華電福新能源股份有限公司

HUADIAN FUXIN ENERGY CORPORATION LIMITED

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

Stock Code: 00816

2017
INTERIM REPORT

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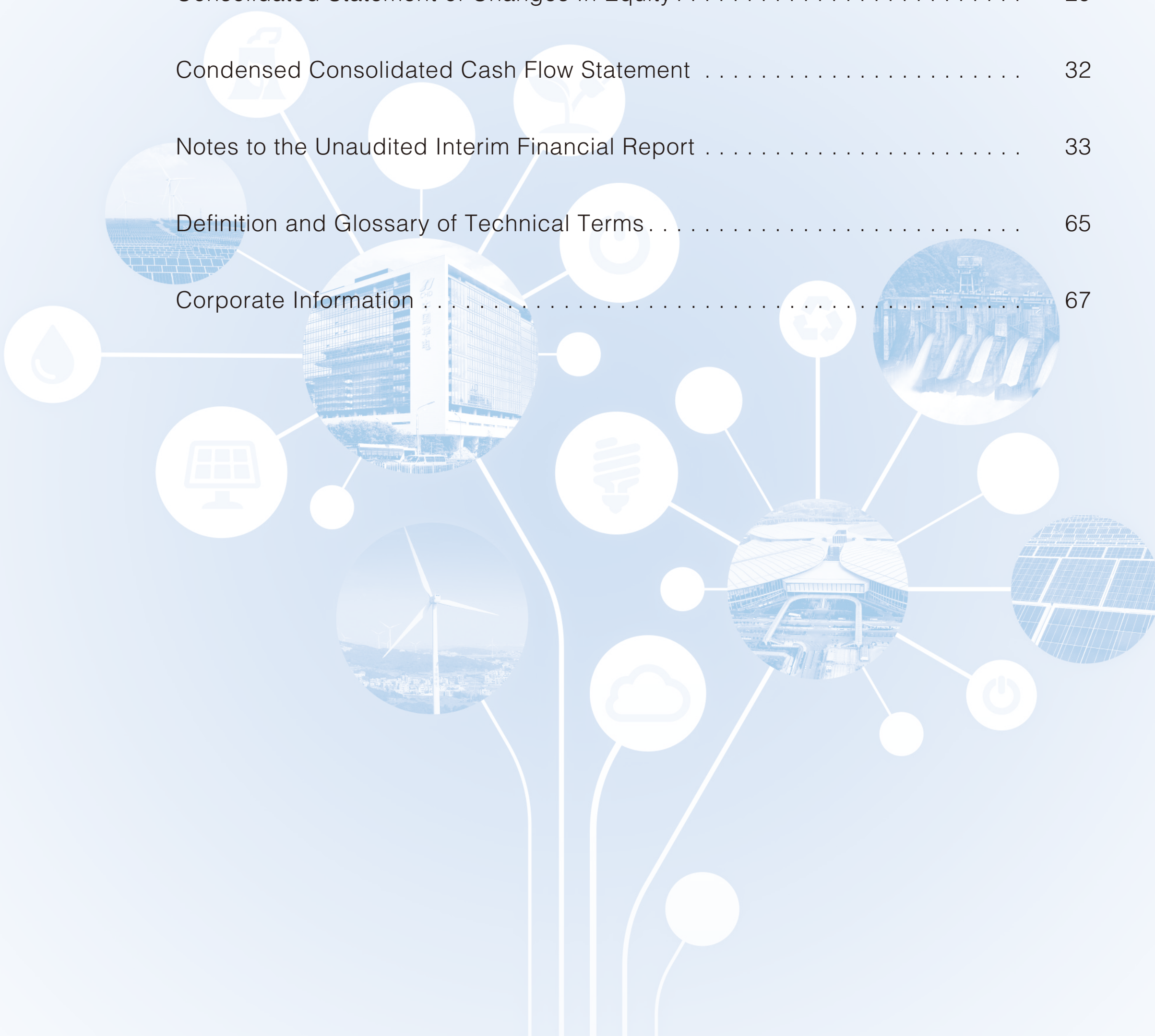
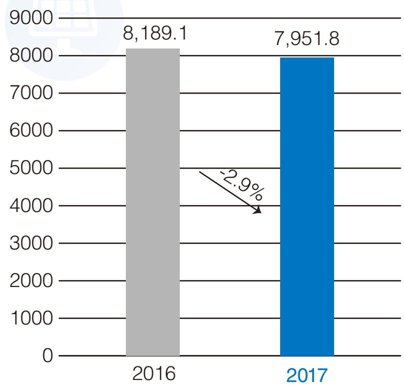


Interim Results

The Board of the Company hereby announces the unaudited operating results of the Group for the six months ended 30 June 2017, together with the operating results for the corresponding period of 2016 for comparison. For the six months ended 30 June 2017, the revenue of the Group amounted to RMB7,951.8 million, representing a decrease of 2.9% over the corresponding period of 2016; profit before taxation amounted to RMB1,901.5 million, representing a decrease of 16.0% over the corresponding period of 2016; profit attributable to equity owners of the Company amounted to RMB1,452.1 million, representing an increase of 0.6% over the corresponding period of 2016; earnings per share amounted to RMB16.59 cents, representing an increase of 0.6% over the corresponding period of 2016.

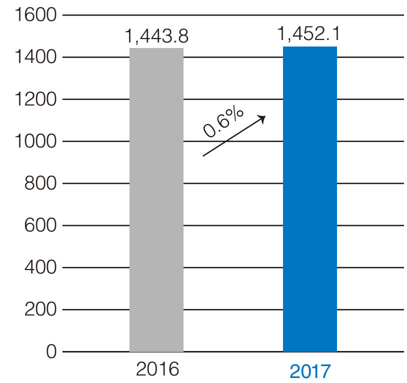
Key Operating and Financial Information

Revenue (RMB in millions)



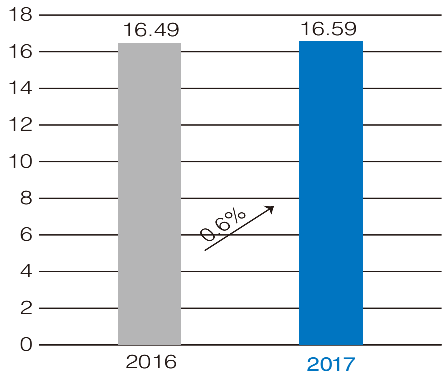
For the six months ended 30 June

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



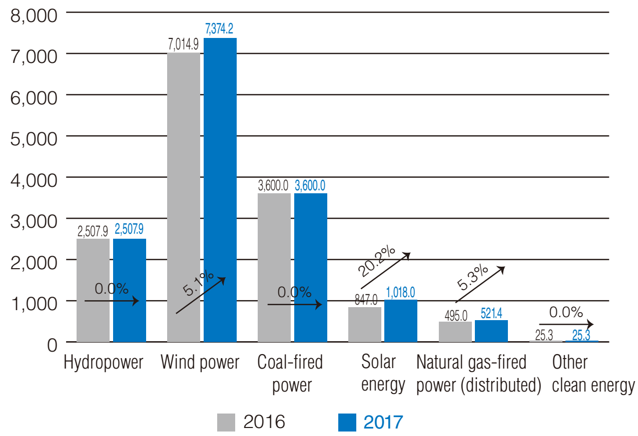
For the six months ended 30 June

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



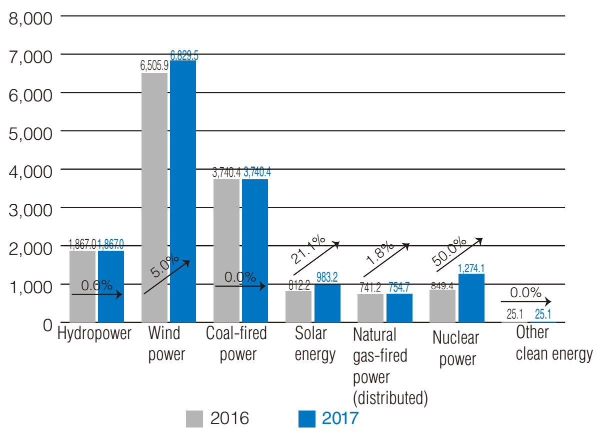
For the six months ended 30 June

Consolidated installed capacity (MW)



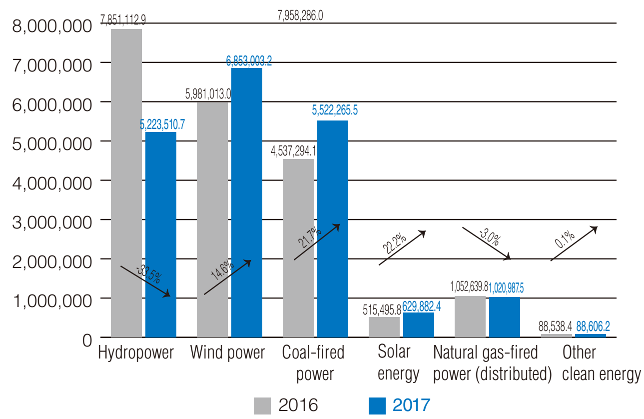
As at 30 June

Attributable consolidated installed capacity (MW)



