China Power Clean Energy Development Company Limited
中國電力清潔能源發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 0735)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS

Financial Highlights of CPNE and its subsidiaries

Revenue and tariff adjustment amounted to approximately RMB2,237,882,000 (for the six-month period ended 30 June 2016: approximately RMB2,312,466,000), representing a decrease of 3.2% over the same period last year.

Profit attributable to equity holders of CPNE was approximately RMB175,924,000 (for the six-month period ended 30 June 2016: approximately RMB284,761,000) representing a decrease of 38.2% over the same period last year.

The basic earnings per share was approximately RMB0.1483 (for the six-month period ended 30 June 2016: approximately RMB0.2400).

The Board of China Power Clean Energy Development Company Limited (the "Company" or "CPCE") is pleased to present the unaudited interim results of CPCE for the period from 8 May 2017 (date of incorporation) to 30 June 2017.

Pursuant to the Scheme approved by the shareholders of China Power New Energy Development Company Limited ("CPNE") on 7 July 2017 and sanctioned by the Supreme Court of Bermuda on 14 July 2017, CPCE, a company incorporated in Hong Kong, became the immediate holding company of CPNE and its subsidiaries and CPNE became a wholly-owned subsidiary of CPCE on 17 July 2017, the date on which the Scheme became effective. Listing of the shares of CPNE on the Main Board of the Stock Exchange were withdrawn, and dealings in the shares of CPCE on the Main Board of the Stock Exchange commenced on 18 July 2017.

Hence, the directors of CPCE would also like to announce, for the information of the shareholders of CPCE, the unaudited interim results of CPNE and its subsidiaries for the six-month period ended 30 June 2017.

RESULTS OF CPCE

During the period from the date of incorporation to 30 June 2017, CPCE was an inactive private company and had no subsidiary.

The results of CPCE for the period from 8 May 2017 to 30 June 2017 are as follows:

CONDENSED INCOME STATEMENT

For the period from 8 May 2017 (date of incorporation) to 30 June 2017

	Note	**Unaudited Period from 8 May 2017 (date of incorporation) to 30 June 2017** *RMB*
Exchange gains		**8,293**
Other operating expenses	*4*	**(525,373)**
Loss and total comprehensive expenses for the period		**(517,080)**

CONDENSED BALANCE SHEET

As at 30 June 2017

	Note	As at 30 June 2017 Unaudited *RMB*
ASSET		
Current asset		
Other receivable		**8**
Total asset		**8**
EQUITY		
Share capital	*6*	**8**
Accumulated losses		**(517,080)**
Total deficit		**(517,072)**
LIABILITY		
Current liability		
Amount due to CPNE		**517,080**
Total liability and equity		**8**

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

China Power Clean Energy Development Company Limited ("CPCE") is a limited liability company incorporated in Hong Kong and was an indirectly wholly-owned subsidiary of State Power Investment Corporation before reorganisation became effective.

CPCE did not carry out any business during the period from 8 May 2017 (date of incorporation) to 30 June 2017 except for the expenses incurred as set out in note 4.

Condensed interim financial information is presented in Renminbi, unless otherwise stated.

Subsequent to the balance sheet date, on 17 July 2017, CPCE became the holding company of China Power New Energy Development Company Limited ("CPNE") and its subsidiaries (together the "Group") pursuant to a reorganisation, details of which are set out in note 7.

2. BASIS OF PREPARATION

CPCE has a financial year end date of 31 December. This condensed interim financial information for the period from 8 May 2017 (date of incorporation) to 30 June 2017 has been prepared in accordance with HKAS 34 "Interim Financial Reporting". The condensed interim financial information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

As at 30 June 2017, CPCE had net current liabilities and total deficit of RMB517,072. CPNE has confirmed its intention to provide continuing financial support to CPCE so as to enable CPCE to meet its liabilities as and when they fall due. Accordingly, the directors have prepared the condensed interim financial information on a going concern basis.

CPCE has adopted all of the new and revised standards and interpretations issued by the HKICPA that are relevant to its operations and effective for accounting periods ending on 31 December 2017.

3 ACCOUNTING POLICIES

New and amended standards relevant to CPCE that have been issued but are not effective

The following new and amended standards have been issued but are not effective and have not been early adopted:

		Effective for accounting periods beginning on or after
HK (IFRIC) 22	Foreign currency transactions and advance consideration	1 January 2018
HKAS 28 (Amendments)	Investments in associates and joint ventures	1 January 2018
HKAS 40 (Amendments)	Transfers of investment property	1 January 2018
HKFRS 1 (Amendments)	First time adoption of HKFRS	1 January 2018
HKFRS 2 (Amendments)	Classification and measurement of share-based payment transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15 and HKFRS 15 (Amendments)	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Effective date to be determined

CPCE will apply the above new standards and amendments to standards from 1 January 2018 or later period. CPCE has already commenced an assessment of the related impact to CPCE. CPCE is not yet in a position to state whether any substantial changes to CPCE's significant accounting policies and presentation of the financial information will be resulted.

4. OTHER OPERATING EXPENSES

	Unaudited Period from 8 May 2017 (date of incorporation) to 30 June 2017 *RMB*
License fees	**6,127**
Professional fees	**519,246**
	525,373

During the period from 8 May 2017 (date of incorporation) to 30 June 2017, all expenses of CPCE were paid on its behalf by CPNE.

5. TAX

No provision for Hong Kong profits tax has been made as CPCE did not generate any assessable profits arising in Hong Kong during the period from 8 May 2017 (date of incorporation) to 30 June 2017.

6. SHARE CAPITAL

	Number of shares	**Share capital**
		RMB
Issued and fully paid:		
10 ordinary shares of HK$1 each issued upon incorporation	10	8

The change in the issued share capital of CPCE subsequent to the balance sheet date is set out in note 7.

Share options

As at 30 June 2017, CPCE adopted the Pre-Listing Share Option Scheme and the Post-Listing Share Option Scheme which became effective after the balance sheet date, on 17 July 2017. The details are set out in note 7.

7. SUBSEQUENT EVENTS

(a) On 14 June 2017, the directors of CPNE proposed a change of domicile of the holding company of the Group from Bermuda to Hong Kong by way of a scheme of arrangement (the "Scheme"), pursuant to which the structure of the Group was reorganised such that CPCE became the new holding company of the Group (the "Reorganisation").

Subsequent to the balance sheet date, the Scheme was approved by the shareholders of CPNE on 7 July 2017 and sanctioned by the Supreme Court of Bermuda on 14 July 2017. Upon the Scheme becoming effective on 17 July 2017:

(i) all the 1,186,633,418 ordinary shares of CPNE outstanding as at 14 July 2017 ("Scheme Shares") were cancelled; and

(ii) simultaneously with the cancellation of the Scheme Shares pursuant to paragraph (a) (i) above, CPNE issued 1,186,633,418 ordinary shares ("New Shares") to CPCE and CPNE applied the credit arising in its books of account as a result of the cancellation of the Scheme Shares referred to in paragraph (a) (i) above in paying up in full at par the New Shares.

In consideration of the cancellation of all the Scheme Shares pursuant to paragraph (a) (i) above:

(i) each holder of the Scheme Shares as at 14 July 2017 ("Scheme Shareholders") (other than the non-qualifying overseas shareholders ("those shareholders with registered addresses in, or shareholders or beneficial owners who are otherwise known by CPNE to be residents of, jurisdictions outside Hong Kong at the record time for determining entitlements of the Scheme shareholders under the Scheme and whom CPCE and the CPNE, based on enquiries made on their behalf, consider it necessary or expedient to exclude from receiving CPCE shares pursuant to the Scheme on account of the legal restrictions under the laws of the relevant jurisdictions where the overseas shareholders or beneficial owners are located or are resident in or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions") and China Power New Energy Limited received one ordinary share of CPCE (the "Shares") credited as fully paid for each Scheme Share cancelled;

(ii) non-qualifying overseas shareholders did not receive the Shares pursuant to the Scheme but received cash in full satisfaction of their rights to receive the Shares where the law of any relevant jurisdiction precludes the issuance of the Shares or precludes it except after compliance by CPCE with conditions with which CPCE was unable to comply or which CPCE regards as unduly onerous. In such case, the Shares which would otherwise have been allotted to the relevant non-qualifying overseas shareholders under the Scheme were allotted to a person selected by the board of directors of CPNE, who sold such Shares on the market as soon as reasonably practicable after dealings in the Shares commence on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and CPCE caused the aggregate proceeds of such sale (net of expenses and taxes) to be paid to the relevant non-qualifying overseas shareholders in Hong Kong dollars in full satisfaction of their rights to receive the relevant the Shares; and

(iii) China Power New Energy Limited received one Share credited as fully for each Scheme Share held by it minus the number of existing CPCE's shares held by it at that time.

The listing status of CPNE was withdrawn on 18 July 2017 and the Shares were listed on the main board of the Stock Exchange by way of introduction on 18 July 2017.

(b) On 8 June 2017, CPCE adopted the pre-listing share option scheme and the post-listing share option scheme which became effective subsequently on 17 July 2017.

Pre-listing share option scheme

The purpose of the pre-listing share option scheme is to enable CPCE, in connection with the Reorganisation, to grant options to the participants in replacement of share options granted by CPNE, thereby continuing to provide incentives or rewards to the participants for their contribution to CPCE and its subsidiaries (together, the "New Group") and/or to enable the New Group to recruit and retain high-calibre employees and attract human resources that are valuable to the New Group.

All CPNE's options held by the option holders were granted pursuant to the 2002 Share Option Scheme and 2012 Share Option Scheme of CPNE. Each option granted under the pre-listing share option scheme was granted in consideration of an optionholder's agreement on the cancellation of a corresponding option granted under the 2002 Share Option Scheme or the 2012 Share Option Scheme. As such, the principal terms (including the grantee, number of underlying shares, exercise price and expiry date) of each such CPCE's option are the same as those of the corresponding CPNE's option that has been cancelled, save that (i) the underlying shares are CPCE's shares and not CPNE's shares and (ii) the date of grant was the date of grant of the CPCE's options (i.e. 8 June 2017) and not the date of grant of the corresponding CPNE's options that has been cancelled.

The options granted under the pre-listing share option scheme were non-exercisable when granted and only exercisable when the Scheme became effective on 17 July 2017.

Post-listing share option scheme

The purpose of the post-listing share option scheme is to provide incentives or rewards to the participants thereunder for their contribution to the New Group and/or to enable the New Group to recruit and retain high-calibre employees and attract human resources that are valuable to the New Group.

(i) The maximum number of the Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the pre-listing share option scheme and the share option scheme and any other share option schemes of CPCE must not in aggregate exceed 30% of the total number of the Shares in issue from time to time.

(ii) The total number of the Shares which may be issued upon exercise of all options (excluding, for this purpose, options which lapsed in accordance with the terms of the pre-listing share option scheme and the share option scheme and any other share option schemes of CPCE) to be granted under the pre-listing share option scheme and the share option scheme and any other share option schemes of CPCE must not in aggregate exceed 10% of the total number of the Shares in issue on the listing date (the "General Scheme Limit").

