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## 華電國際電力股份有限公司

### **Huadian Power International Corporation Limited\***

*(A Sino-foreign investment joint stock company limited by shares  
incorporated in the People's Republic of China (the "PRC" ))*

(Stock Code: 1071)

### **2016 THIRD QUARTERLY RESULTS**

All financial information set out in the 2016 third quarterly report (the "**Third Quarterly Report**") by Huadian Power International Corporation Limited\* (the "**Company**") is unaudited and prepared in accordance with the China Accounting Standards for Business Enterprises.

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

#### **1 IMPORTANT NOTICE**

- 1.1 The board of directors (the "**Board**"), the supervisory committee and the Directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of the Third Quarterly Report, and that it contains no false representation, misleading statements or material omission, and jointly and severally accept the legal responsibility.
- 1.2 All Directors of the Company attended the Board meeting and considered the Third Quarterly Report.
- 1.3 Mr. Zhao Jianguo (Chairman of the Company), Mr. Chen Cunlai (person in charge of the Company's accounting functions) and Mr. Wang Kaixi (Head of the Company's Accounting Department) have confirmed the truthfulness, accuracy and completeness of the financial statements in the Third Quarterly Report.
- 1.4 The financial statements in the Third Quarterly Report of the Company are unaudited and prepared in accordance with the China Accounting Standards for Business Enterprises.
- 1.5 This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Listing Rules.

## 2 COMPANY PROFILE

### 2.1 Major accounting data and financial indicators (under the China Accounting Standards for Business Enterprises) (unaudited)

*Unit: '000 Currency: RMB*

	At the end of the reporting period	At the end of last year	Increase / decrease from the end of last year (%)
Total assets	203,358,296	206,655,196	-1.60
Net assets attributable to shareholders of the Company	42,991,155	42,368,831	1.47
	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of last year to the end of the reporting period of last year (January - September)	Increase / decrease from the corresponding period of last year (%)
Net cash flow from operating activities	17,257,163	24,002,503	-28.10
	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of last year to the end of the reporting period of last year (January - September)	Increase / decrease from the corresponding period of last year (%)
Business income	45,880,503	51,446,864	-10.82
Net profit attributable to the shareholders of the Company	3,718,428	6,068,588	-38.73
Net profit attributable to shareholders of the Company after extraordinary gain and loss	3,443,268	5,695,203	-39.54
Return on net assets (weighted average) (%)	8.69	18.45	Decreased by 9.76 percentage points
Basic earnings per share (RMB)	0.377	0.679	-44.48

#### Extraordinary gain and loss items and amount:

*Unit: '000 Currency: RMB*

Item	Amount during the reporting period (July - September)	Amount from the beginning of the year to the end of the reporting period (January - September)
Gains on disposal of non-current assets	-5,813	-8,053
Government grants recognised in profit or loss (other than grants which are closely related to the Company's business and are	107,895	326,913

either in fixed amounts or determined under quantitative methods in accordance with the national standard)		
Write back of the provision for impairment of receivables that are individually tested for impairment	312	881
Gain or loss from external entrusted loans	3,389	10,102
Other non-operating income and expenses other than the aforesaid items	38,742	118,013
Other profit or loss items that meet the definition of non-recurring profit and loss	-	607
Amount of effect on income tax	-25,770	-84,985
Amount of effect on minority interests (after tax)	-22,722	-88,318
Total	96,033	275,160

**2.2 Total number of shareholders, top ten shareholders and top ten holders of tradable shares (or shares not subject to trading moratorium) as at the end of the reporting period**