As at 30 June

Total electricity sales (MWh)



For the six months ended 30 June

Key Operating and Financial Information (Continued)

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Revenue	**7,951,786**	8,189,061
Profit before taxation	**1,901,542**	2,263,324
Income tax	**(211,313)**	(397,125)
Profit for the period	**1,690,229**	1,866,199
Attributable to:		
Equity owners of the Company	**1,452,067**	1,443,798
Non-controlling interests	**238,162**	422,401
Basic and diluted earnings per share (RMB cents)	**16.59**	16.49

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
Total non-current assets	**93,269,521**	93,047,658
Total current assets	**11,294,155**	9,794,975
Total assets	**104,563,676**	102,842,633
Total current liabilities	**25,412,419**	26,036,363
Total non-current liabilities	**55,118,139**	53,877,788
Total liabilities	**80,530,558**	79,914,151
Net assets	**24,033,118**	22,928,482
Total equity attributable to equity shareholders of the Company and the holders of perpetual medium-term notes	**21,039,257**	20,033,679
Non-controlling interests	**2,993,861**	2,894,803
Total equity	**24,033,118**	22,928,482

Management Discussion and Analysis

In the first half of 2017, the cumulative overall electricity consumption in China reached 2.9508 trillion kWh, representing a year-on-year increase of 6.3%, with the growth rate increasing by 3.6% over the corresponding period of last year. In the first half of the year, the economic development of China continued to maintain a good momentum while ensuring stability, national energy consumption resumed its growth, and the growth rate of electricity consumption rebounded. The proportion of clean energy consumption kept on growing. As a series of policies and decrees issued by the government for guaranteeing the consumption of renewable energies since the second half of 2016 gradually come into effect, the consumption of renewable energies has become a key work concerned by the State Council and the National People's Congress who also demand improvements in this work. In the first half of the year, the curtailment of wind power and solar power in various regions of the PRC has been improved, both of grid curtailment ratio and grid curtailment of wind power and solar energy have dropped, and the downward momentum in utilization hours for consecutive years caused by the worsening consumption of renewable energy has been improved significantly.

I. BUSINESS REVIEW

In the first half of 2017, the Group continued to strengthen operational supervision and management, thoroughly studied the relevant state policies, and firmly seized electricity marketing, to actively achieve a better tariff. Meanwhile, the Group paid close attention to the trend in coal market and flexibly coordinated natural gas supply mode. Therefore, the Group achieved a stable operating performance and constantly optimized business structure, which in turn laid a solid foundation for the improvement of operating capability and sustainable development in the future.

For the six months ended 30 June 2017, profit attributable to equity owners of the Company was RMB1,452.1 million, representing an increase of 0.6% over the corresponding period of 2016; consolidated installed capacity was 15,046.8 MW, representing an increase of 3.8% over the corresponding period of 2016; and gross power generation was 20,114,406.0 MWh, representing a decrease of 3.8% over the corresponding period of 2016.

The respective consolidated installed capacity of the power generating assets of the Group as at 30 June 2017 and 2016 by type was:

Consolidated installed capacity (MW)

	As at 30 June 2017	As at 30 June 2016	Change ratio
Hydropower	**2,507.9**	2,507.9	0.0%
Wind power	**7,374.2**	7,014.9	5.1%
Coal-fired power	**3,600.0**	3,600.0	0.0%
Solar energy	**1,018.0**	847.0	20.2%
Natural gas-fired power (distributed)	**521.4**	495.0	5.3%
Other clean energy	**25.3**	25.3	0.0%
Total	**15,046.8**	14,490.1	3.8%

I. BUSINESS REVIEW *(Continued)*

The respective attributable consolidated installed capacity of the power generating assets of the Group as at 30 June 2017 and 2016 by type was:

Attributable consolidated installed capacity (MW)

	As at 30 June 2017	As at 30 June 2016	Change ratio
Hydropower	**1,867.0**	1,867.0	0.0%
Wind power	**6,829.5**	6,505.9	5.0%
Coal-fired power	**3,740.4**	3,740.4	0.0%
Solar energy	**983.2**	812.2	21.1%
Natural gas-fired power (distributed)	**754.7**	741.2	1.8%
Nuclear power	**1,274.1**	849.4	50.0%
Other clean energy	**25.1**	25.1	0.0%
Total	**15,474.0**	14,541.2	6.4%

The respective gross power generation of the power generating assets of the Group for the six months ended 30 June 2017 and 2016 by type was:

Gross power generation (MWh)

	Six months ended 30 June 2017	Six months ended 30 June 2016	Change ratio
Hydropower	**5,290,996.0**	7,949,077.8	-33.4%
Wind power	**7,129,701.1**	6,406,877.2	11.3%
Coal-fired power	**5,846,977.6**	4,814,162.7	21.5%
Solar energy	**643,018.6**	555,544.8	15.7%
Natural gas-fired power (distributed)	**1,115,029.8**	1,089,955.6	2.3%
Other clean energy	**88,682.9**	88,622.3	0.1%
Total	**20,114,406.0**	20,904,240.4	-3.8%

I. BUSINESS REVIEW *(Continued)*

1. Hydropower business

As at 30 June 2017, the Group had a consolidated hydropower installed capacity of 2,507.9 MW and a capacity under construction of 1,300.0 MW.

In the first half of 2017, the gross water inflow of seven large reservoirs in Fujian area was slightly better than normal year, though the decline of water flow was relatively sharp as compared with that of last year which was an extremely high flow year, the Group fully leveraged the regulation and storage function of reservoirs, carried out in-depth mining of the potential of comprehensive regulation in the basin, striving to improve water utilization efficiency. As such, our hydropower utilization hours was only lower than that of the corresponding period of 2016 compared with the corresponding period in the past five years. For the six months ended 30 June 2017, the Group recorded gross hydropower generation of 5,290,996.0 MWh, representing a decrease of 33.4% over the corresponding period of 2016; the average hydropower utilization hours was 2,111 hours, representing a decrease of 1,061 hours over the corresponding period of 2016; and the average on-grid tariff of hydropower was RMB287.5/MWh (tax exclusive), representing a decrease of RMB7.7/MWh (tax exclusive) over the corresponding period of 2016.

2. Wind power business

As at 30 June 2017, the Group had a consolidated wind power installed capacity of 7,374.2 MW, representing an increase of 5.1% over the corresponding period of 2016. During the reporting period, the Group increased consolidated installed capacity from new wind power projects by 33.5 MW, and recorded gross wind power generation of 7,129,701.1 MWh, representing a year-on-year increase of 11.3%. The wind power capacity under construction was 481.3 MW, and the average wind power utilization hours was 971 hours, representing an increase of 35 hours over the corresponding period of 2016. The average on-grid tariff of wind power was RMB448.0/MWh (tax exclusive), representing a decrease of RMB13.5/MWh (tax exclusive) over the corresponding period of 2016. The Group continued to conduct the comprehensive rectification of wind power units and improved the power generation efficiency, with the availability of wind turbines reaching 98.4% in the first half of the year, representing a year-on-year increase of 0.8 percentage point.

In the first half of 2017, one new project with a capacity of 50.0 MW was approved. At present, the wind power projects included in the Thirteenth Five Approved Plans amounted to a capacity of approximately 1,425.5 MW. All of the projects were located in the regions without wind power warning, of which 86.0% were located in central and southeast China. The cumulative approved wind power projects, which are not yet in production, amount to a capacity of 3.1 GW.

I. BUSINESS REVIEW *(Continued)*

3. Coal-fired power business

As at 30 June 2017, the Group had a consolidated coal-fired power installed capacity of 3,600.0 MW, with one project under construction.

During the reporting period, the Group made great efforts in increasing the power generation, raising the market tariff, at the same time decreasing the coal consumption and controlling the increase of coal price, and achieved an apparent result. For the six months ended 30 June 2017, the Group recorded gross coal-fired power generation of 5,846,977.6 MWh, representing an increase of 21.5% over the corresponding period of 2016. The average coal-fired power utilization hours was 1,624 hours, representing a year-on-year increase of 287 hours, and the year-on-year growth rate of the annual power generation was 10.2% higher than the average growth rate of the coal-fired power generation in Fujian Province; the coal consumption was 308.5g/KWh, representing a decrease of 2.9g/KWh over the corresponding period of 2016. The average on-grid tariff of coal-fired power was RMB326.8/MWh (tax exclusive), representing an increase of RMB6.8/MWh (tax exclusive) over the corresponding period of 2016; and the standard coal cost was RMB698.8/ton (tax exclusive), representing an increase of RMB221.4/ton (tax exclusive) over the corresponding period of 2016.

4. Solar energy business

As at 30 June 2017, the Group recorded an increase of 41.0 MW in its consolidated installed capacity from the commenced operation in solar energy business. As at 30 June 2017, the Group had a consolidated installed capacity of solar energy projects in operation of 1,018.0 MW, representing an increase of 20.2% over the corresponding period of 2016. For the six months ended 30 June 2017, the Group's gross solar energy generation was 643,018.6 MWh, representing an increase of 15.7% over the corresponding period of 2016. The average on-grid tariff was RMB853.3/MWh (tax exclusive). At present, the Group had an accumulated capacity of 686.9 MW of solar energy projects, which have been completed the record processes in the national approved plans.