(iii) Subject to (i) above and without prejudice to (iv) below, CPCE may seek approval of the shareholders of CPCE in general meeting to refresh the General Scheme Limit provided that the total number of the Shares which may be issued upon exercise of all options to be granted under the pre-listing share option scheme and the share option scheme and any other share option schemes of CPCE under the limit as "refreshed" must not exceed 10% of CPCE shares in issue as at the date of approval of such limit and for the purpose of calculating the limit as "refreshed", options (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the pre-listing share option scheme and the share option scheme and any other share option schemes of CPCE) previously granted under the pre-listing share option scheme and any other share option schemes of CPCE will not be counted.

(iv) Subject to (i) above and without prejudice to (iii) above, CPCE may seek separate approval from shareholders of CPCE in general meeting to grant options beyond the General Scheme Limit or, if applicable, the limit referred to in (iii) above to participants specifically identified by CPCE before such approval is sought.

No option was granted by the CPCE under post-listing share option scheme subsequent to the balance sheet date.

Unless the directors of CPCE otherwise determined and stated in the offer to a participant, there is no minimum period for which an option granted under the pre-listing share option scheme and the share option scheme must be held before it can be exercised.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

RESULTS OF CPNE

The condensed consolidated results of CPNE and its subsidiaries for the six-month period ended 30 June 2017 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six-month period ended 30 June 2017

		Unaudited Six-month period ended 30 June	
		2017	2016
	Note	***RMB'000***	*RMB'000*
Revenue and tariff adjustment	*4*	**2,237,882**	2,312,466
Other income	*5*	**26,026**	26,802
Other gains, net	*6*	**75**	696
Fuel costs		**(1,031,867)**	(1,010,987)
Depreciation and amortisation		**(431,662)**	(388,878)
Staff costs		**(129,087)**	(124,955)
Repairs and maintenance		**(32,437)**	(41,154)
Other operating expenses		**(128,426)**	(135,466)
Operating profit	*7*	**510,504**	638,524
Finance income	*8*	**12,939**	26,218
Finance costs	*8*	**(259,914)**	(296,467)
Share of profits of associates		**4,490**	1,535
Share of profits of joint ventures		**9,356**	29,425
Profit before tax		**277,375**	399,235
Income tax expense	*9*	**(101,415)**	(115,824)
Profit for the period		**175,960**	283,411
Attributable to:			
Equity holders of CPNE		**175,924**	284,761
Non-controlling interests		**36**	(1,350)
		175,960	283,411
Earnings per share for profit attributable to equity holders of CPNE (expressed in RMB per share)			
– basic	*10*	**0.1483**	0.2400
– diluted	*10*	**0.1483**	0.2399

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2017

	Unaudited Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Profit for the period	**175,960**	283,411
Other comprehensive income that may be reclassified to condensed consolidated income statement:		
Currency translation differences	**(3,901)**	1,038
Total comprehensive income for the period	**172,059**	284,449
Attributable to:		
Equity holders of CPNE	**172,023**	285,799
Non-controlling interests	**36**	(1,350)
	172,059	284,449

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2017

		As at	
		30 June 2017	31 December 2016
		Unaudited	Audited
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**17,752,884**	17,329,774
Lease prepayments		**276,695**	210,722
Investment properties		**308,496**	308,496
Intangible assets		**1,053,114**	1,054,614
Interests in associates		**141,381**	136,891
Interests in joint ventures		**226,558**	249,319
Long-term prepayments and deposits		**947,733**	609,833
Available-for-sale financial asset		**255,000**	–
Deferred income tax assets		**24,586**	24,586
		20,986,447	19,924,235
Current assets			
Inventories		**116,666**	105,165
Accounts receivable	*12*	**1,339,016**	939,712
Prepayments, deposits and other receivables		**803,144**	811,269
Financial assets at fair value through profit or loss		**6,720**	7,216
Cash and cash equivalents		**1,405,656**	1,816,761
		3,671,202	3,680,123
Non-current asset classified as held for sale		**–**	255,000
		3,671,202	3,935,123
Total assets		**24,657,649**	23,859,358
EQUITY			
Capital and reserves attributable to equity holders of CPNE			
Share capital	*13*	**1,077,101**	1,077,101
Share premium		**195,308**	195,308
Reserves		**6,960,863**	6,930,428
		8,233,272	8,202,837
Non-controlling interests		**78,990**	70,565
Total equity		**8,312,262**	8,273,402

	Note	As at 30 June 2017 Unaudited *RMB'000*	31 December 2016 Audited *RMB'000*
LIABILITIES			
Non-current liabilities			
Long-term bank and other borrowings		**10,295,380**	9,748,816
Long-term corporate bonds		**799,200**	–
Construction costs payable		**1,224,843**	976,153
Other non-current payables		**56,794**	54,144
Deferred income tax liabilities		**74,704**	112,317
		12,450,921	10,891,430
Current liabilities			
Accounts payable	*14*	**51,330**	34,753
Construction costs payable		**851,666**	941,799
Other payables and accrued charges		**403,849**	283,378
Short-term bank borrowings		**823,503**	715,588
Current portion of long-term bank and other borrowings		**1,729,469**	1,856,483
Corporate bonds		**–**	799,343
Income tax payable		**34,649**	63,182
		3,894,466	4,694,526
Total liabilities		**16,345,387**	15,585,956
Total equity and liabilities		**24,657,649**	23,859,358

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

China Power New Energy Development Company Limited ("CPNE") is a limited liability company incorporated in Bermuda. CPNE's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") before reorganisation became effective.

CPNE and its subsidiaries (together, the "Group") are principally engaged in the development, construction, ownership and management of clean energy power plants in the People's Republic of China (the "PRC"), including but not limited to the following types of energy generation – natural gas power generation, wind power generation, hydropower generation, waste-to-energy power generation, photovoltaic power generation and other power generation. The Group is also engaged in investment holding in clean energy power industry and property investments.

Subsequent to the balance sheet date, on 17 July 2017, China Power Clean Energy Development Company Limited ("CPCE"), a company incorporated in Hong Kong and was indirectly wholly-owned subsidiary of State Power Investment Corporation, became the holding company of the Group and CPNE became a wholly-owned subsidiary of CPCE pursuant to a reorganisation, the details of which are set out in note 15.

This condensed consolidated interim financial information is presented in Renminbi (RMB), unless otherwise stated, and have been approved by the Board of Directors for issue on 18 August 2017.

2. BASIS OF PREPARATION

CPNE has a financial year end date of 31 December. This condensed consolidated interim financial information for the six-month period ended 30 June 2017 has been prepared in accordance with HKAS 34 "Interim Financial Reporting". This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

As at 30 June 2017, the Group had net current liabilities of RMB223,264,000. In preparing this condensed consolidated interim financial information, the directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. Based on the Group's history of obtaining finance, its relationships with its bankers, banking facilities available and net operating cash inflow, the directors consider that the Group will be able to obtain adequate financial resources to enable it to operate and meet its liabilities and commitments as and when they fall due within the next twelve months from the balance sheet date. Accordingly, the directors have prepared this condensed consolidated interim financial information on a going concern basis.

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2016.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) Effect of adopting new and amended standards and interpretations

The following new and amended standards and interpretations are mandatory for the financial year beginning on 1 January 2017, but do not have significant impact to the Group:

HKAS 7 (Amendments)	Statement of cash flows
HKAS 12 (Amendments)	Income taxes
HKFRS 12 (Amendments)	Disclosure of interest in other entities

(b) New and amended standards relevant to the Group that have been issued but are not effective

The following new and amended standards have been issued but are not effective and have not been early adopted:

		Effective for accounting periods beginning on or after
HK (IFRIC) 22	Foreign currency transactions and advance consideration	1 January 2018
HKAS 28 (Amendments)	Investments in associates and joint ventures	1 January 2018
HKAS 40 (Amendments)	Transfers of investment property	1 January 2018
HKFRS 1 (Amendments)	First time adoption of HKFRS	1 January 2018
HKFRS 2 (Amendments)	Classification and measurement of share-based payment transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 financial instruments with HKFRS 4 insurances contracts	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15 and HKFRS 15 (Amendments)	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Effective date to be determined

The Group will apply the above new standards and amendments to standards from 1 January 2018 or later period. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

4. REVENUE, TARIFF ADJUSTMENT AND SEGMENT INFORMATION

(a) Revenue and tariff adjustment recognised during the period are as follows:

	Unaudited Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Sales of electricity to provincial power grid companies *(note (i))*	**2,138,103**	2,255,734
Heat supply by thermal power plants to other companies	**48,689**	40,016
Waste handling income	**38,236**	38,015
Others	**12,854**	5,521
	2,237,882	2,339,286
Tariff adjustment *(note (ii))*	**–**	(26,820)
Revenue and tariff adjustment	**2,237,882**	2,312,466

Notes:

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

(ii) The amount represents tariff received and receivable from the relevant local government authorities. During the six-month period ended 30 June 2016, the Group had revised the estimation of tariff adjustment in respect of the period from January to September 2015 with reference to the actual notice received from the relevant local government authorities resulting in an one-off reduction in tariff adjustment amounted to approximately RMB26,820,000.

(b) Segment information

The chief operating decision-maker has been identified as the executive directors and certain senior management of the Group (together, the "CODM") that makes strategic decisions. The CODM reviews the internal reporting of the Group in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM assesses the performance of the operating segments based on each segment's profit/(loss) before income tax and share of results of associates and joint ventures ("segment results").

The Group has the following major segments: power generation, property investments and securities investments.

The Group is principally engaged in the development, construction, ownership and management of clean energy power plants in the PRC. The power generation business is further evaluated based on the types of energy generation (natural gas power generation business, wind power generation business, hydropower generation business, waste-to-energy power generation business, photovoltaic power generation business and other power generation business).

The property investments segment is engaged in the leasing of properties to generate rental income. The securities investments segment is engaged in securities trading. These segments do not meet the quantitative thresholds required by HKFRS 8 "Operating Segments" for reportable segments. Their financial information is included in the others segment.

No sales between operating segments are undertaken.

Unallocated income mainly refers to interest income earned from cash and cash equivalents held at corporate level. Unallocated expenses mainly refer to general and administrative expenses incurred at corporate level.

Segment assets exclude interests in associates, interests in joint ventures, deferred income tax assets and corporate assets, all of which are managed on a central basis.

Other unallocated assets mainly comprise property, plant and equipment, prepayments, deposits and other receivables, and cash and cash equivalents held at corporate level.