*Unit: Share*

Total number of shareholders				149,108		
Particulars of shareholdings of top ten shareholders						
Full name of shareholders	Shares held at the end of the period	Percentage of Shareholding (%)	Number of shares held subject to trading moratorium	Shares pledged or frozen		Shareholder's nature
				Status	Number	
China Huadian Corporation	4,620,061,224	46.84	1,361,137,371	Nil		State-owned legal person
HKSCC Nominees Limited	1,711,288,950	17.35	-	Unknown		Foreign legal person
Shandong International Trust Co., Ltd.	800,766,729	8.12	-	Unknown		State-owned legal person
China Securities Finance Corporation Limited	283,150,639	2.87	-	Unknown		Other
Shenergy Company Limited	142,800,000	1.45	-	Unknown		Other
China Galaxy Securities Co., Ltd.	103,200,000	1.05	-	Unknown		Other
Dongxing Securities Co., Ltd.	93,500,000	0.95	-	Unknown		Other
Shanghai Xishida Electronic Technology Co., Ltd.	92,800,000	0.94	-	Unknown		Other

China National Arts & Crafts (Group) Corp.	91,000,000	0.92	-	Unknown		Other
Central Huijin Asset Management Ltd.	77,978,400	0.79	-	Unknown		Other
Particulars of top ten holders of shares not subject to trading moratorium						
Name of shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares				
		Class	Number			
China Huadian Corporation	3,258,923,853	Ordinary shares denominated in RMB	3,173,061,853			
		Overseas listed foreign invested shares	85,862,000			
HKSCC Nominees Limited	1,711,288,950	Overseas listed foreign invested shares	1,711,288,950			
Shandong International Trust Co., Ltd.	800,766,729	Ordinary shares denominated in RMB	800,766,729			
China Securities Finance Corporation Limited	283,150,639	Ordinary shares denominated in RMB	283,150,639			
Shenergy Company Limited	142,800,000	Ordinary shares denominated in RMB	142,800,000			
China Galaxy Securities Co., Ltd.	103,200,000	Ordinary shares denominated in RMB	103,200,000			
Dongxing Securities Co., Ltd.	93,500,000	Ordinary shares denominated in RMB	93,500,000			
Shanghai Xishida Electronic Technology Co., Ltd.	92,800,000	Ordinary shares denominated in RMB	92,800,000			
China National Arts & Crafts (Group) Corp.	91,000,000	Ordinary shares denominated in RMB	91,000,000			
Central Huijin Asset Management Ltd.	77,978,400	Ordinary shares denominated in RMB	77,978,400			

**2.3 Total number of preference shareholders, top ten preference shareholders and top ten holders of preference shares not subject to trading moratorium as at the end of the reporting period**

Applicable Not Applicable

### **3 SIGNIFICANT EVENTS**

#### **3.1 The particulars of and reasons for material changes in major accounting items and financial indicators of the Company**

√Applicable □Not Applicable

1. The Company's operating income for the first three quarters amounted to RMB45,881 million, representing a year-on-year decrease of approximately 10.82%, mainly due to the downward adjustment of on-grid tariff.
2. The Company's operating cost for the first three quarters amounted to RMB33,861 million, representing a year-on-year decrease of approximately 2.64%, mainly due to the year-on-year decrease in fuel price.
3. The Company's business taxes and surcharges for the first three quarters amounted to RMB580 million, representing a year-on-year increase of approximately 10.65%, mainly due to payment of special fund for industrial enterprises' structural adjustment.
4. The Company's finance cost for the first three quarters amounted to RMB3,696 million, representing a year-on-year decrease of approximately 20.09%, mainly due to the downward adjustment of interest rate for borrowings and the decrease in profit or loss loans.
5. The Company's investment income for the first three quarters amounted to RMB111 million, representing a year-on-year decrease of approximately 67.49%, mainly due to the decrease in profit generated from coal mine enterprises and other enterprises in which the Company invested.
6. The Company's non-operating income for the first three quarters amounted to RMB472 million, representing a year-on-year increase of approximately 91.14%, mainly due to the increase in government grants received by the Company.
7. The Company's non-operating expenses for the first three quarters amounted to RMB28.06 million, representing a year-on-year decrease of approximately 73.12%, mainly due to the termination of payment of the electricity tariff adjustment fund by Huadian Ningxia Lingwu Power Generation Company Limited, a holding subsidiary of the Company.
8. The Company's net profit attributable to the equity shareholders of the Company for the first three quarters amounted to RMB3,718 million, representing a year-on-year decrease of approximately 38.73%, mainly due to the downward adjustment of on-grid tariff.
9. As at the end of the reporting period, the Company's bills receivable amounted to RMB722 million, representing a decrease of approximately 51.16% as compared with that at the beginning of the period, mainly due to the maturity of the bills in respect of the power plants and the increase in endorsement of bills by way of transfer.
10. As at the end of the reporting period, the Company's construction materials amounted to RMB187 million, representing a decrease of approximately 55.44% as compared with that at the beginning of the period, mainly due to the usage of warehouse materials in respect of infrastructure projects.
11. As at the end of the reporting period, the Company's short-term borrowings amounted to RMB9,057 million, representing a decrease of approximately 31.19% as compared with that at the beginning of the period, mainly due to the repayment of short-term borrowings upon maturity.
12. As at the end of the reporting period, the Company's advances from customers amounted