5. Natural gas-fired power business and others

As at 30 June 2017, the Group had a consolidated installed capacity of natural gas-fired power (distributed) projects, which have been put into operation, of 521.4 MW, increased by 26.4 MW over the corresponding period of 2016; the consolidated installed capacity of the projects under construction amounted to 381.7 MW. For the six months ended 30 June 2017, the gross power generation of natural gas-fired power (distributed) projects of the Group was 1,115,029.8 MWh.

In the first half of 2017, there were three new approved natural gas-fired power projects of the Group with a total capacity of 1,416 MW. At present, the Group had eleven natural gas-fired power (distributed) projects approved by the National Development and Reform Commission of the People's Republic of China with an accumulated capacity of 2,328.7 MW.

As at 30 June 2017, the Group held 39.0% equity interest in Fujian Fuqing Nuclear Power Co., Ltd. and 10.0% equity interest in Sanmen Nuclear Power Co., Ltd. The No. 1, No. 2 and No. 3 generator sets of Fuqing Nuclear Power Plant had been put into commercial operation, and the No. 4 generator is expected to be put into commercial operation in the second half of the year.

As at 30 June 2017, we also had two biomass energy projects in operation, with a consolidated installed capacity of 25.3 MW.

II. FINANCIAL POSITION AND RESULTS OF OPERATIONS

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

1. Overview

For the six months ended 30 June 2017, the Group's profit before taxation for the period decreased by 16.0% to RMB1,901.5 million as compared with RMB2,263.3 million in the corresponding period of 2016; among which profit attributable to the equity owners of the Company amounted to RMB1,452.1 million, representing an increase of 0.6% as compared with RMB1,443.8 million in the corresponding period of 2016.

2. Revenue

The Group's revenue decreased by 2.9% to RMB7,951.8 million for the six months ended 30 June 2017 as compared with RMB8,189.1 million in the corresponding period of 2016.

The Group's revenue from sales of electricity decreased by 0.6% to RMB7,654.7 million for the six months ended 30 June 2017 as compared with RMB7,699.5 million in the corresponding period of 2016, which was mainly due to a decrease of approximately 3.4% over the corresponding period of 2016 in the Group's electricity sales.

The respective segment revenue of the Group for the six months ended 30 June 2017 and 2016 is as follows:

Table of Segments Revenue

	January to June of 2017 ***RMB in millions***	January to June of 2016 *RMB in millions*	Change ratio
Hydropower	**1,478.2**	2,218.2	-33.4%
Wind power	**3,080.8**	2,821.8	9.2%
Coal-fired power	**1,896.0**	1,506.6	25.8%
Solar energy	**546.3**	445.5	22.6%
Natural gas-fired power (distributed)	**807.8**	823.1	-1.9%
Others	**93.6**	370.1	-74.7%

II. FINANCIAL POSITION AND RESULTS OF OPERATIONS *(Continued)*

3. Other net income

For the six months ended 30 June 2017, the Group's other net income increased by 104.1% to RMB140.8 million as compared with RMB69.0 million in the corresponding period of 2016, primarily due to the gain of RMB35.5 million recorded by the Group from disposal of property, plant and equipment for the six months ended 30 June 2017, while that in the corresponding period of 2016 was RMB7.2 million.

4. Operating expenses

The Group's operating expenses increased by 8.1% to RMB5,246.3 million for the six months ended 30 June 2017 as compared with RMB4,853.5 million in the corresponding period of 2016, which was mainly attributable to the increases in fuel costs.

The Group's depreciation and amortization expenses increased by 8.3% to RMB2,131.4 million for the six months ended 30 June 2017 as compared with RMB1,968.3 million in the corresponding period of 2016. This increase was primarily due to the expanded consolidated installed capacity of the Group.

The Group's personnel costs increased by 10.1% to RMB631.3 million for the six months ended 30 June 2017 as compared with RMB573.6 million in the corresponding period of 2016, primarily due to additional staff required for the expanded business following the commencement of production of the Group's new generation units and its business expansion.

5. Operating profit

The Group's operating profit decreased by 16.4% to RMB2,846.3 million for the six months ended 30 June 2017 as compared with RMB3,404.6 million in the corresponding period of 2016, primarily due to the decrease in revenue from sales of electricity as a result of the substantial decrease in electricity sales of hydropower segments as compared with that of the corresponding period of 2016. The respective segment operating profit of the Group for the six months ended 30 June 2017 and 2016 is as follows:

Table of Segments Operating Profit

	January to June of 2017 ***RMB in millions***	January to June of 2016 *RMB in millions*	Change ratio
Hydropower	**843.5**	1,548.1	-45.5%
Wind power	**1,630.5**	1,467.2	11.1%
Coal-fired power	**4.7**	144.8	-96.8%
Solar energy	**289.8**	237.0	22.3%
Natural gas-fired power (distributed)	**124.5**	124.9	-0.3%
Others	**6.1**	32.0	-80.9%

II. FINANCIAL POSITION AND RESULTS OF OPERATIONS *(Continued)*

6. Finance income

The Group's finance income increased by 41.0% to RMB51.6 million for the six months ended 30 June 2017 as compared with RMB36.6 million in the corresponding period of 2016, primarily due to the increase by RMB17.3 million in the dividend income from available-for-sale financial assets as compared with that in the corresponding period of 2016.

7. Finance expenses

The Group's finance expenses decreased by 3.5% to RMB1,428.2 million for the six months ended 30 June 2017 as compared with RMB1,480.4 million in the corresponding period of 2016. This decrease was primarily due to the optimized adjustment of financing structure.

8. Share of profits less losses of associates and joint ventures

The Group's share of profits less losses of the associates and joint ventures was RMB431.9 million for the six months ended 30 June 2017 as compared with that of RMB302.6 million in the corresponding period of 2016. The increase was primarily due to a significant increase in the net profit of Fuqing Nuclear Power Plant for the period as compared with the corresponding period of 2016.

9. Income tax

The Group's income tax decreased by 46.8% to RMB211.3 million for the six months ended 30 June 2017 as compared with RMB397.1 million in the corresponding period of 2016. This was mainly due to the decrease in income tax expenses along with the significant decrease in the profit generated from hydropower segment for the six months ended 30 June 2017.

10. Profit for the period

The Group's profit for the period decreased by 9.4% to RMB1,690.2 million for the six months ended 30 June 2017 as compared with RMB1,866.2 million in the corresponding period of 2016. Our profit as a percentage of our total revenue decreased to 21.3% for the six months ended 30 June 2017 from 22.8% in the corresponding period of 2016.

11. Profit attributable to the equity owners of the Company

For the six months ended 30 June 2017, the profit attributable to the equity owners of the Company was RMB1,452.1 million, increased by 0.6% as compared with RMB1,443.8 million for the corresponding period of 2016.

II. FINANCIAL POSITION AND RESULTS OF OPERATIONS *(Continued)*

12. Profit attributable to non-controlling interests

The Group's profit attributable to non-controlling interests decreased by 43.6% to RMB238.2 million for the six months ended 30 June 2017 as compared with RMB422.4 million in the corresponding period of 2016. This decrease was primarily due to the substantial decrease in profit generated from hydropower segment and the interests of non-controlling shareholder were concentrated on hydropower segment.

13. Liquidity and sources of capital

The Group's cash and cash equivalents amounted to RMB2,894.6 million as at 30 June 2017, representing an increase of 0.2% as compared with the balance of RMB2,890.0 million as at 31 December 2016.

As at 30 June 2017, the Group's borrowings increased by 3.0% to RMB68,539.5 million as compared with RMB66,521.6 million as at 31 December 2016, of which RMB15,017.1 million was short-term borrowings (including current portion of long-term borrowings and bonds payable) and RMB53,522.4 million was long-term borrowings (including bonds payable).

14. Capital expenditure

The Group's capital expenditure decreased by 5.5% to RMB2,564.8 million for the six months ended 30 June 2017 as compared with RMB2,713.0 million in the corresponding period of 2016. Capital expenditure mainly comprises costs for purchase and construction of property, plant and equipment.

15. Net gearing ratio

As at 30 June 2017, the Group's net gearing ratio (net debt (i.e., total borrowings minus cash and cash equivalents) divided by total equity) was 273.1%, representing a decrease of 4.4 percentage points as compared with 277.5% as at 31 December 2016, mainly because the Group achieved net profit of RMB1,690.2 million in the first half of 2017 in the case of no significant change in net debt and the equity increased accordingly.

16. Material acquisitions and disposals

Nil.

17. Pledge of assets

Some of the Group's loans are secured by property, plant and equipment. As at 30 June 2017, total net carrying value of the pledged assets amounted to RMB13,369.2 million.

18. Contingent liabilities

As at 30 June 2017, the Group provided external guarantee over the balance amounting to RMB19.7 million.