The segment information provided to the CODM for the reportable segments for the six-month periods ended 30 June 2017 and 2016 is as follows:

	Power generation								
	Natural gas power generation business	Wind power generation business	Hydro power generation business	Waste-to-energy power generation business	Photovoltaic power generation business	Other power generation business	Others	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six-month period ended 30 June 2017									
Segment revenue and tariff adjustment	**1,277,969**	**395,460**	**224,615**	**143,543**	**145,420**	**43,032**	**7,843**	**–**	**2,237,882**
Results of reportable segments	**135,381**	**60,123**	**40,123**	**44,198**	**48,933**	**(6,857)**	**137**	**–**	**322,038**
A reconciliation of results of reportable segments to profit for the period is as follows:									
Results of reportable segments									**322,038**
Unallocated income									**6,501**
Unallocated expenses									**(65,010)**
Share of profits of associates									**4,490**
Share of profits of joint ventures									**9,356**
Profit before tax									**277,375**
Income tax expense									**(101,415)**
Profit for the period									**175,960**
Segment results included:									
Depreciation and amortisation	**(62,414)**	**(210,075)**	**(65,533)**	**(28,649)**	**(57,648)**	**(4,641)**	**(1,686)**	**(1,016)**	**(431,662)**
Interest income	**6,687**	**832**	**718**	**203**	**150**	**27**	**6**	**4,316**	**12,939**
Interest expense	**(55,208)**	**(91,247)**	**(43,589)**	**(15,275)**	**(21,703)**	**(5,649)**	**(1,563)**	**(25,680)**	**(259,914)**

	Power generation								
	Natural gas power generation business	Wind power generation business	Hydro power generation business	Waste-to-energy power generation business	Photovoltaic power generation business	Other power generation business	Others	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six-month period ended 30 June 2016									
Segment revenue and tariff adjustment	1,421,625	351,975	274,013	132,081	91,181	36,070	5,521	–	2,312,466
Results of reportable segments	296,968	18,871	88,479	43,775	39,584	(7,230)	248	–	480,695
A reconciliation of results of reportable segments to profit for the period is as follows:									
Results of reportable segments									480,695
Unallocated income									15,088
Unallocated expenses									(127,508)
Share of profits of associates									1,535
Share of profits of joint ventures									29,425
Profit before tax									399,235
Income tax expense									(115,824)
Profit for the period									283,411
Segment results included:									
Depreciation and amortisation	(55,147)	(205,257)	(65,788)	(20,352)	(34,165)	(5,609)	(1,627)	(933)	(388,878)
Interest income	7,650	829	3,315	326	314	11	29	13,744	26,218
Interest expense	(47,125)	(100,767)	(43,943)	(11,138)	(12,196)	(2,138)	(1,563)	(77,597)	(296,467)

	Power generation								
	Natural gas power generation business	Wind power generation business	Hydro power generation business	Waste-to-energy power generation business	Photovoltaic power generation business	Other power generation business	Others	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2017									
Segment assets	**4,410,093**	**8,707,294**	**3,632,897**	**3,191,922**	**2,660,101**	**246,959**	**405,077**	**–**	**23,254,343**
Interests in associates								**141,381**	**141,381**
Interests in joint ventures								**226,558**	**226,558**
Deferred income tax assets								**24,586**	**24,586**
Available-for-sale financial asset								**255,000**	**255,000**
Other unallocated assets								**755,781**	**755,781**
Total assets per condensed consolidated balance sheet									**24,657,649**
Additions to non-current assets	**53,516**	**152,549**	**75,166**	**451,962**	**359,622**	**56,795**	**187**	**395**	**1,150,192**
As at 31 December 2016									
Segment assets	4,008,724	8,610,955	3,643,722	2,694,618	2,212,652	164,520	413,258	–	21,748,449
Interests in associates								136,891	136,891
Interests in joint ventures								249,319	249,319
Deferred income tax assets								24,586	24,586
Non-current asset classified as held for sale								255,000	255,000
Other unallocated assets								1,445,113	1,445,113
Total assets per consolidated balance sheet									23,859,358
Additions to non-current assets	608,428	178,838	106,759	900,329	796,987	30,155	1,860	391	2,623,747

Substantially all of the Group's revenue and assets are generated or located in the PRC except that cash and bank balances held at corporate level in the amount of approximately RMB225,447,000 (31 December 2016: RMB919,297,000) were deposited in Hong Kong, an investment property of approximately RMB26,496,000 (31 December 2016: RMB26,496,000) is situated in Hong Kong and financial assets at fair value through profit or loss in the current assets of approximately RMB6,720,000 (31 December 2016: RMB7,216,000) relating to equity securities listed in Hong Kong.

For the six-month period ended 30 June 2017, external revenue of approximately RMB1,615,045,000 (six-month period ended 30 June 2016: RMB1,719,526,000) is generated from 2 (six-month period ended 30 June 2016: 2) major customers, each of which accounts for 10% or more of the Group's external revenue. The revenue is attributable to the natural gas power generation business, wind power generation business and photovoltaic power generation business segments.

5. OTHER INCOME

	Unaudited Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Refund of value added taxes *(note)*	**14,559**	21,389
Government grants	**7,182**	–
Others	**4,285**	5,413
	26,026	26,802

Note:

It represents the value added taxes refunded from the relevant government authorities as an incentive for the Group's operation.

6. OTHER GAINS, NET

	Unaudited Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(504)**	115
Others	**579**	581
	75	696

7. OPERATING PROFIT

Operating profit is stated after charging the following:

	Unaudited Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Amortisation of lease prepayments	**2,730**	1,791
Amortisation of intangible assets	**1,877**	1,778
Depreciation of property, plant and equipment	**427,055**	385,309
Operating lease rental in respect of leasehold land and buildings	**6,362**	9,747
Staff costs including directors' emoluments	**129,087**	124,955

8. FINANCE COSTS, NET

	Unaudited Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Interest income, including net exchange differences, from bank deposits	**12,939**	26,218
Interest expenses, including exchange differences on		
– bank borrowings	**(221,811)**	(257,699)
– other borrowings	**(53,582)**	(40,430)
– corporate bonds	**(4,725)**	(25,058)
	(280,118)	(323,187)
Less: Amounts capitalised in property, plant and equipment	**20,204**	26,720
	(259,914)	(296,467)
Finance costs, net	**(246,975)**	(270,249)

The weighted average interest rate on capitalised borrowing cost is approximately 4.09% (six-month period ended 30 June 2016: 4.74%) per annum.

9. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for as the Group did not have any assessable profit in Hong Kong for the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (six-month period ended 30 June 2016: 25%) on the estimated assessable income for the period.

For certain subsidiaries of the Group located in the western regions of the PRC are entitled to a preferential income tax rate of 15% (six-month period ended 30 June 2016: 15%).

Pursuant to the relevant laws and regulations in the PRC, dividend withholding tax is imposed at a rate of 10% on dividends declared in respect of profits earned by PRC subsidiaries that are received by investing company incorporated outside the PRC. If the investing company is eligible to the treaty benefit under HK-PRC tax treaty, a reduced rate of 5% is applied.

The amount of taxation charged to the condensed consolidated income statement represents:

	Unaudited Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
PRC current income tax	**92,066**	107,889
Deferred income tax	**9,349**	7,935
	101,415	115,824

There is no tax impact relating to components of other comprehensive income for the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: Nil).

10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of CPNE by the weighted average number of shares in issue during the period.

	Unaudited Six-month period ended 30 June	
	2017	2016
Profit attributable to equity holders of CPNE (RMB'000)	**175,924**	284,761
Weighted average number of shares in issue (shares in thousands)	**1,186,633**	1,186,633
Basic earnings per share (RMB)	**0.1483**	0.2400

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. CPNE's potentially dilutive ordinary shares comprised of share options.

	Unaudited Six-month period ended 30 June	
	2017	2016
Profit attributable to equity holders of CPNE (RMB'000)	**175,924**	284,761
Weighted average number of ordinary shares in issue (shares in thousands)	**1,186,633**	1,186,633
Adjustments for share options (shares in thousands)	**–**	574
Weighted average number of ordinary shares for diluted earnings per share (shares in thousands)	**1,186,633**	1,187,207
Diluted earnings per share (RMB)	**0.1483**	0.2399

11. DIVIDEND

The Board of Directors of CPNE does not recommend the payment of an interim dividend for the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: Nil).

The final dividend for the year ended 31 December 2016 of RMB0.1193 (equivalent to HK$0.1346 at the exchange rate announced by the People's Bank of China on 23 March 2017) per ordinary share, totaling of approximately RMB141,588,000 (equivalent to HK$159,715,000), based on 1,186,633,418 shares in issue on 23 March 2017, was approved by the shareholders in the Annual General Meeting on 19 May 2017. This final dividend was paid out of the contributed surplus.

12. ACCOUNTS RECEIVABLE

	As at	
	30 June	31 December
	2017	2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts receivable from provincial power grid companies	**1,227,251**	848,264
Accounts receivable from other companies	**84,035**	69,757
	1,311,286	918,021
Notes receivable *(note)*	**27,730**	21,691
	1,339,016	939,712

The carrying values of accounts receivable approximate their fair values due to their short maturities. Substantially all accounts receivable are denominated in RMB.

The Group normally grants 30 to 60 days credit period to customers from the end of the month in which the relevant sales are made. The aging analysis of the accounts receivable is as follows:

	As at	
	30 June	31 December
	2017	2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Current to 3 months	**952,550**	637,263
4 to 6 months	**208,643**	177,865
7 to 12 months	**131,952**	74,107
Over 1 year	**18,141**	28,786
	1,311,286	918,021

Note:

As at 30 June 2017, notes receivable represent commercial acceptance notes and are with maturity period of 180 to 360 days (31 December 2016: 180 to 360 days).

13. SHARE CAPITAL AND SHARE OPTION SCHEME

(a) Share capital

	Number of shares	Share capital *RMB'000*
Issued and fully paid:		
At 1 January 2016 (HK$0.10 each)	11,866,334,172	1,077,101
Issue of ordinary shares *(note (i))* (HK$0.10 each)	8	–
Share consolidation *(note (ii))*	(10,679,700,762)	–
At 31 December 2016, 1 January 2017 and 30 June 2017 (HK$1.00 each)	1,186,633,418	1,077,101

Notes:

(i) On 6 May 2016, CPNE issued 8 ordinary shares of HK$0.10 each to an employee of CPNE at HK$0.63 per share while the closing price was HK$0.63 per share as quoted on the Stock Exchange on the last trading day. The proceeds from the issuance of the shares amounted to RMB4.23 (equivalent to HK$5.04) resulting in share premium of approximately RMB3.56. These shares rank pari passu in all respects with the existing shares. The directors are of the view that the allotment is in the interests of CPNE and the shareholders as a whole. The proceeds from the issuance of the shares are expected to be used by CPNE as its working capital.

(ii) By passing an ordinary resolution at the Annual General Meeting of CPNE held on 12 May 2016, CPNE implemented a share consolidation on the basis that every ten issued and unissued ordinary shares of HK$0.10 each in the share capital of CPNE be consolidated into one ordinary share of HK$1.00 each effective on 13 May 2016.

The change in issued share capital of CPNE subsequent to the balance sheet date is set out in note 15.

