015: approximately US$145,228,000) of the bank and cash balance are deposited in CGN Finance, a fellow subsidiary established in the PRC with limited liability and a non-banking financial institution subject to the regulations of the People's Bank of China and the China Banking Regulatory Commission, in the PRC.

Pledged bank deposits are pledged to banks to secure bank borrowings granted to the Group, and it cannot be withdrawn prior to the approval of relevant banks.

12. TRADE PAYABLES

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

	30 June 2016	31 December 2015
	US$'000	*US$'000*
	(Unaudited)	(Audited)
0 – 61 days	**53,744**	88,154
61 – 90 days	**1,485**	140
Over 90 days	**2,180**	1,484
Total	**57,409**	89,778

The average credit period on purchases of goods is 35 days (31 December 2015: 40 days) for the six months ended 30 June 2016. The Group has financial risk management policies in place to ensure all payables are settled within the credit time frame.

13. BANK BORROWINGS

	30 June 2016 US$'000 (Unaudited)	31 December 2015 US$'000 (Audited)
Secured	1,490,043	1,547,952
Unsecured	179,845	102,678
	1,669,888	1,650,630
The maturity profile of bank borrowings is as follows:		
Within one year	109,261	114,024
More than one year but not exceeding two years	120,679	136,438
More than two years but not more than five years	407,885	370,845
Over five years	1,032,063	1,029,323
	1,669,888	1,650,630
Less: Amounts due for settlement within one year shown under current liabilities	(109,261)	(114,024)
Amounts due for settlement after one year	1,560,627	1,536,606

All bank borrowings at the end of the reporting period are denominated in the functional currency of the respective group entities. The bank borrowings of the Group carry interest rates which range from 1.75% to 6.62% (31 December 2015: 1.75% to 5.96%) per annum during the six months ended 30 June 2016.

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

	30 June 2016 US$'000 (Unaudited)	31 December 2015 US$'000 (Audited)
Property, plant and equipment	1,119,941	1,115,776
Land use rights	879	2,247
Trade receivables	69,426	76,899
Bank deposits	74,840	75,045
	1,265,086	1,269,967

14. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.0001 each		
Authorised:		
At 1 January 2015, 30 June 2015, 1 January 2016 and 30 June 2016	250,000,000	25,000
Issued and fully paid:		
At 1 January 2015, 31 December 2015, 1 January 2016 and 30 June 2016	4,290,824,000	429
		US$'000
Shown in the condensed consolidated financial statements as		55

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The directors of the Company would engage an independent valuer, whenever necessary, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will engage an independent valuer to perform the valuation and to determine the appropriate valuation techniques and inputs to the model. The findings of the valuation would be reported to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities regularly. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

16. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

	30 June 2016 ***US$'000*** **(Unaudited)**	31 December 2015 *US$'000* (Audited)
Minimum lease payments under operating leases during the period/year in respect of premises	**2,628**	2,485

16. COMMITMENTS *(Continued)*

(a) Operating lease commitments *(Continued)*

The Group as lessee *(Continued)*

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

	30 June 2016 ***US$'000*** **(Unaudited)**	31 December 2015 *US$'000* (Audited)
Within one year	**3,674**	2,449
In the second to fifth year inclusive	**1,084**	1,480
Over five years	**1,336**	1,400
	6,094	5,329

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

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

In connection with such disposition of the electricity transmission facilities to KEPCO in 2005, MPC Korea has a right of use of the facilities for 20 years, which is the term of the PPA. Accordingly, it is considered as a sale and leaseback transaction and results in an operating lease. The difference between the net book value of the facilities and the related proceeds of approximately US$1,497,000 was considered as future lease payments and was recorded as long-term prepaid expenses. The carrying value of the long-term prepaid expenses as at 30 June 2016 is approximately KRW701 million (equivalent to approximately US$602,000) (31 December 2015: KRW814 million (equivalent to approximately US$696,000)). These long-term prepaid expenses are to be amortised over the term of the PPA.

The Group as lessor

Certain of the Group's equipment is held for rental purpose under operating lease since 2007 with a carrying amount of approximately US$1,109,000 (2015: approximately US$1,189,000) as at 30 June 2016, and expected to generate rental yield of 7% on an ongoing basis.