III. RISK FACTORS AND RISK MANAGEMENT

1. Industry risk

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

2. Competition risk

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

3. Risk related to power grids

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

III. RISK FACTORS AND RISK MANAGEMENT *(Continued)*

4. Exchange rate risk

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

IV. PROSPECTS AND OUTLOOK

In recent years, China has been vigorously promoting the adjustment of energy structure toward a cleaner one steadily. In 2017, the National Energy Administration further clarified the target that "In 2017, the share of consumption of non-fossil energy across the country shall increase to around 14.3%, the share of consumption of natural gas to around 6.8%, while the share of consumption of coal shall decrease to around 60%." Therefore, during the "Thirteenth Five-Year" period, clean and low-carbon energy will remain as the major source of incremental energy supply. In 2017, relevant ministries of the central government will continue to promote the reform of new energy development and management model and successively introduce significant policies including pilot program of green power certification transactions while constantly improving the policies on decentralized and distributed new energy development model. Market-oriented reform of power is continuously advancing. Power generation and consumption plan is released firmly and orderly, auction market electricity proportion is growing, and a specific timetable is also formulated for the construction of spot market. As proven by the experience of leading European and American countries in market-oriented power, a healthy and reasonable power market environment will be the most important dynamics for energy transformation. As such, the new energy industry in China will embrace new opportunities and a broader development space.

Adhering to the guiding ideas of value-thinking philosophy, scientific development, and efficient development, the Group will pay close attention to and follow the policies, regulations and development plans of the country and local governments, and improve investment value and project profitability, moving toward the goal for a safe and efficient, green and environmentally-friendly internationalized clean energy company.

Wind power and solar energy businesses

The Group will continue to select quality wind power and solar power resources from the central and southeast regions, orderly develop new energies, complemented develop the wind, solar and hydropower energy, and actively push forward the 300MW offshore wind power project in Fuqing Haitan Strait. Based on our development strategies, and centering "One Belt and One Road", we will make greater efforts on the development and construction of greenfield projects, enhance the research on overseas assets merger and acquisition, and seek a key breakthrough, with an aim to achieve results early.

IV. PROSPECTS AND OUTLOOK *(Continued)*

Hydropower business

The Group will further strengthen its efforts to control the equipment and dispatch the reservoirs in a scientific way, improve the hydropower utilization hours and profitability. Also, the Group will push forward the preliminary and merger work of hydropower, especially the greenfield projects along the "One Belt and One Road", and steadily promote the construction of the pumped storage power plant in Zhouning County and safeguard the healthy development of hydropower business.

Natural gas-fired power business

The Group will vigorously develop the natural gas distributed energy, encourage the development of the natural gas-fired power peak shaving plant, orderly develop the natural gas-fired co-generation projects, and speed up promoting the natural gas, cold power and thermal power joint-supply engineering in Zengcheng, Guangzhou. Meanwhile, the Group will firmly seize the significant opportunity from the construction of Xiong'an New District, and leverage its strengths in clean energy to push forward its development in the Xiong'an New District from a matured platform and with a high standard and quality.

Coal-fired power business

The Group will continue to generate electric power with all efforts, enhance the monitoring and assessment on the coal-fired power utilization hours, keep the coal consumption in a relatively low level, and manage a reasonable procurement size of coal, to mitigate the impacts caused by rising prices of coals on the coal-fired power business and orderly regulate and control the construction rhythm of new projects. According to the relevant documents recently issued by Fujian Provincial Price Bureau, since 1 July of this year, the on-grid tariff of coal-fired generator sets in Fujian will increase by RMB1.95 cent/KWh. We expect that following the gradual implementation of coal-fired price linkage, our Group's coal-fired business operations will be continuously improved.

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the reporting period, the Company was in compliance with all code provisions as set out in the Corporate Governance Code.

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

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

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

RESPONSIBILITY STATEMENT BY THE DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or related financial management expertise in accordance with the requirements of the Listing Rules. The Company appointed a total of three independent non-executive Directors, namely Mr. Zhou Xiaoqian[Note 1], Mr. Zhang Bai, Mr. Tao Zhigang and Mr. Wu Yiqiang[Note 2].

Notes:

1. Mr. Zhou Xiaoqian resigned as an independent non-executive Director of the Company on 23 February 2017.
2. Mr. Wu Yiqiang was appointed as an independent non-executive Director of the Company on 23 February 2017.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established the audit and risk management committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the audit and risk management committee are to make recommendations to engage or replace its external auditor; to oversee the internal audit system of the Company and its implementation, to ensure that the internal audit function of the Company is adequately resourced for operation in the Company, and to monitor the effectiveness of the internal audit function; to review and monitor the Company's policies and practices in respect of compliance with legal and regulatory requirements; to review the Company's financial control, risk management and internal control systems, and to provide recommendations and advice for the integrity and soundness of the relevant systems of the Company; to monitor the Company's internal control and risk management systems, and study the findings of any major investigations in relation to risk management and internal control matters and the management's response; to coordinate the communication between the internal audit and the external audit functions; to review the Company's financial information and respective disclosure, to examine the Company's accounting practices and policies; to review the Company's internal control systems, and to provide advice and recommendations on the soundness and completeness of such systems; and to make comments and proposals on the appraisal and replacement of the head of the internal audit department of the Company. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

During the reporting period, the audit and risk management committee consisted of three Directors: Mr. Zhang Bai (independent non-executive Director), Mr. Zong Xiaolei (non-executive Director)[Note 1], Mr. Tao Zhigang (independent non-executive Director) and Mr. Li Yinan (non-executive Director)[Note 2]. Mr. Zhang Bai (independent non-executive Director) serves as the chairman of the audit and risk management committee.

Notes:

1. Mr. Zong Xiaolei resigned as a non-executive Director and a member of the audit and risk management committee of the Company on 23 February 2017.

2. Mr. Li Yinan was appointed as a non-executive Director and a member of the audit and risk management committee of the Company on 23 February 2017.

On 24 March 2017, the Company held the sixth meeting of the audit and risk management committee of the second session of the Board, at which the report from the external auditing firm in respect of the auditing of the Company's financial statements for the year ended 31 December 2016 was deliberated, and the following resolutions were considered and approved:

(1) the resolution in relation to the final accounts of the Company for 2016;

(2) the resolution in relation to the annual report and results announcement of the Company for 2016;

(3) the resolution in relation to the audited financial statements of the Company for 2016;

(4) the resolution in relation to the profit distribution plan of the Company for 2016; and

(5) the resolution in relation to the engagement of auditing firm for the financial report for 2017.

On 25 August 2017, the audit and risk management committee reviewed and confirmed the Group's interim results announcement for the six months ended 30 June 2017, the 2017 interim report and the unaudited interim financial statements for the six months ended 30 June 2017 prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

NOMINATION COMMITTEE

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

During the reporting period, the nomination committee consisted of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director)[Note 1], Mr. Fang Zheng (executive Director), Mr. Tao Zhigang (independent non-executive Director) and Mr. Wu Yiqiang (independent non-executive Director)[Note 2]. Mr. Wu Yiqiang (independent non-executive Director) serves as the chairman of the nomination committee.

Notes:

1. Mr. Zhou Xiaoqian resigned as an independent non-executive Director, the chairman of each of the nomination committee and the remuneration and assessment committee and a member of the strategic committee of the Company on 23 February 2017.

2. Mr. Wu Yiqiang was appointed as an independent non-executive Director, the chairman of each of the nomination committee and the remuneration and assessment committee of the Company on 23 February 2017.

On 24 March 2017, the Company held the third meeting of the nomination committee of the second session of the Board, at which the following resolution was considered and approved:

(1) the resolution in relation to the election of the third session of the Board of the Company.

REMUNERATION AND ASSESSMENT COMMITTEE

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

During the reporting period, the remuneration and assessment committee consisted of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director)[Note 1], Mr. Zhang Bai (independent non-executive Director), Mr. Shu Fuping (executive Director)[Note 2], Mr. Wu Yiqiang (independent non-executive Director)[Note 3] and Mr. Li Lixin (executive Director)[Note 4]. Mr. Wu Yiqiang (independent non-executive Director) serves as the chairman of the remuneration and assessment committee.

Notes:

1. Mr. Zhou Xiaoqian resigned as an independent non-executive Director, the chairman of each of the nomination committee and the remuneration and assessment committee and a member of the strategic committee of the Company on 23 February 2017.

2. Mr. Shu Fuping resigned as a member of the remuneration and assessment committee of the Company on 29 June 2017.

3. Mr. Wu Yiqiang was appointed as an independent non-executive Director, the chairman of each of the nomination committee and the remuneration and assessment committee of the Company on 23 February 2017.

4. Mr. Li Lixin was appointed as a member of the remuneration and assessment committee of the Company on 29 June 2017.

On 24 March 2017, the Company held the third meeting of the remuneration and assessment committee of the second session of the Board, at which the following resolutions were considered and approved:

(1) the resolution in relation to the remunerations of the Directors and Supervisors of the Company for 2016; and

(2) the resolution in relation to the remunerations of the senior management of the Company for 2016.

STRATEGIC COMMITTEE

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

During the reporting period, the strategic consisted consists of three Directors: Mr. Fang Zheng (executive Director), Mr. Zhou Xiaoqian (independent non-executive Director)[Note 1], Mr. Wu Yiqiang (independent non-executive Director)[Note 2] and Mr. Chen Haibin (non-executive Director)[Note 3]. Mr. Fang Zheng (executive Director) serves as the chairman of the strategic committee.

Notes:

1. Mr. Zhou Xiaoqian resigned as an independent non-executive Director, the chairman of each of the nomination committee and the remuneration and assessment committee and a member of the strategic committee of the Company on 23 February 2017.