(b) Share option scheme

Details of the options granted under the share option scheme of CPNE outstanding as at 30 June 2017 and 31 December 2016 are as follows:

Date of grant	Expiry date	Exercise price *HK$*	**Number of shares subject to the options at 30 June 2017**	Number of shares subject to the options at 31 December 2016
Directors				
8 June 2007	7 June 2017	8.36	**–**	1,800,000
1 November 2010	31 October 2020	7.80	**800,000**	800,000
16 January 2013	15 January 2023	5.14	**1,200,000**	1,200,000
			2,000,000	3,800,000
Senior management and other employees				
1 November 2010	31 October 2020	7.80	**2,150,000**	2,750,000
16 January 2013	15 January 2023	5.14	**4,450,000**	4,850,000
			6,600,000	7,600,000
			8,600,000	11,400,000

Notes:

(i) No option was exercised during the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: Nil).

(ii) 2,800,000 options (six-month period ended 30 June 2016: 81,000,000 options) were lapsed during the six-month period ended 30 June 2017.

(iii) As of 12 May 2016, CPNE had share options outstanding under the share option scheme granted on 8 June 2007, 1 November 2010 and 16 January 2013 with exercise prices at HK$0.836, HK$0.780 and HK$0.514 per share respectively. As a result of the share consolidation effective on 13 May 2016, the total number of share options outstanding were adjusted, in accordance with the terms of the share option scheme and Rule 17.03(13) of the Listing Rules, the exercise prices increased by the 10-fold factor as the share consolidation, and accordingly, were adjusted to HK$8.36, HK$7.80 and HK$5.14 per consolidated share respectively.

On 7 July 2017, the shareholders of CPNE approved the termination of the share option scheme adopted by CPNE on 21 May 2012 (the "2012 Share Option Scheme") and the adoption of the pre-listing share option scheme and the post-listing share option scheme with rules complying with the requirements of Chapter 17 of the Listing Rules. Upon termination of the 2012 Share Option Scheme, no further share options can be granted thereunder but in all other respects the provisions of the 2012 Share Option Scheme shall remain in force and all share options granted prior to such termination shall continue to be valid and exercisable in accordance therewith.

Pre-listing share option scheme

The purpose of the pre-listing share option scheme is to enable CPCE, in connection with the Reorganisation (as defined in note 15), to grant options to the participants in replacement of share options granted by CPNE, thereby continuing to provide incentives or rewards to the participants for their contribution to CPCE and its subsidiaries (together, the "New Group") and/or to enable the New Group to recruit and retain high-calibre employees and attract human resources that are valuable to the New Group.

All CPNE's options held by the option holders were granted pursuant to the 2002 Share Option Scheme and 2012 Share Option Scheme of CPNE. Each option granted under the pre-listing share option scheme was granted in consideration of an optionholder's agreement on the cancellation of a corresponding option granted under the 2002 Share Option Scheme or the 2012 Share Option Scheme. As such, the principal terms (including the grantee, number of underlying shares, exercise price and expiry date) of each such CPCE's option are the same as those of the corresponding CPNE's option that has been cancelled, save that (i) the underlying shares are CPCE's shares and not CPNE's shares and (ii) the date of grant was the date of grant of the CPCE's options (i.e. 8 June 2017) and not the date of grant of the corresponding CPNE's options that has been cancelled.

The options granted under the pre-listing share option scheme were non-exercisable when granted and only exercisable when the Scheme became effective on 17 July 2017.

Post-listing share option scheme

The purpose of the post-listing share option scheme is to provide incentives or rewards to the participants thereunder for their contribution to the New Group and/or to enable the New Group to recruit and retain high-calibre employees and attract human resources that are valuable to the New Group.

(i) The maximum number of the Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the post-listing share option scheme and any other share option schemes of CPCE must not in aggregate exceed 30% of the total number of the Shares in issue from time to time.

(ii) The total number of the Shares which may be issued upon exercise of all options (excluding, for this purpose, options which lapsed in accordance with the terms of the post-listing share option scheme and any other share option schemes of CPCE) to be granted under the post-listing share option scheme and any other share option schemes of CPCE must not in aggregate exceed 10% of the total number of the Shares in issue on the listing date (the "General Scheme Limit").

(iii) Subject to (i) above and without prejudice to (iv) below, CPCE may seek approval of the shareholders of CPCE in general meeting to refresh the General Scheme Limit provided that the total number of the Shares which may be issued upon exercise of all options to be granted under the post-listing share option scheme and any other share option schemes of CPCE under the limit as "refreshed" must not exceed 10% of CPCE's shares in issue as at the date of approval of such limit and for the purpose of calculating the limit as "refreshed", options (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the post-listing share option scheme and any other share option schemes of CPCE) previously granted under the post-listing share option scheme and any other share option schemes of CPCE will not be counted.

(iv) Subject to (i) above and without prejudice to (iii) above, CPCE may seek separate approval from shareholders of CPCE in general meeting to grant options beyond the General Scheme Limit or, if applicable, the limit referred to in (iii) above to participants specifically identified by CPCE before such approval is sought.

No option was granted by CPCE under post-listing share option scheme subsequent to the balance sheet date.

Unless the directors of CPCE otherwise determined and stated in the offer to a participant, there is no minimum period for which an option granted under the pre-listing share option scheme and post-listing share option scheme must be held before it can be exercised.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

14. ACCOUNTS PAYABLE

The carrying amounts of accounts payable approximate their fair values due to their short maturities. All these accounts payable are denominated in RMB.

The aging analysis of accounts payable is as follows:

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	RMB'000	*RMB'000*
Current to 3 months	**49,709**	34,031
4 to 6 months	**–**	–
7 to 12 months	**–**	2
Over 1 year	**1,621**	720
	51,330	34,753

15. SUBSEQUENT EVENT

On 14 June 2017, the directors of CPNE proposed a change of domicile of the holding company of the Group from Bermuda to Hong Kong by way of a scheme of arrangement (the "Scheme"), pursuant to which the structure of the Group was reorganised such that CPCE became the new holding company of the Group (the "Reorganisation").

Subsequent to the balance sheet date, the Scheme was approved by the shareholders of CPNE on 7 July 2017 and sanctioned by the Supreme Court of Bermuda on 14 July 2017. Upon the Scheme becoming effective on 17 July 2017:

(i) all the 1,186,633,418 ordinary shares of CPNE outstanding as at 14 July 2017 ("Scheme Shares") were cancelled; and

(ii) simultaneously with the cancellation of the Scheme Shares pursuant to paragraph (i) above, CPNE issued 1,186,633,418 ordinary shares ("New Shares") to CPCE and CPNE applied the credit arising in its books of account as a result of the cancellation of the Scheme Shares referred to in paragraph (i) above in paying up in full at par the New Shares.

In consideration of the cancellation of all the Scheme Shares pursuant to paragraph (i) above:

(i) each holder of the Scheme Shares as at 14 July 2017 ("Scheme Shareholders") (other than the non-qualifying overseas shareholders ("those shareholders with registered addresses in, or shareholders or beneficial owners who are otherwise known by CPNE to be residents of, jurisdictions outside Hong Kong at the record time for determining entitlements of the Scheme shareholders under the Scheme and whom CPCE and CPNE, based on enquiries made on their behalf, consider it necessary or expedient to exclude from receiving CPCE shares pursuant to the Scheme on account of the legal restrictions under the laws of the relevant jurisdictions where the overseas shareholders or beneficial owners are located or are resident in or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions") and China Power New Energy Limited) received one ordinary share of CPCE (the "Shares") credited as fully paid for each Scheme Share cancelled;

(ii) non-qualifying overseas shareholders did not receive the Shares pursuant to the Scheme but received cash in full satisfaction of their rights to receive the Shares where the law of any relevant jurisdiction precludes the issuance of the Shares or precludes it except after compliance by CPCE with conditions with which CPCE was unable to comply or which CPCE regards as unduly onerous. In such case, the Shares which would otherwise have been allotted to the relevant non-qualifying overseas shareholders under the Scheme were allotted to a person selected by the board of directors of CPNE, who sold such Shares on the market as soon as reasonably practicable after dealings in the Shares commence on the Stock Exchange and CPCE caused the aggregate proceeds of such sale (net of expenses and taxes) to be paid to the relevant non-qualifying overseas shareholders in Hong Kong dollars in full satisfaction of their rights to receive the relevant the Shares; and

(iii) China Power New Energy Limited received one Share credited as fully for each Scheme Share held by China Power New Energy Limited minus the number of existing CPCE's shares held by China Power New Energy Limited.

The listing status of CPNE was withdrawn on 18 July 2017 and the shares of CPCE were listed on the main board of the Stock Exchange by way of introduction on 18 July 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activities of the Group at present are development, construction, owning and management of clean energy power plants in Mainland China, including but not limited to wind power generation, hydropower generation, natural gas power generation, photovoltaic power generation, waste-to-energy power generation and other clean energy power generation projects. As of 30 June 2017, the number of power generation plants owned or controlled by the Group has reached 38 which are mainly situated in Guangdong, Fujian, Gansu, Jiangsu and Chongqing, etc., and the electricity generated therefrom is sold to Southern Power Grid, East China Power Grid, Northeast Power Grid and Northwest Power Grid.

BUSINESS REVIEW FOR THE FIRST HALF OF 2017

For the period ended 30 June 2017, the Group recorded revenue and tariff adjustment of approximately RMB2,237,882,000 (for the period ended 30 June 2016: RMB2,312,466,000). The Group's profit for the period was approximately RMB175,960,000 (for the period ended 30 June 2016: RMB283,411,000) and the Group recorded profit attributable to equity holders of CPNE amounting to approximately RMB175,924,000 (for the period ended 30 June 2016: RMB284,761,000). Basic and diluted earnings per share amounted to approximately RMB0.1483 (for the period ended 30 June 2016: RMB0.2400) and RMB0.1483 (for the period ended 30 June 2016: RMB0.2399), respectively.

On 30 December 2015, SPIC entered into a memorandum of understanding with CPNE, pursuant to which, SNPTC, a subsidiary of SPIC, will seek to transfer all of its nuclear power assets and businesses to CPNE. At present, CPNE and SPIC are still in the discussion and negotiation in respect of the possible transaction. In 2017, the Reorganisation Proposal was approved by the shareholders, pursuant to which, the Group moved its register of members from Bermuda to Hong Kong, and its holding company was changed to China Power Clean Energy Development Company Limited (prior to Reorganisation Proposal was known as China Power New Energy Development Company Limited).

BUSINESS ENVIRONMENT

Supported by the "13th Five-Year Plan" with respect to power development, China's power system reform has introduced a structure in which a number of business models can be explored. It is expected that staged results can be achieved in power transmission and distribution tariff reform, power market construction and power sales and distribution reform as well as other key areas. According to the plan, by the end of 2017, the power reform will achieve the full coverage of approved power grid transmission and distribution tariff at the provincial level, and the transacted electricity volume in the national electricity market will reach 35%-40% of the total electricity consumption. The electricity consumption proposal is therefore likely to be fully relaxed. With respect to the supply side of power, green and clean power energy, as part of the power structure, has become the general trend. Of the future power structure in China, the proportion of clean, low-carbon electricity will continue to increase. At present, coal power generation accounts for about 60% of the national total power generation. In the next three years, the proportion of hydropower, wind power, photovoltaic power, nuclear power and gas power generation will continue to increase.