to RMB213 million, representing a decrease of approximately 84.45% as compared with that at the beginning of the period, mainly due to decrease in advances for heating fees resulting from the end of the heating supply period.

13. As at the end of the reporting period, the Company's wages payable amounted to RMB511 million, representing an increase of approximately 153.30% as compared with that at the beginning of the period, mainly due to the unpaid wages payable by the Company and its subsidiaries.
14. As at the end of the reporting period, the Company's taxes payable amounted to RMB850 million, representing a decrease of approximately 48.45% as compared with that at the beginning of the period, mainly due to the payment of taxes.
15. As at the end of the reporting period, the Company's interests payable amounted to RMB426 million, representing a decrease of approximately 33.07% as compared with that at the beginning of the period, mainly due to the payment of interests as a result of the maturity of medium-term notes payable and bonds issued through private placement.
16. As at the end of the reporting period, the Company's dividends payable amounted to RMB511million, representing a decrease of approximately 66.87% as compared with that at the beginning of the period, mainly due to the payment of dividends.
17. As at the end of the reporting period, the Company's other current liabilities amounted to RMB22,716 million, representing an increase of approximately 44.17% as compared with that at the beginning of the period, mainly due to the increase of super short-term debentures.
18. As at the end of the reporting period, the Company's specific reserve amounted to RMB120 million, representing an increase of approximately 36.30% as compared with that at the beginning of the period, mainly due to the provisions for maintenance of coal mines.

### **3.2 Note and analysis on the progress of significant events and their impact and solution**

Applicable  Not Applicable

- I. The phase IV expansion project of the first 660MW co-generation unit of Huadian Longkou, which is planned to be constructed by Hudian Longkou Power Generation Company Limited, of which the Company holds 84.31% equity interests, has been approved by the Shandong Provincial Development and Reform Commission. The expected static investment of the project amounts to approximately RMB3,226 million. The Board believes that the construction and operation of the project will be beneficial in satisfying the economic and social development of Longkou and the heating demand of its people, in order to improve energy utilization efficiency and to increase the penetration rate of central heating.
- II. The 54MW wind power generating units of Hubei Huadian Wuxue Wind Power Generation Company Limited, the 30MW solar power generating units of Hubei Huadian Suixianyindian Photovoltaic Energy Company Limited and the 30MW solar power generating units of Hubei Huadian Zaoyang Photovoltaic Energy Company Limited, which were invested and constructed by Huadian Hubei Power Generation Company Limited, have commenced commercial operations.