2. Mr. Wu Yiqiang was appointed as a member of the strategic committee of the Company on 29 June 2017.

3. Mr. Chen Haibin was appointed as a member of the strategic committee of the Company on 29 June 2017.

On 24 March 2017, the Company held the fifth meeting of the strategic committee of the second session of the Board, at which the following resolutions and reports were considered and approved:

(1) the resolution in relation to the grant of the general mandate to issue domestic shares and H shares of the Company to the Board at the general meeting;

(2) the resolution in relation to the banking credit extension to the Company for 2017;

(3) the resolution in relation to the general mandate to issue the domestic and overseas debt financing instruments by the Company;

(4) the financial budget report of the Company for 2017; and

(5) the project development report of the Company for 2017.

Other Information

SHARE CAPITAL

As at 30 June 2017, the total share capital of the Company was RMB8,407,961,520, divided into 8,407,961,520 shares of RMB1.0 each (among which, 5,837,738,400 shares were domestic shares and 2,570,223,120 shares were H shares).

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2017.

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

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

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

As at 30 June 2017, none of the Directors, Supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2017, so far as known to the Directors, the following persons (other than the Directors, chief executives or Supervisors of the Company) held 5% or above shares or underlying shares of the Company, and according to the records in the register required to be kept by the Company pursuant to Section 336 of the SFO had interests or short positions which shall be disclosed to the Company:

Name of Shareholder	Class of Share	Capacity	Number of Shares/ Underlying Shares Held *(share)*	Percentage in the Relevant Class of Share Capital *(%)*	Percentage in the Total Share Capital *(%)*
Huadian Group	Domestic Shares	Beneficial owner/Interest of corporation controlled by a substantial shareholder	5,276,907,638 (Long Position)	90.39	62.76
Central Huijin Investment Ltd.	H Shares	Interest of corporation controlled by a substantial shareholder	533,026,000 (Long Position)	20.74	6.34
China Reinsurance (Group) Corporation	H Shares	Beneficial owner	533,026,000 (Long Position)	20.74	6.34
BlackRock, Inc.	H Shares	Interest of corporation controlled by a substantial shareholder	177,095,609 (Long Position)	6.89	2.11
			47,040,000 (Short Position)	1.83	0.56
Prime Capital Management Company Limited	H Shares	Investment Manager	154,805,610 (Long Position)	6.02	1.84

CHANGE OF DIRECTORS, SUPERVISORS AND MEMBERS OF THE SPECIAL COMMITTEES OF THE BOARD

As approved at the 2017 first extraordinary general meeting of the Company held on 23 February 2017, Mr. Chen Haibin was appointed as a non-executive Director, Mr. Li Yinan as a non-executive Director, and Mr. Wu Yiqiang as an independent non-executive Director, from 23 February 2017 until the expiration of the term of the second session of the Board of the Company.

As approved at the 2017 first extraordinary general meeting of the Company held on 23 February 2017, Mr. Guo Xiaoping was appointed as an independent Supervisor of the Company, from 23 February 2017 until the expiration of the term of the second session of the Board of Supervisors of the Company.

As approved at the nineteenth meeting of the second session of the Board, Mr. Li Yinan was appointed as a member of the audit and risk management committee; Mr. Wu Yiqiang was appointed as the chairman of each of the nomination committee and the remuneration and assessment committee and a member of the strategic committee.

As approved at the first meeting of the third session of the Board of the Company, Mr. Chen Haibin was appointed as a member of the strategic committee.

Mr. Zong Xiaolei resigned as a non-executive Director and a member of the audit and risk management committee on 23 February 2017.

Mr. Zhou Xiaoqian resigned as an independent non-executive Director and the chairman of each of the nomination committee and the remuneration and assessment committee and a member of the strategic committee on 23 February 2017.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2017, the Group had a total of 9,724 employees. The employee remuneration of the Group comprises basic salary and bonus payment, which is determined with reference to the operating results of the Group and results of performance assessment.

MATERIAL LITIGATION

As at 30 June 2017, the Company was not involved in any material litigation or arbitration. So far as the Directors are aware of, no material litigation or claims are pending or threatened against the Company.

Review Report

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

INTRODUCTION

We have reviewed the interim financial report set out on pages 25 to 64 which comprises the consolidated statement of financial position of Huadian Fuxin Energy Corporation Limited (the "Company") as of 30 June 2017 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

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

25 August 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi "RMB")

	Note	Six months ended 30 June 2017 RMB'000	2016 RMB'000 (Restated – note 27)
Revenue	4	**7,951,786**	8,189,061
Other net income	5	**140,801**	69,023
Operating expenses			
Cost of fuel		**(1,880,361)**	(1,327,034)
Depreciation and amortisation		**(2,131,406)**	(1,968,342)
Personnel costs		**(631,332)**	(573,596)
Repairs and maintenance		**(111,472)**	(179,912)
Administration expenses		**(192,254)**	(210,285)
Service concession construction costs		**(49,042)**	–
Cost of coal sold		**(9,334)**	(287,246)
Other operating expenses		**(241,132)**	(307,119)
		(5,246,333)	(4,853,534)
Operating profit		**2,846,254**	3,404,550
Finance income		**51,639**	36,631
Finance expenses		**(1,428,234)**	(1,480,428)
Net finance expenses	6	**(1,376,595)**	(1,443,797)
Share of profits less losses of associates and joint ventures		**431,883**	302,571
Profit before taxation	7	**1,901,542**	2,263,324
Income tax	8	**(211,313)**	(397,125)
Profit for the period		**1,690,229**	1,866,199

The notes on pages 33 to 64 form part of this interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

for the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi "RMB")

	Note	Six months ended 30 June 2017 RMB'000	2016 RMB'000 (Restated- note 27)
Attributable to:			
Equity shareholders of the Company and the holders of perpetual medium-term notes		**1,452,067**	1,443,798
Non-controlling interests		**238,162**	422,401
Profit for the period		**1,690,229**	1,866,199
Basic and diluted earnings per share *(RMB cents)*	9	**16.59**	16.49
Profit for the period		**1,690,229**	1,866,199
Other comprehensive income for the period (after tax):			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas subsidiaries		**(1,831)**	(1,269)
Available-for-sale equity securities: net movement in the fair value reserve		**37,594**	(68,238)
Other comprehensive income for the period		**35,763**	(69,507)
Total comprehensive income for the period		**1,725,992**	1,796,692
Attributable to:			
Equity shareholders of the Company and the holders of perpetual medium-term notes		**1,487,830**	1,374,291
Non-controlling interests		**238,162**	422,401
Total comprehensive income for the period		**1,725,992**	1,796,692

The notes on pages 33 to 64 form part of this interim financial report.

Consolidated Statement of Financial Position

at 30 June 2017 – unaudited
(Expressed in RMB)

	Note	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Non-current assets			
Property, plant and equipment	11	**78,905,651**	78,611,860
Lease prepayments		**1,464,903**	1,481,849
Intangible assets	12	**1,230,493**	1,130,202
Interests in associates and joint ventures		**7,504,328**	7,505,868
Other non-current assets	13	**3,784,644**	3,953,125
Deferred tax assets		**379,502**	364,754
Total non-current assets		**93,269,521**	93,047,658
Current assets			
Inventories		**344,254**	249,487
Trade debtors and bills receivable	14	**6,680,474**	5,052,102
Prepayments and other current assets	15	**1,308,055**	1,500,999
Tax recoverable		**42,608**	38,105
Restricted deposits		**24,194**	64,332
Cash and cash equivalents	16	**2,894,570**	2,889,950
Total current assets		**11,294,155**	9,794,975
Current liabilities			
Borrowings	17(b)	**15,017,128**	14,238,617
Obligations under finance leases	18	**33,431**	25,261
Trade creditors and bills payable	19	**1,233,835**	1,569,040
Other payables	20	**8,966,382**	9,912,927
Deferred income		**35,848**	40,447
Tax payable		**125,795**	250,071
Total current liabilities		**25,412,419**	26,036,363
Net current liabilities		**(14,118,264)**	(16,241,388)
Total assets less current liabilities		**79,151,257**	76,806,270

The notes on pages 33 to 64 form part of this interim financial report.

Consolidated Statement of Financial Position (Continued)

at 30 June 2017 – unaudited
(Expressed in RMB)

	Note	**At 30 June 2017 RMB'000**	At 31 December 2016 RMB'000
Non-current liabilities			
Borrowings	17(a)	**53,522,353**	52,282,944
Obligations under finance leases	18	**230,022**	251,906
Deferred income		**456,432**	465,543
Deferred tax liabilities		**909,332**	877,395
Total non-current liabilities		**55,118,139**	53,877,788
NET ASSETS		**24,033,118**	22,928,482
CAPITAL AND RESERVES	21		
Share capital		**8,407,962**	8,407,962
Reserves		**10,637,295**	9,631,717
Perpetual medium-term notes	22	**1,994,000**	1,994,000
Total equity attributable to equity shareholders of the Company and the holders of perpetual medium-term notes		**21,039,257**	20,033,679
Non-controlling interests		**2,993,861**	2,894,803
TOTAL EQUITY		**24,033,118**	22,928,482

Approved and authorised for issue by the board of directors on 25 August 2017.