According to the "13th Five-Year Plan", in the Northeast, North China and Northwest regions where strict wind and photovoltaic curtailments are in place, the major issue is to resolve the current problem of under-utilisation. New construction projects are situated in the central, eastern and southern regions, and a series of comprehensive measures are taken to improve system regulation capability, so as to maintain the percentage of wind and photovoltaic curtailments at a reasonable level. The additional hydropower projects are mainly concentrated in Sichuan and Yunnan provinces, while the proposed nuclear power projects are mainly located in Shandong province and the southeast coastal provinces.

In 2017, the construction of national carbon emission trading market has commenced, the protective buyouts and green certificate systems were implemented on trial. Also, there were timely establishment of the renewable energy quota system, the launch of the wind power parity grid-connection demonstration, and regional power market reform with ever-expanding scope and active participation in the "One Belt, One Road" construction. By 2020, China is expected to fully activate its electricity spot market mechanism, and establish a principal market with full competition on the supply side of electricity sales. In the next few years, China's demand for electricity will maintain a recovering upward momentum, and power supply and demand will remain stable in general.

According to the data from the NBS, in the first half of 2017, national power generation was 2,959.8 billion kWh, representing an increase of 6.3% period on period, of which, thermal power accounted for 2,221.5 billion kWh, representing an increase of 7.1% period on period; while hydropower, wind power and photovoltaic power accounted for 461.3 billion kWh, 132.7 billion kWh and 28.9 billion kWh respectively, representing a decrease of 4.2% and an increase of 17.9% and 35.1% period on period, respectively. During the period, national average utilisation hours was 1,790 hours, decreased by 7 hours period on period, of which the average utilisation hours of thermal power and wind power were 2,010 hours and 984 hours, increased by 46 hours and 67 hours period on period, respectively, while the average utilisation hours of hydropower was 1,514 hours, decreased by 144 hours period on period. In the first half of 2017, national installed capacity of thermal power, hydropower, wind power and photovoltaic power were 1.06 billion kW, 290 million kW, 150 million kW and 102 million kW, respectively.

OPERATIONAL REVIEW FOR THE FIRST HALF OF 2017

Slightly decreased power generation

For the first half of 2017, the Group's power generation was 4,659,796.78MWh, representing a decrease of 10.7% as compared with the same period last year. Such decrease was primarily attributable to (i) the change of trading regulation of Guangdong power market and the overall amount of power generated in Guangdong Province decreased gradually month-on-month attributable to the "West-to-East Power Transmission", which resulted in the drop in the amount of power generated by the Dongguan natural gas projects; (ii) the maintenance carried out by Dongguan companies in coordination with Guangdong Power Grid in June, and (iii) the period on period decrease of water flow volume in Fujian area, which resulted in the decrease in power generation from hydropower projects.

Decrease in operating results

In the first half of 2017, the Group's profit attributable to equity holders of CPNE was approximately RMB175,924,000, representing a decrease of 38.2% as compared with the same period last year. Such decrease was primarily attributable to: (i) the change of trading regulation of Guangdong power market and the overall amount of power generated in Guangdong Province decreased gradually month-on-month attributable to the "West-to-East Power Transmission", which resulted in the drop in the amount of power generated by the Dongguan natural gas projects; (ii) the average unit price of natural gas increased period on period, resulting in increased production costs of the Dongguan natural gas projects; and (iii) the power generation capacity of hydropower was affected by lower rainfall in the Fujian basin where the hydropower projects are located, in comparison with the same period last year.

Projects under construction continued to commence operation

As at 30 June 2017, two completed projects of the Group, namely, Fujian Zhangpu Project (with capacity of 44.2MW) and Hubei Macheng Chunyangshan Project (with capacity of 38.5MW), commenced operation with cumulative newly installed capacity of 82.7MW in total. As at 30 June 2017, the Group's controlled installed capacity was 3,815.43MW, representing an increase of 2.9% over the same period last year. During the period, the Group has also obtained the approval for the waste-to-energy power generation projects at Beizhen, Liaoning Province and Wuhu, Anhui Province.

As at 30 June 2017, installed capacity of the Group's projects under construction was 802.28MW.

Safety production

In the first half of 2017, the Group has fulfilled and implemented the responsibilities for safety production management, consolidated and promoted the Health, Safety and Environmental (HSE) Management System and its application, completed the safety inspections and prevention tasks for over 3,770 projects, and at the same time commenced various types of reconstruction projects. During the period, the Group had no incident recorded with respect to the annual safety production control target, and the safety conditions of the infrastructures and production were stable and under control.

BASIC SEGMENTAL INFORMATION

Natural Gas Power Projects

As at 30 June 2017, the Group's controlled installed capacity of natural gas power in operation was 1,300.0MW with annual power generation of 2,130,809.21MWh, representing a decrease of 8.2% as compared with the same period last year. The decrease in power generation was primarily due to (i) the overall amount of power generated in Guangdong Province decreased gradually month-on-month attributable to the "West-to-East Power Transmission", which resulted in the drop in the amount of power generated by the Dongguan natural gas projects, as well as (ii) the maintenance carried out by Dongguan companies in coordination with Guangdong Power Grid in June. This segment contributed as one of the Group's major profit sources. During the period, the power generation of this segment accounted for 45.7% of the Group's total power generation. The current capacity under construction of the segment was 400.0MW (Guangdong Dongguan Lisha Island Project). The project has been included as one of the major construction projects of Dongguan City and was reported as a provincial level key project. Currently, the project has been progressing as planned and is expected to commence operation at the end of 2018 or in 2019. In addition, the Group's Sanhe Natural Gas Distributed Energy Project (with installed capacity of 800.0MW) in Jiangsu Hongze has obtained a reply with respect to its thermal power joint production plan from the Provincial Energy Bureau and the project is awaiting for approval.

Waste-to-Energy Power Generation Projects

As at 30 June 2017, the Group's controlled installed capacity of waste-to-energy power in operation was 78.0MW with power generation of 229,339.80MWh, representing an increase of 0.1% as compared with the same period last year. The waste treatment capacity of the three projects reached 622,000 tons. During the period, due to the impact of a technical upgrade with the power generation unit of Yunnan Kunming Project, and the equipment maintenance at Hainan Haikou Project Phase I, the corresponding amounts of power generation declined. During the year, power generation of the segment accounted for 4.9% of the Group's total power generation. Waste-to-energy power is one of the strategic focuses of the Group. A number of projects are expected to commence operation successively in the second half of 2017 and in 2018 to offset the impact of under-utilisation of power, reflecting the Group's resistance to risks as a result of diversified and balanced development, as well as demonstrating the Group's strategic advantage of segment rotation. The current capacity of the segment under construction is 168.0MW.

Wind Power Projects

As at 30 June 2017, the Group's controlled installed capacity of wind power in operation was 1,468.0MW with annual power generation of 984,843.74MWh, representing an increase of 1.5% as compared with the same period last year. The increase in power generation of the segment was primarily due to the improvement of the wind curtailment condition in Jiuquan area where the Group's projects are located coupled with the commencement of operation of the Hubei Macheng Chunyangshan wind power project (with capacity of 38.5MW), resulting in the increase in the amount of power generation. Due to the impact as a result of the decline of wind resources in the first quarter and maintenance of power grid at the Heilongjiang Hongqi and Hailang projects, the corresponding amounts of power generation declined. During the period, the percentage of wind curtailments of the Group's wind power projects was 37.2%, representing an improvement as compared with 45.6% for the same period last year. During the year, the power generation of the segment accounted for 21.1% of the Group's total power generation. The current capacity of the segment under construction is 141.5MW.

Photovoltaic Power Projects

As at 30 June 2017, the Group's controlled installed capacity of photovoltaic power in operation was 297.43MW with annual power generation of 184,899.77MWh, representing an increase of 51.7% as compared with the same period last year. The increase in power generation of the segment was primarily due to the additional power contributed by the commencement of operation of the Fujian Zhangpu Project (with capacity of 80.0MW), the Sichuan Panzhihua Project (with capacity of 34.32MW). The percentage of curtailments of the Group's photovoltaic projects was 4.0%, representing an improvement as compared with 8.0% for the same period last year. During the year, the power generation of the segment accounted for 4.0% of the Group's total power generation. The current capacity of the segment under construction is 47.78MW.

Hydropower Projects

As at 30 June 2017, the Group's controlled installed capacity of hydropower in operation was 651.0MW with annual power generation of 1,118,184.23MWh, representing a decrease of 28.0% as compared with the same period last year. The decrease in power generation of the segment was primarily due to the period-on-period decrease in water flow volume in Fujian area as compared to the same period last year, resulting in a decrease in the power generation from hydropower projects. During the period, the power generation of the segment accounted for 24.0% of the Group's total power generation. There is no current capacity of the segment which is under construction.

Integrated Energy Services

The Group has actively explored the feasibility of tapping into the new industry of integrated energy services. In 2016, the Group established "Dongguan China Power Integrated Energy Company Limited"* (東莞中電綜合能源有限公司) in Dongguan and obtained the qualification for sales of electricity in direct power supply transactions, after which the business in sales of electricity and heat was launched. In Gansu, "Gansu China Power Integrated Energy Services Company Limited"* (甘肅中電綜合能源服務有限公司) was established to expand its power distribution business. In 2017, in line with the national power system reform, Guangdong Province has carried out monthly centalised electricity competitive transactions, electricity consumption is settled in accordance with the trading rules of the Guangdong power market, and the catalog price is no longer implemented. In the first half of 2017, the Group's natural gas project in Dongguan completed a trading power volume of approximately 300,000 MWh. At the same time, the Group expects that the relevant electricity sales arrangements will continue to be implemented during the year.

The Group is also actively planning and conducting smart energy projects by providing distributed energy and smart energy services. The Group plans to establish smart energy service with the support of Guangdong Dongguan Lisha Island Project to provide integrated power solutions of heat, power, cooling, water and gas in Lisha Island.

Smart Grid Project

As at 30 June 2017, the Group's financial asset classified as available for sale represented the 20% equity interests in Hainan Bo'ao Lecheng Company valued at RMB255,000,000. Hainan Bo'ao Lecheng Company has gained approval to engage in property development and operation business as well as the development of the Hainan Bo'ao Lecheng Project. Hainan Bo'ao Lecheng Company is the strategic project construction unit for the Hainan Bo'ao Lecheng Project.