### 3.3 Performance of undertakings by the Company and shareholders of 5% shareholdings or above

√ Applicable  Not Applicable

Background of undertaking	Type	Party	Undertakings	Time and term of undertaking	Any period for performance	Whether timely and strictly performed
Undertakings related to shares restructuring	Others	China Huadian Corporation (“ <b>China Huadian</b> ”)	Upon the official promulgation and implementation of the relevant PRC national laws and regulations concerning incentive plans of the management of listed companies, China Huadian will actively promote the management incentive plan of the Company.	The undertaking will be valid for a long term and is being performed.	No	Yes
Undertakings related to refinancing	Share Trading moratorium	China Huadian	The 1,150 million A shares of the Company subscribed by China Huadian by way of non-public issuance are not transferrable within 72 months commencing from 18 July 2014.	Time of undertaking: from 18 July 2014; term of undertaking: 72 months	Yes	Yes
	Share Trading moratorium	China Huadian	The 211,137,371 A shares of the Company subscribed by China Huadian by way of non-public issuance are not transferrable within 36 months commencing from 8 September 2015.	Time of undertaking: 8 September 2015; term of undertaking: 36 months	Yes	Yes

Other undertakings	Resolution to business competition	China Huadian	China Huadian will follow the principles of avoiding critical business competition and will in-principle inject into the Company relevant assets within the same province (or district) in which the Company operates. The specific operational proposals will be implemented actively and steadily according to the asset conditions and the capital market conditions assessed and recognized by China Huadian. After preparation of annual financial statements each year, China Huadian will verify and disclose whether the non-listed conventional energy based electricity generation assets meet the conditions for injection. China Huadian will complete the asset injections into the Company within three years after the non-listed conventional energy based electricity generation assets meet the conditions for asset injections.	Time of undertaking: August 2014; term of undertaking: 3 years after the conditions for capital injection are satisfied	No	Yes
	Profit forecast and compensation	The Company	The total net profits of Guangxia (Yinchuan) Industry Co., Ltd. (“ <b>Guangxia Industry</b> ”), presently known as Ningxia Western Venture Industrial Co., Ltd after its change of name (“ <b>Ningxia Western</b> ”) for the three consecutive accounting years after the completion of asset acquisitions through the issuance of shares and cash payments shall be no less than RMB1 billion. If the actual profits fall below RMB1 billion, the former shareholders of Ningxia Ningdong Railway Corporation Limited (“ <b>Ningdong Railway</b> ”), including the Company, shall make up the shortfall in cash to Guangxia Industry within 30 days after the issuance date of the audit report for the third accounting year based on their respective shareholding, with no several liability among	Term of undertaking: from 1 February 2016 to 31 May 2019	Yes	Yes



			the former shareholders.			
	Share Trading moratorium	The Company	The 71,084,524 shares of Guangxia Industry acquired through assets restructuring shall not be transferred within 36 months upon completion of registration.	Term of undertaking: from 1 February 2016 to 2 February 2019	Yes	Yes
	Others	The Company	After the restructuring of Guangxia Industry, the Company shall become a shareholder of Ningxia Western and undertake to regulate future connected transactions with Ningxia Western.	Term of undertaking: from 1 February 2016	No	Yes

**3.4 Warning and explanation on reasons for accumulated net loss expected to be recorded from the beginning of the year to the end of the next reporting period or material change as compared to those of the same period last year**

Applicable Not Applicable

The Company's unaudited consolidated statement of financial position and statement of financial position as at 30 September 2016, unaudited consolidated income statement and income statement, consolidated cash flow statement and cash flow statement for the nine months ended 30 September 2016 (all prepared in accordance with the China Accounting Standards for Business Enterprises) are published on the website of the Shanghai Stock Exchange [www.sse.com.cn](http://www.sse.com.cn).

By order of the Board

**Huadian Power International Corporation Limited\***

**Zhou Lianqing**

*Secretary to the Board*

As at the date of this announcement, the Board comprises:

*Zhao Jianguo (Chairman, Non-executive Director), Chen Jianhua (Vice Chairman, Non-executive Director), Wang Yingli (Vice Chairman, Non-executive Director), Chen Bin (Executive Director), Gou Wei (Non-executive Director), Chu Yu (Non-executive Director), Zhang Ke (Non-executive Director), Ding Huiping (Independent Non-executive Director), Wang Dashu (Independent Non-executive Director), Zong Wenlong (Independent Non-executive Director) and Wang Chuanshun (Independent Non-executive Director).*

Beijing, the PRC

25 October 2016

*\* For identification purposes only*