Huang Shaoxiong
Chairman

Wu Jianchun
Director

The notes on pages 33 to 64 form part of this interim financial report.

Consolidated Statement of Changes In Equity

for the six months ended 30 June 2017 – unaudited

(Expressed in RMB)

	Attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes									
	Share capital	Capital reserve	Reserve fund	Exchange reserve	Fair value reserve	Retained earnings	Equity attributable to the holders of perpetual medium-term notes	Subtotal	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 21(b)						*Note 22*			
Balance at 1 January 2016	8,407,962	1,781,362	410,126	19,704	6,938	5,856,391	1,994,000	18,476,483	2,672,736	21,149,219
Business combination under common control *(note 27)*	–	1,000	–	–	–	–	–	1,000	–	1,000
Restated balance at 1 January 2016	8,407,962	1,782,362	410,126	19,704	6,938	5,856,391	1,994,000	18,477,483	2,672,736	21,150,219
Changes in equity for the six months ended 30 June 2016 (restated):										
Profit for the period	–	–	–	–	–	1,386,298	57,500	1,443,798	422,401	1,866,199
Other comprehensive income	–	–	–	(1,269)	(68,238)	–	–	(69,507)	–	(69,507)
Total comprehensive income	–	–	–	(1,269)	(68,238)	1,386,298	57,500	1,374,291	422,401	1,796,692
Capital contributions	–	–	–	–	–	–	–	–	5,000	5,000
Dividends by subsidiaries to non-controlling equity owners	–	–	–	–	–	–	–	–	(152,129)	(152,129)
Dividends approved in respect of the previous year *(note 21 (a))*	–	–	–	–	–	(338,841)	–	(338,841)	–	(338,841)
Acquisition of non-controlling interests	–	651	–	–	–	–	–	651	(37,950)	(37,299)
Business combination under common control	–	(8,800)	–	–	–	–	–	(8,800)	–	(8,800)
Distribution for perpetual medium-term notes *(note 22)*	–	–	–	–	–	–	(57,500)	(57,500)	–	(57,500)
Transfer to reserve fund	–	–	93,282	–	–	(93,282)	–	–	–	–
Restated balance at 30 June 2016	8,407,962	1,774,213	503,408	18,435	(61,300)	6,810,566	1,994,000	19,447,284	2,910,058	22,357,342

The notes on pages 33 to 64 form part of this interim financial report.

Consolidated Statement of Changes In Equity (Continued)

for the six months ended 30 June 2017 – unaudited
(Expressed in RMB)

	Attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes									
	Share capital	Capital reserve	Reserve fund	Exchange reserve	Fair value reserve	Retained earnings	Equity attributable to the holders of perpetual medium-term notes	Subtotal	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 21(b)									
Restated balance at 1 July 2016	8,407,962	1,774,213	503,408	18,435	(61,300)	6,810,566	1,994,000	19,447,284	2,910,058	22,357,342
Changes in equity for the six months ended 31 December 2016:										
Profit for the period	–	–	–	–	–	521,729	57,500	579,229	177,544	756,773
Other comprehensive income	–	–	–	6,416	34,230	–	–	40,646	–	40,646
Total comprehensive income	–	–	–	6,416	34,230	521,729	57,500	619,875	177,544	797,419
Capital contributions	–	–	–	–	–	–	–	–	101,790	101,790
Dividends by subsidiaries to non-controlling equity owners	–	–	–	–	–	–	–	–	(268,171)	(268,171)
Acquisition of non-controlling interests	–	(3,355)	–	–	–	–	–	(3,355)	(51,918)	(55,273)
Business combination under common control *(note 27)*	–	(1,000)	–	–	–	–	–	(1,000)	–	(1,000)
Partial disposal of a subsidiary	–	150	–	–	–	–	–	150	25,500	25,650
Distribution for perpetual medium-term notes	–	–	–	–	–	–	(57,500)	(57,500)	–	(57,500)
Other changes in equity of associates	–	28,225	–	–	–	–	–	28,225	–	28,225
Transfer to reserve fund	–	–	127,145	–	–	(127,145)	–	–	–	–
Balance at 31 December 2016	8,407,962	1,798,233	630,553	24,851	(27,070)	7,205,150	1,994,000	20,033,679	2,894,803	22,928,482

The notes on pages 33 to 64 form part of this interim financial report.

Consolidated Statement of Changes In Equity (Continued)

for the six months ended 30 June 2017 – unaudited
(Expressed in RMB)

	Attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes									
	Share capital *RMB'000* *Note 21(b)*	Capital reserve *RMB'000*	Reserve fund *RMB'000*	Exchange reserve *RMB'000*	Fair value reserve *RMB'000*	Retained earnings *RMB'000*	Equity attributable to the holders of perpetual medium-term notes *RMB'000* *Note 22*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2017	8,407,962	1,798,233	630,553	24,851	(27,070)	7,205,150	1,994,000	20,033,679	2,894,803	22,928,482
Changes in equity for the six months ended 30 June 2017:										
Profit for the period	–	–	–	–	–	1,394,567	57,500	1,452,067	238,162	1,690,229
Other comprehensive income	–	–	–	(1,831)	37,594	–	–	35,763	–	35,763
Total comprehensive income	–	–	–	(1,831)	37,594	1,394,567	57,500	1,487,830	238,162	1,725,992
Capital contributions	–	–	–	–	–	–	–	–	46,350	46,350
Dividends by subsidiaries to non-controlling equity owners	–	–	–	–	–	–	–	–	(179,390)	(179,390)
Dividends approved in respect of the previous year *(note 21 (a))*	–	–	–	–	–	(428,806)	–	(428,806)	–	(428,806)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	(6,064)	(6,064)
Distribution for perpetual medium-term notes *(note 22)*	–	–	–	–	–	–	(57,500)	(57,500)	–	(57,500)
Other changes in equity of associates	–	4,054	–	–	–	–	–	4,054	–	4,054
Transfer to reserve fund	–	–	160,972	–	–	(160,972)	–	–	–	–
Balance at 30 June 2017	8,407,962	1,802,287	791,525	23,020	10,524	8,009,939	1,994,000	21,039,257	2,993,861	24,033,118

The notes on pages 33 to 64 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2017 – unaudited
(Expressed in RMB)

	Note	Six months ended 30 June 2017 RMB'000	2016 RMB'000 (Restated – note 27)
Operating activities			
Cash generated from operations		**3,408,523**	4,402,643
Income tax paid		**(306,289)**	(245,195)
Net cash generated from operating activities		**3,102,234**	4,157,448
Investing activities			
Payment for the purchase of property, plant and equipment, lease prepayments, and intangible assets		**(3,891,704)**	(4,670,185)
Other cash flows arising from investing activities		**585,877**	551,230
Net cash used in investing activities		**(3,305,827)**	(4,118,955)
Financing activities			
Proceeds from borrowings		**10,490,734**	11,813,207
Repayment of borrowings		**(8,481,701)**	(9,446,419)
Interest paid		**(1,532,766)**	(1,573,317)
Other cash flows used in financing activities		**(275,725)**	(322,123)
Net cash generated from financing activities		**200,542**	471,348
Net (decrease)/increase in cash and cash equivalents		**(3,051)**	509,841
Cash and cash equivalents at 1 January	16	**2,889,950**	2,031,198
Effect of foreign exchanges rates changes		**7,671**	(2,475)
Cash and cash equivalents at 30 June	16	**2,894,570**	2,538,564

The notes on pages 33 to 64 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB)

1 PRINCIPAL ACTIVITIES AND ORGANISATION

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

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKSE, including compliance with International Accounting Standard (IAS) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (IASB). It was authorised for issuance on 25 August 2017.

The interim financial report has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group at 30 June 2017 amounting to RMB14,118,264,000. The directors of the Company are of the opinion that, based on a review of the forecasted cash flows, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included on page 24.

The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial report as comparative information does not constitute the Company's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2016 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 24 March 2017.

(Expressed in RMB)

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Sales of electricity	**7,654,719**	7,699,465
Service concession construction revenue	**49,042**	–
Sales of coal	**13,553**	292,236
Others	**234,472**	197,360
	7,951,786	8,189,061

5 OTHER NET INCOME

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Government grants	**61,461**	61,570
Gain on disposal of property, plant and equipment	**35,468**	7,191
Gain on disposal of subsidiaries	**7,280**	–
Others	**36,592**	262
	140,801	69,023

6 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Interest income on financial assets not at fair value through profit or loss	**16,198**	18,449
Dividend income from securities	**35,441**	18,182
Finance income	**51,639**	36,631
Interest on bank loans and other borrowings	**1,526,993**	1,571,995
Finance charges on obligations under finance leases	**5,886**	11,770
Less: interest expenses capitalised into property, plant and equipment	**(109,898)**	(122,867)
	1,422,981	1,460,898
Bank charges and others	**2,763**	4,743
Net foreign exchange losses	**2,490**	14,787
Finance expenses	**1,428,234**	1,480,428
Net finance expenses recognised in profit or loss	**(1,376,595)**	(1,443,797)

The borrowing costs have been capitalised at rates of 3.92% to 4.90% per annum for the six months ended 30 June 2017 (six months ended 30 June 2016: 4.14% to 6.20%).