In order to meet the Group's liquidity requirements and to conform to the overall direction of the Group's development, the Board of CPNE resolved in 2013 to dispose the 20% equity interests in Hainan Bo'ao Lecheng Company. Subsequently, the Group actively sought for suitable buyers, and entered into the Equity Transfer Agreement with two proposed buyers. However, both parties eventually agreed to cancel such equity transfer based on the differences in the relevant buyers' propositions on the development of the project. To ensure that the objectives of the project would remain unchanged, in February 2015, the Group agreed to dispose the 20% equity interests in Hainan Bo'ao Lecheng Company to Shanghai Chambow Investment Management Company Limited* (上海千博投資管理有限公司) ("Shanghai Chambow"), the major shareholder of Hainan Bo'ao Lecheng Company, at cost (RMB255,000,000) after communicating and coordinating with various parties, and entered into a memorandum of understanding. A framework agreement was entered into in May 2015 in relation to the details of the transfer.

During the period from 2015 to 2016, both parties were actively negotiating the specific details of the plan for implementing the share transfer. Shanghai Chambow was also striving to seek third parties to acquire the 20% equity interests in Hainan Bo'ao Lecheng Company and actively discussed the matters in relation to the disposal of equity interests with the Hainan Provincial Government. The progress, however, was hindered due to the change in the management of the Hainan Provincial Government in recent years. During the last year, in order to integrate the development plan of the Bo'ao Lecheng Zone, Hainan Provincial Government established the Management Committee of Bo'ao Lecheng International Medical and Tourism Pilot Zone ("Management Committee"). The Management Committee became a comprehensive service platform for the project to coordinate with the investors and local residents, reorganise and formulate the development plan of the zone. As such, Hainan Bo'ao Lecheng made corresponding adjustment to the development of the project, and Shanghai Chambow was also actively negotiating with the Management Committee in respect of the latest development plan. In August 2016, the Group and Shanghai Chambow entered into a supplementary agreement of the framework agreement, ensuring that the framework agreement continues to be effective and striving to complete the transaction within 2017.

During the period, in response to the Management Committee's adjustment to the development plan of the Bo'ao Lecheng Zone, Hainan Bo'ao Lecheng Company has submitted a new development proposal to the Management Committee. In view of the fact that the review and approval time for the new development plan possesses uncertainties, it may affect the time for Shanghai Chambow to perform the framework agreement within the next 12 months. Accordingly, the Group has classified its 20% equity interests in Hainan Bo'ao Lecheng Company as an available for sale financial asset.

As at 30 June 2017, in relation to the disposal of 20% equity interests in Hainan Bo'ao Lecheng Company, both parties in the transfer continue to actively negotiate the specific details of the plan for implementation, in order to put forward the performance of the content of the framework agreement as soon as possible.

PLAN FOR THE SECOND HALF OF 2017

From a macro perspective, the power generation industry still remains in a stage with relatively excessive supply of power during the period of 13th Five-Year plan. However, with the needs of continuous adjustments in the power supply structure, the PRC will continue to introduce a series of policies to support clean energy, and endeavor in resolving the problem of under-utilisation. For the clean energy industry, the 13th Five-Year plan is an important window period for strategic developments. In recent years, the PRC has successively introduced a series of policies to encourage and support the development of clean energy, clarified the key notes of the policies in the industry, and pointed out the path for the development of the industry.

The Group's key task in 2017 is primarily the development of environmental-friendly power generation projects. From large-scale installed capacity in prefecture-level cities to small-scale installed capacity in county-level areas, the Group will gradually expand its market share. At the same time, it will engage in joint construction of waste-to-energy power stations and biomass stations, providing heating service through waste-to-energy power generation using diversified supplies of fuel by combining sludge and food waste. Meanwhile, the Group will also be involved in the development of economic industrial park projects including the treatments of medical waste, food waste and industrial electronic waste. In the southeastern coastal areas with better economic development, joint thermoelectric projects will be carried out. In the smog-struck central cities, distributed energy projects of natural gas will be promoted, production diversification will be encouraged by appropriately matching heat supply with installed power capacity. In the areas without wind curtailment, wind power projects will be developed, and in the areas without light curtailment, photovoltaic projects with higher utilisation rates such as agricultural photovoltaic, fishery photovoltaic and farming photovoltaic projects will be developed. In the western region, wind power and photovoltaic projects will be accumulated as appropriate.

KEY TASKS IN THE SECOND HALF OF 2017

Furthering nuclear restructuring and making timely disclosures on work progress

The Group will continue its efforts in pursuing nuclear restructuring, push forward project approvals and related works, and make timely disclosures on work progress as required by the HKSFC and the Stock Exchange.

Enhancing safety management standards and strengthening safety production responsibilities

The Group will optimise its production safety supervision and safeguarding system, and increase its effort on technical supervision of cooperative suppliers. Multi-purpose trainings will be provided to eradicate irregularities. Maintenance as well as process management for technical transformation projects will be improved to enhance equipment performances. Maintenance of environmental protection equipment and facilities will be strengthened to prevent excessive discharge. Contractor training and management will be reinforced and the management models for safety production applicable to the characteristics of the projects will be explored.

Optimising the industrial layout and capturing opportunities for project development

The Group will focus on promoting the developments in environmental waste-to-energy power generation and natural gas, and will seek for the approvals of environmental protection projects including Shangqiu, Ning'an and Hubei Macheng Environmental Project, natural gas projects including Hongze Sanhe, Haikou Mei'an New City and Lianshui, as well as the wind power projects including Hubei Macheng, Guishan and Jiangsu Xiangshui during the year. Meanwhile, additional efforts will be made with respect to project developments in countries along the "Belt and Road" routes by actively looking for quality projects in Southeast Asia.

Ensuring stable operating results and satisfactory sales in power business

The Group will endeavor in tapping potentials and enhancing efficiency, controlling its operating costs, improving the efficiency of inventory assets and enhancing the operation efficiency of the enterprise and projects. At the same time, as the curtailment condition improves, the Group will further enhance its business in power and carbon emission trading. With respect to natural gas projects, we will continuously track and analyse the power production targets. Efforts will be made to attain justifiable amounts of transacted power, and the heating supply market will be actively explored. With respect to wind power projects, the transactions in "Exchange of Wind Power and Fire Power Generation" will be promoted so as to maintain a lower wind curtailment rate as compared with the average in the region. As for hydropower projects, efforts will be made to generate more power during the summer when water resources are abundant so as to reduce the loss due to water power curtailment.

Making full use of the capital platforms of China and Hong Kong and strengthening the control on financial costs

The Group will fully utilise the domestic financing and Hong Kong's stock exchange listing platforms to further reduce the cost of financing by replacing high-interest loans through integration of resources.

Carrying out project constructions progressively and improving the core competitiveness of the enterprise

Based on optimised designs, the Group will make good preparation work for new projects and improve the construction standards of the projects. While reinforcing its process management, the Group will also adhere to the values, beliefs and guiding principles in a "striver-oriented" talent management system, by reinforcing its talent incentive system, recruitment and assignment mechanism, and constantly optimising its workforce to establish an enterprise team with unity, pragmatism, progressiveness and aggressiveness.

PROJECTS

During the period, power projects in operation and under construction owned by the Group through our subsidiaries, associates and joint ventures were as follows:

Table of Projects in Operation

No.	Project Name	Operating Entity	Installed Capacity *(MW)*	Interest *(%)*	Attributable Installed Capacity *(MW)*	Average Tariff *(RMB)*	Power Generation *(MWh)*	Utilisation Hours *(hours)*
		Natural Gas Power Sector						
1	Phase I of Guangdong Dongguan Project	Dongguan China Power New Energy Heat and Power Company Limited*	360.00	100.00	360.00	745	413,608.45	1,149
2	Phase II of Guangdong Dongguan Project	Dongguan China Power No. 2 Heat and Power Company Limited*	940.00	100.00	940.00	745	1,717,200.76	1,827
	Sub-total of natural gas power projects		**1,300.00**		**1,300.00**		**2,130,809.21**	
		Waste-to-Energy Power Sector						
3	Yunnan Kunming Project	Kunming China Power Environmental Power Company Limited*	30.00	100.00	30.00	650	61,869.60	2,062

No.	Project Name	Operating Entity	Installed Capacity *(MW)*	Interest *(%)*	Attributable Installed Capacity *(MW)*	Average Tariff *(RMB)*	Power Generation *(MWh)*	Utilisation Hours *(hours)*
4	Phase I of Hainan Haikou Project	China Power International New Energy Hainan Company Limited*	24.00	100.00	24.00	650	74,507.40	3,104
5	Phase II of Hainan Haikou Project	Haikou China Power Environmental Protection Company Limited*	24.00	100.00	24.00	650	92,962.80	3,873
	Sub-total of waste-to-energy power projects		**78.00**		**78.00**		**229,339.80**	
		Wind Power Sector						
6	Phase I of Gansu Jiuquan Project	Gansu China Power Jiuquan Wind Power Company Limited*	100.50	100.00	100.50	461.6	104,425.43	1,039
7	Phase II of Gansu Jiuquan Project	Gansu China Power Jiuquan No. 2 Wind Power Company Limited*	49.50	100.00	49.50	540	28,392.36	574
8	Phase III of Gansu Jiuquan Project	Gansu China Power Jiuquan No. 3 Wind Power Company Limited*	201.00	100.00	201.00	521	117,282.63	583
9	Phase IV of Gansu Jiuquan Project	Gansu China Power Jiuquan No. 4 Wind Power Company Limited*	100.50	100.00	100.50	521	64,515.88	642
10	Phase V of Gansu Jiuquan Project	Gansu China Power Jiuquan No. 5 Wind Power Company Limited*	20.00	100.00	20.00	540	22,851.96	1,143
11	Gansu Anbei Project	Gansu China Power Jiuquan No. 3 Wind Power Company Limited*	601.00	100.00	601.00	540	364,635.07	607
12	Heilongjiang Hongqi Project	Hailin China Power Hongqi Wind Power Company Limited*	49.50	100.00	49.50	630	33,040.64	667
13	Heilongjiang Hailang Project	Hailin China Power Hailang Wind Power Company Limited*	49.75	100.00	49.75	620	40,718.47	818
14	Jiangsu Dafeng Project	China Power Dafeng Wind Power Company Limited*	200.25	100.00	200.25	488	141,346.30	706
15	Inner Mongolia Chayou Zhongqi Project	China Inner Mongolia Wind Power Company Limited*	49.50	100.00	49.50	510	50,978.28	1,030