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

16. COMMITMENTS *(Continued)*

(a) Operating lease commitments *(Continued)*

The Group as lessor *(Continued)*

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

	30 June 2016 ***US$'000*** **(Unaudited)**	31 December 2015 *US$'000* (Audited)
Leasing of equipment		
Within one year	**80**	156
In the second to fifth year inclusive	**–**	13
	80	169
Leasing of generation capacity		
Within one year	**39,701**	39,549
In the second to fifth year inclusive	**158,806**	158,197
After five years	**158,805**	177,971
	357,312	375,717

(b) Capital commitments

	30 June 2016 ***US$'000*** **(Unaudited)**	31 December 2015 *US$'000* (Audited)
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	**15,698**	13,262

16. COMMITMENTS *(Continued)*

(c) Acquisition of Xinjiang Project

On 22 December 2011, the Company entered into a joint development agreement with an independent third party being the vendor and an individual who is a director of the target company (the "**Target Company**") (collectively, the "**Parties**"), upon the satisfaction of certain conditions, to acquire 100% equity interest of the Target Company at a consideration of RMB 10 million (the "**Proposed Acquisition**").

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

At 30 June 2016, the Proposed Acquisition is still pending and has not yet completed as the Parties are still undertaking steps to obtain all of the requisite regulatory approvals for the development and construction of the Xinjiang Project and final negotiation.

17. RELATED PARTY DISCLOSURES

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

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

			Six months ended 30 June	
Name of related company	*Note*	**Nature of transactions**	**2016** ***US$'000*** **(Unaudited)**	2015 *US$'000* (Unaudited)
Hubei Xisaishan Power Generation Co. Ltd	(i)	Management service fee income	**144**	27
CGN Finance	(ii)	Interest income	**330**	508
		Interest expense	**2,316**	–
中廣核中煤能源哈密煤電項目籌建處 ("**CGN Hami Coal Project Preparatory Office**")	(iii)	Management service fee income	**–**	197
CGN Energy Development Ltd ("**CGN Energy**")	(ii)	Management service fee income	**4,929**	5,020
CGNPC Huasheng	(ii)	Interest income	**651**	209
		Interest expense	**–**	9
Huamei Holding Company Limited ("**Huamei Holding**")	(ii)	Management service fee income	**4,890**	5,345
CGN Wind Energy Co., Ltd.	(ii)	Management service fee income	**1,592**	–
CGN Solar Energy Development Co., Ltd.	(ii)	Management service fee income	**197**	–
CGN CLP Energy Services (Shenzhen) Co., Ltd.	(ii)	Consultancy service expense	**–**	36
CGNPC International Limited	(iv)	Interest expense	**2,275**	75
China Clean Energy	(ii)	Interest expense	**10,238**	–

17. RELATED PARTY DISCLOSURES *(Continued)*

Notes:

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

(ii) CGN Finance, CGN Energy and its subsidiaries, CGN CLP Energy Services (Shenzhen) Co., Ltd., China Clean Energy, CGNPC Huasheng, CGN Wind Energy Co., Ltd., CGN Solar Energy Development Co., Ltd. and Huamei Holding and its subsidiaries are fellow subsidiaries of the Company.

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

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

The Group has entered into various transactions including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are PRC government-related entities in its ordinary course of business. A majority of the bank deposits and about 56% (31 December 2015: 59%) of borrowings the Group are with the PRC government-related entities as at 30 June 2016.

Also, the Group's transactions with other PRC government-related entities include sales of electricity to local power bureau and a state-owned entity. About 34% (31 December 2015: 21%) of its sales of electricity and capacity charges are to the PRC government-related entities for the six months ended 30 June 2016.

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

18. SUBSEQUENT EVENT

Subsequent to 30 June 2016, an indirect wholly-owned subsidiary of the Company has entered into a sale and purchase agreement with an independent third party under which the subsidiary agrees to dispose the entire equity interest of Sichuan Hexie Electric Power Co., Ltd. ("**Hexie**"), an indirect wholly-owned subsidiary of the Company at consideration of RMB220,100,000 (equivalent to approximately US$33,453,000). The net proceeds after estimated tax is approximately RMB208,090,000 (equivalent to approximately US$31,628,000). The net asset value of Hexie as at 30 June 2016 was approximately US$17,923,000. Based on the financial information for the six months ended 30 June 2016 with the release of translation reserve of approximately US$5,461,000, the unaudited gain on disposal will be approximately US$19,166,000. The disposal is expected to be completed by the end of 2016.