(Expressed in RMB)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Personnel costs

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Salaries, wages and other benefits	**550,828**	499,456
Contributions to defined contribution retirement plans	**80,504**	74,140
	631,332	573,596

(b) Other items

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Amortisation		
– lease prepayments	**16,477**	12,190
– intangible assets	**24,277**	22,871
Depreciation		
– property, plant and equipment	**2,090,652**	1,933,281
Impairment losses		
– property, plant and equipment	**353**	1,000
– prepayments and other current assets	**18,174**	20,000
– trade debtors	**(2)**	–
Operating lease charges		
– hire of machinery	**3,084**	3,494
– hire of properties	**15,225**	29,007
Cost of inventory	**2,003,320**	1,725,292

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

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Current tax		
Provision for the period	**178,123**	348,653
Under provision in respect of prior years	**15,924**	4,255
	194,047	352,908
Deferred tax		
Origination and reversal of temporary differences	**17,266**	44,217
Total income tax	**211,313**	397,125

The current tax provision mainly included the PRC Corporate Income Tax which is made by the Company and its subsidiaries located in the PRC. It is calculated based on a statutory rate of 25% of the assessable profit, except for certain subsidiaries of the Company which are tax exempted or taxed at preferential rates, as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2017 and 2016.

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

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Profit before taxation	**1,901,542**	2,263,324
Applicable tax rate	**25%**	25%
Notional tax on profit before taxation	**475,386**	565,831
Tax effect of non-deductible expenses	**9,087**	2,445
Tax effect of non-taxable income	**(127,442)**	(83,248)
Tax effect of PRC tax concessions *(note (i))*	**(220,696)**	(147,222)
Tax effect of unused tax losses not recognised	**78,344**	66,855
Tax effect of utilisation of unrecognised tax losses in prior years	**(19,290)**	(11,791)
Under provision in respect of prior years	**15,924**	4,255
Actual tax expenses	**211,313**	397,125

Note:

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

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

9 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2017 of RMB1,394,567,000 (six months ended 30 June 2016: RMB1,386,298,000 (restated)) and the weighted average of 8,407,962,000 ordinary shares (six months ended 30 June 2016: 8,407,962,000 shares) in issue during the six months ended 30 June 2017, calculated as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Profit attributable to equity shareholders of the Company and the holders of perpetual medium-term notes	**1,452,067**	1,443,798
Less: distribution to the holders of perpetual medium-term notes *(note 22)*	**57,500**	57,500
Profit attributable to ordinary equity shareholders of the Company	**1,394,567**	1,386,298

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

10 SEGMENT REPORTING

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

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

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

– Coal-fired power: this segment constructs, manages and operates coal-fired power plants and generates electric power for sale to power grid companies.

– Solar power: this segment constructs, manages and operates solar power plants and generates electric power for sale to power grid companies.

10 SEGMENT REPORTING *(Continued)*

– Natural gas-fired power: this segment constructs, manages and operates natural gas-fired power plants and generates electric power for sale to power grid companies.

– Other business: this segment mainly manages and operates other clean energy power and heat plants and generates electric power for sale to power grid companies or heat for sale to the customers. This segment also operates coal trading business.

(a) Segment results, assets and liabilities

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

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

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses do not include service concession construction revenue and cost, and unallocated head office and corporate revenue and expenses.

10 SEGMENT REPORTING *(Continued)*

(a) Segment results, assets and liabilities *(Continued)*

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2017 and 2016 is set out below:

For the six months ended 30 June 2017

	Hydropower RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Solar power RMB'000	Natural gas-fired power RMB'000	Other business RMB'000	Total RMB'000
Revenue from external customers							
– Sales of electricity	1,476,382	3,068,406	1,798,816	545,868	708,526	56,721	7,654,719
– Sales of heat and others	1,816	12,399	97,135	391	99,270	36,921	247,932
Reportable segment revenue	1,478,198	3,080,805	1,895,951	546,259	807,796	93,642	7,902,651
Reportable segment profit (operating profit)	843,470	1,630,534	4,720	289,755	124,522	6,131	2,899,132
Depreciation and amortisation	(230,627)	(1,290,217)	(341,471)	(157,481)	(95,361)	(15,570)	(2,130,727)
Interest income	2,171	5,990	875	1,158	803	536	11,533
Interest expenses	(43,966)	(807,406)	(140,650)	(106,488)	(50,844)	(7,435)	(1,156,789)
Impairment losses of property, plant and equipment	–	(353)	–	–	–	–	(353)
Impairment losses of trade receivables, other receivables and prepayments	–	2	(18,162)	–	–	(12)	(18,172)
Addition to non-current segment assets during the period	151,493	1,537,699	339,258	343,559	192,173	30	2,564,212
As at 30 June 2017							
Reportable segment assets	10,799,171	55,733,935	13,340,941	9,764,670	4,814,016	812,056	95,264,789
Reportable segment liabilities	3,402,208	44,930,768	10,279,604	7,531,103	3,525,916	557,713	70,227,312

10 SEGMENT REPORTING *(Continued)*

(a) Segment results, assets and liabilities *(Continued)*

For the six months ended 30 June 2016 (restated)

	Hydropower *RMB'000*	Wind power *RMB'000*	Coal-fired power *RMB'000*	Solar power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Revenue from external customers							
– Sales of electricity	2,214,154	2,809,924	1,438,815	445,335	735,464	55,773	7,699,465
– Sales of heat and others	4,044	11,910	67,830	134	87,610	314,366	485,894
Reportable segment revenue	2,218,198	2,821,834	1,506,645	445,469	823,074	370,139	8,185,359
Reportable segment profit (operating profit)	1,548,057	1,467,169	144,779	236,951	124,890	32,025	3,553,871
Depreciation and amortisation	(257,189)	(1,138,783)	(328,418)	(144,972)	(83,285)	(13,309)	(1,965,956)
Interest income	2,915	6,254	6,454	624	814	620	17,681
Interest expenses	(62,858)	(807,990)	(180,546)	(108,408)	(69,698)	(12,541)	(1,242,041)
Impairment losses of property, plant and equipment	–	(1,000)	–	–	–	–	(1,000)
Impairment losses of other receivables and prepayments	–	–	(20,000)	–	–	–	(20,000)
Addition to non-current segment assets during the period	131,363	1,147,649	1,053,897	158,454	211,155	6,744	2,709,262
As at 31 December 2016							
Reportable segment assets	10,669,188	54,732,230	13,191,821	8,889,884	4,706,057	959,969	93,149,149
Reportable segment liabilities	3,174,662	44,373,339	9,939,405	6,850,900	3,554,213	741,060	68,633,579

10 SEGMENT REPORTING *(Continued)*

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Reportable segment revenue	**7,902,651**	8,185,359
Service concession construction revenue	**49,042**	–
Unallocated head office and corporate revenue	**93**	3,702
Consolidated revenue	**7,951,786**	8,189,061
Profit		
Reportable segment profit	**2,899,132**	3,553,871
Unallocated head office and corporate revenue	**93**	3,702
Unallocated head office and corporate expenses	**(52,971)**	(153,023)
Share of profits less losses of associates and joint ventures	**431,883**	302,571
Net finance expenses	**(1,376,595)**	(1,443,797)
Consolidated profit before taxation	**1,901,542**	2,263,324

10 SEGMENT REPORTING *(Continued)*

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

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Assets		
Reportable segment assets	**95,264,789**	93,149,149
Inter-segment receivables	**(4,354,560)**	(3,810,916)
	90,910,229	89,338,233
Interests in associates and joint ventures	**7,504,328**	7,505,868
Other non-current assets – available-for-sale investment	**933,405**	895,811
Deferred tax assets	**379,502**	364,754
Tax recoverable	**42,608**	38,105
Unallocated head office and corporate assets	**4,793,604**	4,699,862
Consolidated total assets	**104,563,676**	102,842,633
Liabilities		
Reportable segment liabilities	**70,227,312**	68,633,579
Inter-segment payables	**(4,354,560)**	(3,810,916)
	65,872,752	64,822,663
Tax payable	**125,795**	250,071
Deferred tax liabilities	**909,332**	877,395
Unallocated head office and corporate liabilities	**13,622,679**	13,964,022
Consolidated total liabilities	**80,530,558**	79,914,151

(c) Geographical information

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

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment with a cost of RMB2,517,145,000 (six months ended 30 June 2016: RMB2,706,002,000 (restated)). Items of property, plant and equipment with a net book value of approximately RMB1,315,000 were disposed of during the six months ended 30 June 2017 (six months ended 30 June 2016: RMB29,182,000), resulting in a gain on disposal of RMB35,468,000 (six months ended 30 June 2016: a gain of RMB7,191,000).

12 INTANGIBLE ASSETS

The net book value of intangible assets mainly represent service concession assets of approximately RMB652,325,000 (31 December 2016: approximately RMB547,197,000), goodwill of approximately RMB496,647,000 (31 December 2016: approximately RMB496,647,000), software and other assets of approximately RMB81,521,000 (31 December 2016: approximately RMB86,358,000).