No.	Project Name	Operating Entity	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Average Tariff (RMB)	Power Generation (MWh)	Utilisation Hours (hours)
16	Hubei Macheng Chunyangshan Project[1]	Hubei China Power Chunyangshan Wind Power Company Limited	38.50	100.00	38.50	520	10,232.49	1,260
17	German Bönen Project	Zehnte Windpark Support GmbH & Co. KG	8.00	100.00	8.00	93[4]	6,424.23	803
18	Shanghai Sea Wind Project	Shanghai Donghai Wind Power Company Limited*	102.00	13.18	13.44	912	106,320.67	1,042
19	Shanghai Chongming Beiyan Project	Shanghai Chongming Beiyan Wind Power Company Limited*	48.00	20.00	9.60	610	53,880.57	1,123
	Sub-total of wind power projects		**1,468.00**		**1,468.00**		**984,843.74**	
		Photovoltaic Power Sector						
20	Phase I of Gansu Wuwei Project	Gansu China Power Wuwei Photovoltaic Power Company Limited*	20.00	100.00	20.00	809.9	16,600.21	830
21	Phase II of Gansu Wuwei Project	Gansu China Power Wuwei Photovoltaic Power Company Limited*	30.00	100.00	30.00	1,000	18,229.42	608
22	Phase I of Gansu Baiyin Project	Gansu China Power Baiyin Photovoltaic Power Company Limited*	20.00	100.00	20.00	827	16,978.45	849
23	Phase II of Gansu Baiyin Project	Gansu China Power Baiyin Photovoltaic Power Company Limited*	30.00	100.00	30.00	1,000	23,591.46	786
24	Phase III of Gansu Baiyin Projec	Gansu China Power Baiyin Photovoltaic Power Company Limited*	15.00	100.00	15.00	950	12,547.70	837
25	Gansu Guazhou Project	Gansu China Power Jiuquan No. 3 Wind Power Company Limited*	8.00	100.00	8.00	900	7,110.42	889
26	Hainan Changjiang Project	China Power International New Energy Hainan Company Limited Changjing Branch*	20.00	100.00	20.00	1,010	15,135.76	757
27	Yunnan Yuanjiang Project	Yuanjiang China Power Photovoltaic Power Company Limited*	20.00	100.00	20.00	950	14,322.72	716

No.	Project Name	Operating Entity	Installed Capacity *(MW)*	Interest *(%)*	Attributable Installed Capacity *(MW)*	Average Tariff *(RMB)*	Power Generation *(MWh)*	Utilisation Hours *(hours)*
28	Fujian Zhangpu Project [2]	Zhangpu China Power Photovoltaic Power Company Limited*	80.00	100.00	80.00	980	24,291.33	602
29	Sichuan Panzhihua Project	Panzhihua China Power Photovoltaic Company Limited*	34.32	100.00	34.32	880	26,488.24	772
30	Jiangxi Ji'an Project	Jiangxi China Power Yineng Distributed Energy Company Limited*	14.07	70.00	9.85	1,120	6,255.14	445
31	Guangdong Dongguan Huimei Project	Dongguan Integrated Energy Company Limited*	0.80	70.00	0.56	971	410.89	514
32	Zhejiang Yunhe Project [3]	China Power Yunhe Photovoltaic Company Limited*	5.24	60.00	3.14	415	2,938.05	561
	Sub-total of photovoltaic power projects		**297.43**		**290.87**		**184,899.77**	
		Hydropower Sector						
33	Fujian Shaxikou Project	CPI (Fujian) Power Development Limited*	300.00	100.00	300.00	250	638,677.80	2,129
34	Fujian Niutoushan Project	Fujian Shouning Niutoushan Hydropower Company Limited*	115.00	52.00	59.80	341	165,632.09	1,440
35	Fujian Zhangping Huakou Project	Zhangping Huakou Hydropower Company Limited*	36.60	100.00	36.60	344	37,104.45	1,014
36	Chongqing Meixihe Project	Chongqing Meixihe River Hydropower Development Company Limited*	129.00	100.00	129.00	384	212,586.00	1,648
37	Yunnan Yingjiang Hongfu Industrial Project	Yingjiang Hongfu Industrial Company Limited*	64.00	100.00	64.00	212	50,231.96	785
38	Yunnan Yingjiang Huimin Project	Yingjiang Huimin Hydropower Development Company Limited*	6.40	100.00	6.40	212	13,951.93	2,180
	Sub-total of hydropower projects		**651.00**		**595.80**		**1,118,184.23**	

No.	Project Name	Operating Entity	Installed Capacity *(MW)*	Interest *(%)*	Attributable Installed Capacity *(MW)*	Average Tariff *(RMB)*	Power Generation *(MWh)*	Utilisation Hours *(hours)*
			Other Energy Sector					
39	Jiangsu Hongze Biomass Project*	China Power (Hongze) Biomass Thermal Power Company Limited*	15.00	100.00	15.00	760	/	/
40	Jiangsu Hongze Thermal Power Project	China Power (Hongze) Thermal Power Company Limited*	6.00	60.00	3.60	430	11,720.03	1,953
	Sub-total of other energy projects		**21.00**		**18.60**		**11,720.03**	
	Aggregate Amount of Controlled Projects in Operation of the Group[5]		**3,815.43**		**3,751.27**		**4,659,796.78**	

1 The maximum installed capacity of the Hubei Macheng Chunyangshan Project is 80.00MW, and has currently an installed capacity of 38.5MW. The project commenced commercial operation in March 2017.

2 Fujian Zhangpu Project of installed capacity of 80.00MW fully commenced operation in June 2017.

3 The maximum installed capacity of Zhejiang Yunhe Project is 14.38MW, of which an installed capacity of 5.24MW has commenced commercial operation in 2016.

4 Unit: Euro

5 The sub-total of wind power projects and the aggregate amount of controlled projects in operation did not include Shanghai Sea Wind Project and Shanghai Chongming Beiyan Project.

Table of Projects under Construction

No.	Project Name	Installed Capacity *(MW)*	Interest *(%)*	Attributable Installed Capacity *(MW)*	Estimated Time of Commencement of Operation
			Natural Gas Power Sector		
1	Guangdong Dongguan Lisha Island Project	400.00	95.52	382.08	2019
	Sub-total of natural gas power project	**400.00**		**382.08**	
			Waste-to-Energy Power Sector		
2	Guiyang Huaxi Project	24.00	100.00	24.00	2017
3	Anhui Wuhu Project	24.00	100.00	24.00	2017
4	Hebei Bazhou Project	24.00	100.00	24.00	2018
5	Sichuan Deyang Project	24.00	74.11	17.79	2018
6	Guizhou Renhuai Project	24.00	100.00	24.00	2018
7	Henan Pingdingshan Project	24.00	70.00	16.80	2019
8	Liaoning Tieling Project	24.00	51.00	12.24	2019
	Sub-total of waste-to-energy power projects	**168.00**		**142.83**	
			Wind Power Sector		
9	Phase II of Jiangsu Dafeng Project	100.00	100.00	100.00	2018

No.	Project Name	Installed Capacity *(MW)*	Interest *(%)*	Attributable Installed Capacity *(MW)*	Estimated Time of Commencement of Operation
10	Hubei Macheng Chunyangshan Project[1]	41.50	100.00	41.50	2017
	Sub-total of wind power projects	**141.50**		**141.50**	
		Photovoltaic Power Sector			
11	Zhejiang Yunhe Project[2]	9.60	60.00	5.76	2017
12	Sichuan Panzhihua Project[3]	15.68	100.00	15.68	–
13	Fujian Zhao'an Project[4]	20.00	100.00	20.00	2017
14	Jiang Xi Aoli Project[5]	2.50	100.00	2.50	2017
	Sub-total of photovoltaic power projects	**47.78**		**43.94**	
		Other Energy Sector			
15	Anhui Fengtai Biomass Project	30.00	100.00	30.00	2019
16	Jiangsu Hongze Thermal Power Expansion Project	15.00	100.00	15.00	2018
	Sub-total of other energy projects	**45.00**		**45.00**	
	Aggregate Amount of Projects under Construction	**802.28**		**755.35**	

1. The Hubei Macheng Chunyangshan Project has a company of 38.5MW commenced commercial operation in the first half of 2017. A remaining installed capacity of 41.5MW is currently under construction.

2. The Zhejiang Yunhe Project has a company of 5.24MW commenced commercial operation in 2016. A remaining installed capacity of 9.6 MW is currently under construction.

3. The Sichuan Panzhihua Project has a company of 34.32MW commenced commercial operation in 2016. A remaining installed capacity of 15.68MW is currently under construction.

4. The Fujian Zhao'an Project has completed its construction in June 2017, and will commence its commercial operation in the second half of 2017.

5. The Jiang Xi Aoli Project has completed its construction in June 2017, and will commence its commercial operation in the second half of 2017.

FINANCIAL REVIEW

Revenue and Tariff Adjustment

For the six-month period ended 30 June 2017, revenue and tariff adjustment of the Group were approximately RMB2,237,882,000 (for the six-month period ended 30 June 2016: approximately RMB2,312,466,000), representing a decrease of 3.2% over the same period last year. Such decrease was primarily attributable to (i) the change of trading regulation of Guangdong power market and the overall amount of power generated in Guangdong Province decreased gradually month-on-month attributable to the "West-to-East Power Transmission", and that the amount of power generated by the Dongguan natural gas projects has dropped, the transacted electricity volume's clearing price has been unified according to the market, and the sales price has been adjusted downward; (ii) the power generation capacity of hydropower was affected by lower rainfall in the Fujian basin in comparison with the same period last year, where the hydropower projects are located.

Fuel Costs

For the six-month period ended 30 June 2017, fuel costs of the Group were approximately RMB1,031,867,000 (for the six-month period ended 30 June 2016: approximately RMB1,010,987,000), representing an increase of 2.1% over the same period last year. Such increase was primarily attributable to the average unit price of natural gas increased period-on-period, resulting in increased production costs of the Dongguan natural gas projects.

Depreciation and Amortisation

For the six-month period ended 30 June 2017, depreciation and amortisation of the Group were approximately RMB431,662,000 (for the six-month period ended 30 June 2016: approximately RMB388,878,000), representing an increase of 11% over the same period last year. Such increase was primarily attributable to the depreciation charges provided for the additional equipment assets installed in the newly-operated projects.

Staff Costs

For the six-month period ended 30 June 2017, staff costs of the Group were approximately RMB129,087,000 (for the six-month period ended 30 June 2016: approximately RMB124,955,000), representing an increase of 3.3% over the same period last year. Such increase was primarily attributable to the commencement of operation of new projects.

Repairs and Maintenance

For the six-month period ended 30 June 2017, the expenditure on repairs and maintenance of the Group was approximately RMB32,437,000 (for the six-month period ended 30 June 2016: approximately RMB41,154,000), representing a decrease of 21.2% over the same period last year. Such decrease was primarily attributable to fewer repair occasions for generation units in comparison with the same period last year.

Operating Profit

For the six-month period ended 30 June 2017, operating profit of the Group was approximately RMB510,504,000 (for the six-month period ended 30 June 2016: approximately RMB638,524,000), representing a decrease of 20.0% over the same period last year. Such decrease was primarily attributable to the decrease in power generated from Dongguan project which was affected by the "West-to-East Power Transmission" and has dropped, coupled with the decrease in power generated in Fujian owing to less rainfall there in comparison with the same period last year.

Finance Costs, Net

For the six-month period ended 30 June 2017, the net finance costs of the Group amounted to approximately RMB246,975,000 (for the six-month period ended 30 June 2016: approximately RMB270,249,000), representing a decrease of 8.6% over the same period last year, which was mainly due to (i) the repayment of corporate bond and bank loans; and (ii) the decreased interest income from bank deposits resulted by a lowered liquidity as compared with the same period last year.

Income Tax Expense

For the six-month period ended 30 June 2017, income tax expense of the Group was approximately RMB101,415,000 (for the six-month period ended 30 June 2016: approximately RMB115,824,000), representing a decrease of 12.4% over the same period last year. The income tax expense decreased along with the decrease in total profit.

Profit Attributable to Equity Holders of CPNE

For the six-month period ended 30 June 2017, profit attributable to equity holders of CPNE was approximately RMB175,924,000 (for the six-month period ended 30 June 2016: approximately RMB284,761,000), representing a decrease of 38.2% over the same period last year. It is mainly due to (i) the overall amount of power generated in Guangdong Province decreased gradually month-on-month attributable to the "West-to-East Power Transmission", and that the amount of power generated by the Dongguan natural gas projects has dropped; (ii) the average unit price of natural gas increased period-on-period, resulting in increased production costs at the Dongguan natural gas projects; and (iii) the power generation capacity of hydropower was affected by lower rainfall in the Fujian basin in comparison with the same period last year, where the hydropower projects are located.

Liquidity and Financial Resources

As at 30 June 2017, the Group had cash and cash equivalents of approximately RMB1,405,656,000 (31 December 2016: approximately RMB1,816,761,000). The cash and cash equivalents decreased by 22.6%, which was mainly due to repayment of corporate bond and bank loans.

Capital Expenditure

For the six-month period ended 30 June 2017, capital expenditure of the Group was approximately RMB1,150,192,000, used mainly for the development of new projects, purchases of equipment and technical renovations. The major sources of capital were the Group's cash balance and bank loans financing for projects.

Borrowings

As at 30 June 2017, total borrowings and corporate bonds of the Group amounted to approximately RMB13,647,552,000 (31 December 2016: approximately RMB13,120,230,000), which included short-term bank borrowings, current portion of long-term bank and other borrowings of approximately RMB2,552,972,000, long-term bank and other borrowings of approximately RMB10,295,380,000 and long-term corporate bonds of approximately RMB799,200,000.

Gearing Ratio

As at 30 June 2017, the Group's gearing ratio, calculated as net debt divided by total capital, was 60% (31 December 2016: 58%).

Foreign Exchange and Currency Risks

The Group's main business transactions, assets and liabilities are substantially denominated in Renminbi and Hong Kong Dollar. The Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant.

Investment Risk of the Capital Market

The Group has kept some of its funds invested in the securities market. By focusing on clean energy related businesses, the Group will scale down its securities investment business. For the six-month period ended 30 June 2017, the Group's fair value losses on financial assets at fair value through profit or loss amounted to approximately RMB504,000 (for the six-month period ended 30 June 2016: a gain of approximately RMB115,000).

Charge on the Group's Assets

As at 30 June 2017, certain bank deposits, accounts receivable, lease prepayments, property, plant and equipment and investment properties of the Group with an aggregate amount of approximately RMB4,474,490,000 (31 December 2016: approximately RMB4,109,096,000) were pledged as securities for certain borrowings of the Group and notes payable facilities granted by banks.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at the balance sheet date.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2017, the Group had approximately 1,636 employees in Hong Kong and the PRC (30 June 2016: 1,485). Remuneration of directors and employees is determined by the Group with reference to their performance, experience and duties as well as the industry and market standards. The Group provides appropriate emoluments as well as benefit packages and insurance to all employees of its operating power plants and new project developments in the PRC based on their respective duties and pursuant to the labour laws and regulations of the PRC. The Group provides Hong Kong employees with a mandatory provident fund scheme with defined contributions as required by the laws of Hong Kong. It also provides Hong Kong employees with medical insurance.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

CPNE has complied with all the code provisions set out in the CG Code for the 6 months ended 30 June 2017, save for the deviations from code provisions A.4.1, A.4.2 and E.1.2, as follows:

Code provision A.4.1: non-executive directors should be appointed for a specific term and subject to re-election.

None of the non-executive directors and independent non-executive directors of CPNE is appointed for a specific term, but they are subject to retirement by rotation and re-election by shareholders at annual general meeting pursuant to the Bye-laws. Accordingly, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1.

Code provision A.4.2: every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every 3 years.

Pursuant to the Bye-laws, 1/3 of the directors for the time being (if their number is not a multiple of 3, the number nearest to but not less than 1/3) shall retire from office by rotation provided that every director (excluding the Chairman of the Board) shall be subject to retirement at an annual general meeting at least once every 3 years. The Board considers that, though there is a deviation from the code provision A.4.2, the aforementioned provision in the Bye-laws is appropriate to CPNE since the continuous leadership by the Chairman of the Board of CPNE allows for effective and efficient planning and implementation of business decisions and strategies which is vital for stability and growth of the Group.

Code provision E.1.2: the chairman of the Board should attend the annual general meeting.

Mr. Wang Binghua, the Chairman of the Board and the Nomination Committee of CPNE, due to his other business engagement, did not attend the 2017 AGM. In view of his absence, Mr. Wang had arranged Mr. He Hongxin, CPNE's executive director who is well versed in all the business activities and operations of the Group, to attend the meeting as a chairman and communicate with the shareholders. Mr. Wang also invited Mr. Chu Kar Wing, being the chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee, to attend the 2017 AGM and to give shareholders an opportunity of having a direct dialogue with the Board members.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

CPNE has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all CPNE's directors, they confirmed that they have complied with the Model Code during the period ended 30 June 2017.

The Group has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines"), governing securities transactions by employees who are likely to possess inside information of the Group and/or CPNE's securities. No incident of non-compliance of the Employees Written Guidelines by relevant employees was noted by the Group.

In case when the Group is aware of any restricted period for dealings in the Company's securities, notification will be sent to the Directors and relevant employees in advance.

REVIEW OF FINANCIAL INFORMATION

The unaudited condensed interim financial information of CPCE for the period from 8 May 2017 (date of incorporation) to 30 June 2017 and the unaudited condensed consolidated interim financial information of CPNE for the six months ended 30 June 2017 have been reviewed by the Group's auditor, PricewaterhouseCoopers, 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. The Audit Committee has reviewed the interim results of CPCE for the period from 8 May 2017 (date of incorporation) to 30 June 2017 and the interim results of CPNE for the six months ended 30 June 2017 respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There were no purchases, sales or redemptions of CPNE's listed securities by CPNE or any of its subsidiaries during the 6 month-period ended 30 June 2017.

The shares of CPCE were not yet listed on the Stock Exchange during the period under review.

SUBSEQUENT EVENTS

With effect from 17 July 2017, the effective date of the scheme of arrangement pursuant to section 99 of the Companies Act 1981 of Bermuda (as amended) between CPNE and its shareholders, the Company has become the holding company of CPNE. With effect from 18 July 2017, the Company became listed on the Stock Exchange and the listing status of CPNE on the Stock Exchange was withdrawn. Details of the Reorganisation Proposal could be referred to the announcement of the Company published on 18 July 2017 and note 7 of "Results of CPCE" and note 15 of "Results of CPNE" in this announcement.

INTERIM DIVIDEND

The Board of the Company does not recommend the payment of interim dividend for the six-month period ended 30 June 2017.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is available on the Stock Exchange's website at http://www.hkexnews.hk under "Listed Company Information" and the Company's website at http://www.cpne.com.hk. The printed copy of the 2017 Interim Report will be sent to shareholders of the Company by the mid-September 2017 and the soft copy will also be published on websites of both the Stock Exchange and the Company.

On behalf of the Board
China Power Clean Energy Development Company Limited
Wang Binghua
Chairman

Hong Kong, 18 August 2017

As at the date of this announcement, the directors of the Company are:

Executive Directors:
Mr. Wang Fengxue
Mr. Zhao Xinyan
Mr. He Hongxin
Mr. Qi Tengyun

Non-executive Directors:
Mr. Wang Binghua
Mr. Bi Yaxiong
Mr. Zhou Jiong

Independent Non-executive Directors:
Mr. Chu Kar Wing
Dr. Li Fang
Mr. Wong Kwok Tai
Ms. Ng Yi Kum

* *For identification only*

GLOSSARY

13th Five-Year Plan	the Outline of the 13th Five-Year Plan for the National Economic and Social Development of the People's Republic of China for the period between 2016 and 2020
2017 AGM	the annual general meeting of CPNE held on 19 May 2017
average utilisation hour(s)	the gross power generation in a specified period divided by the average installed capacity in such period
biomass	plant material, vegetation or agricultural waste that is used as a fuel or energy source
Board	the board of directors
Bye-laws	the bye-laws of CPNE
CG Code	Corporate Governance Code contained in Appendix 14 to the Listing Rules
Company or CPCE	China Power Clean Energy Development Company Limited
CPNE	China Power New Energy Development Company Limited
Group	CPNE and its subsidiaries
Hainan Bo'ao Lecheng Company	Hainan Bo'ao Lecheng Development Holdings Company Limited
Hainan Bo'ao Lecheng Project	Bo'ao Lecheng International Medical and Tourism Pilot Zone Development Project in Hainan, the PRC
HKSFC	The Securities and Futures Commission of Hong Kong
installed capacity	the capacity of a power generation unit that has been completely assembled or erected
kWh	a unit of energy. One kilowatt-hour (kWh) is equivalent to one kilowatt of power that would be produced by a power generator for one hour of time

Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Listing Rules
MW	megawatt, a unit of energy. 1 MW = 1,000 kW
MWh	a unit of energy. One megawatt-hour (MWh) is equivalent to one megawatt of energy that would be produced by a power generator for one hour of time
New Group	the Company and its subsidiaries (including CPNE)
NBS	the National Bureau of Statistics of the People's Republic of China
Post-Listing Share Option Scheme	the share option scheme of CPCE adopted on 8 June 2017, and be passed by an ordinary resolution in the general meeting of CPNE held on 7 July 2017
Pre-Listing Share Option Scheme	the pre-listing share option scheme of CPCE adopted on 8 June 2017
PRC	the People's Republic of China
Reorganisation Proposal	the proposed change of the holding company of the Group from CPNE to CPCE, a company incorporated in Hong Kong with limited liability, by way of the Scheme (a scheme of arrangement pursuant to section 99 of the Companies Act 1981 of Bermuda (as amended) involving, among other things, the cancellation of all the Scheme Shares), which became effective on 17 July 2017
Scheme	a scheme of arrangement pursuant to section 99 of the Companies Act involving, among other things, the cancellation of all the all CPNE's shares in issue at the Record Time (14 July 2017), with details provided in the circular of CPNE published on 14 June 2017
SNPTC	State Nuclear Power Technology Corporation
SPIC	State Power Investment Corporation
Stock Exchange	The Stock Exchange of Hong Kong Limited