13 OTHER NON-CURRENT ASSETS

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Deductible Value Added Tax ("VAT") *(note(i))*	**2,502,361**	2,700,606
Unquoted available-for-sale equity investment in non-listed companies, at cost *(note (ii))*	**594,955**	594,955
Available-for-sale equity securities, listed in Hong Kong *(note (iii))*	**338,450**	300,856
Deferred differences arising from sales and leaseback resulting in a finance lease	**159,989**	175,025
Loan to an associate *(note (iv))*	**28,179**	28,179
Others	**160,710**	153,504
	3,784,644	3,953,125

13 OTHER NON-CURRENT ASSETS *(Continued)*

Notes:

(i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment and inventory, which is deductible from output VAT. The input VAT expected to be deducted within one year is recorded in prepayments and other current assets (see note 15).

(ii) The unquoted equity investments in non-listed companies are limited liability companies established in the PRC and whose quoted market prices are not available.

(iii) Pursuant to the agreement with China Energy Engineering Corporation Limited ("China Energy Engineering"), the Group has subscribed for the 243,722,000 shares of China Energy Engineering at the offering price of HK$1.59 per share on 8 December 2015. The Group recognised it as available-for-sale equity securities. For the period ended 30 June 2017, the net change in the fair value of available-for-sale equity securities is RMB37,594,000.

(iv) Loan to an associate is unsecured, bearing interest at a rate of 4.79% per annum and repayable in December 2018.

14 TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Amounts due from third parties	**6,680,067**	5,039,050
Amounts due from an associate	**10,191**	6,750
Amounts due from a fellow subsidiary	**139**	16,227
Less: allowance for doubtful accounts	**(9,923)**	(9,925)
	6,680,474	5,052,102

(a) Ageing analysis

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

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Current	**6,690,397**	5,062,027
Less: allowance for doubtful accounts	**(9,923)**	(9,925)
	6,680,474	5,052,102

14 TRADE DEBTORS AND BILLS RECEIVABLE *(Continued)*

(a) Ageing analysis *(Continued)*

The Group's trade debtors are mainly electricity sales receivable from local grid companies for whom there was no recent history of default. Generally the debtors are due within 15-30 days from the date of invoice, except for the tariff premium of renewable energy, representing approximately 22% to 80% of total electricity sales, relating to certain renewable energy projects, such as wind power projects and solar power projects. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid companies, which consequently takes a relatively long time for settlement.

(b) Impairment of trade debtors and bills receivable

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

The Group's trade debtors and bills receivable of RMB9,923,000 as at 30 June 2017 (31 December 2016: RMB9,925,000) were individually determined to be impaired. The individually impaired receivables related to the counterparties that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised. The Group does not hold any collateral over these balances.

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

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

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
Neither past due nor impaired	**6,680,474**	5,052,102

14 TRADE DEBTORS AND BILLS RECEIVABLE *(Continued)*

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

Pursuant to CaiJian [2012] No.102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, a set of new standardised procedures for the settlement of the aforementioned renewable energy tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies. As at 30 June 2017, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. The directors are of the opinion that the approvals will be obtained in due course and these trade and bills receivable from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government.

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

15 PREPAYMENTS AND OTHER CURRENT ASSETS

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Certificated Emission Reduction ("CERs") receivable	**92,333**	92,333
Staff advance and other deposits	**52,590**	43,824
Amounts due from related parties		
– due from fellow subsidiaries	**16,327**	15,193
– due from associates	**45,757**	47,049
Deductible VAT *(note13(i))*	**882,522**	1,079,081
Prepayments for the coal and spare parts supply	**61,506**	96,918
Other prepayments and debtors	**318,167**	273,731
	1,469,202	1,648,129
Less: allowance for doubtful debts	**(161,147)**	(147,130)
	1,308,055	1,500,999

15 PREPAYMENTS AND OTHER CURRENT ASSETS *(Continued)*

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

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

The Group's prepayments and other current assets of RMB161,147,000 as at 30 June 2017 (31 December 2016: RMB147,130,000) were individually determined to be impaired. The individually impaired receivables related to the counterparties that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised. The Group does not hold any collateral over these balances.

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

16 CASH AND CASH EQUIVALENTS

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
Cash on hand	**173**	193
Cash at bank	**583,525**	442,761
Deposits with a fellow subsidiary *(note (i))*	**2,310,872**	2,446,996
	2,894,570	2,889,950

Note:

(i) Deposits with a fellow subsidiary mainly represent the deposits in China Huadian Finance Corporation Limited ("Huadian Finance"), a registered financial institution in the PRC.

17 BORROWINGS

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

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Bank loans and loans from financial institutions		
– Secured	**24,504,489**	24,536,474
– Unsecured *(note (i))*	**24,125,088**	22,272,898
Loans from China Huadian Corporation ("Huadian")		
– Unsecured	**2,246,447**	3,246,447
Loans from fellow subsidiaries		
– Secured	**660,037**	676,310
– Unsecured	**41,000**	44,000
Other borrowings *(note (e)(i))*		
– Unsecured	**6,984,006**	6,981,137
	58,561,067	57,757,266
Less: current portion of long-term borrowings		
– Bank loans and loans from financial institutions	**(2,864,157)**	(4,410,488)
– Loans from fellow subsidiaries	**(100,392)**	(63,834)
– Loans from Huadian	**(1,075,306)**	(1,000,000)
– Other borrowings	**(998,859)**	–
	53,522,353	52,282,944

Note:

All of the long-term interest-bearing borrowings are carried at amortised cost.

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

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Guarantor		
– Huadian	**1,453,800**	1,518,500
– Non-controlling interests shareholders	**32,078**	36,078
	1,485,878	1,554,578

17 BORROWINGS *(Continued)*

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

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Bank loans and loans from financial institutions		
– Secured	**70,000**	70,000
– Unsecured	**8,548,414**	4,533,531
Loans from a fellow subsidiary		
– Unsecured	**1,360,000**	660,000
Other borrowings		
– Unsecured	**–**	3,500,764
	9,978,414	8,764,295
Add: current portion of long-term borrowings		
– Bank loans and loans from financial institutions	**2,864,157**	4,410,488
– Loans from fellow subsidiaries	**100,392**	63,834
– Loans from Huadian	**1,075,306**	1,000,000
– Other borrowings	**998,859**	–
	15,017,128	14,238,617

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

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Long-term		
Bank loans and loans from financial institutions	**1.08%-6.00%**	1.08% – 6.00%
Loans from Huadian	**4.15%-5.60%**	4.15% – 6.46%
Loans from fellow subsidiaries	**4.90%**	4.90%
Other borrowings	**3.04%-5.38%**	3.04% – 5.38%
Short-term		
Bank loans and loans from financial institutions	**0.42%-4.35%**	0.49% – 4.35%
Loans from a fellow subsidiary	**3.92%**	3.92%
Other borrowings	**N/A**	2.76% – 2.80%

17 BORROWINGS *(Continued)*

(d) The borrowings are repayable as follows:

	At 30 June 2017 ***RMB'000***	At 31 December 2016 *RMB'000*
Within 1 year or on demand	**15,017,128**	14,238,617
After 1 year but within 2 years	**5,478,478**	6,191,113
After 2 years but within 5 years	**21,993,793**	21,717,849
After 5 years	**26,050,082**	24,373,982
	53,522,353	52,282,944
	68,539,481	66,521,561

(e) Significant terms of other borrowings

	At 30 June 2017 ***RMB'000***	At 31 December 2016 *RMB'000*
Long-term		
Corporate bonds *(note (i))*	**6,984,006**	6,981,137
Short-term		
Financing instruments *(note (ii))*	**–**	3,500,764

Notes:

(i) On 25 March 2013, the Company issued a five-year unsecured corporate bond of RMB1,000,000,000 at par with a coupon rate of 5.00% per annum and a ten-year unsecured corporate bond of RMB1,000,000,000 at par with a coupon rate of 5.30% per annum. The effective interest rates of above bonds are 5.13% and 5.38% per annum respectively. On 22 September 2016, the Company issued a five-year unsecured corporate bond of RMB3,000,000,000 at par with a coupon rate of 2.97% per annum, the effective interest rates of this bond is 3.04% per annum. On 4 November 2016, the Company issued a five-year unsecured corporate bond of RMB900,000,000 at par with a coupon rate of 3.02% per annum and a seven-year unsecured corporate bond of RMB1,100,000,000 at par with a coupon rate of 3.18% per annum. The effective interest rates of above bonds are 3.09% and 3.23% per annum respectively.

(ii) At 31 December 2016, the balances represented unsecured ultra-short-term financing instruments with coupon rates of 2.76% to 2,80% per annum, which were repaid on 14 February 2017 and 2 April 2017 respectively.

18 OBLIGATIONS UNDER FINANCE LEASES

The Group had obligations under finance leases repayable as follows:

	At 30 June 2017		At 31 December 2016	
	Present value of the minimum lease payments	**Total minimum lease payments**	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Within 1 year	**33,431**	**37,128**	25,261	37,583
After 1 year but within 2 years	**25,530**	**36,211**	25,530	36,666
After 2 years but within 5 years	**78,317**	**103,142**	78,318	104,508
After 5 years	**126,175**	**150,488**	148,058	167,813
	230,022	**289,841**	251,906	308,987
	263,453	**326,969**	277,167	346,570
Less: total future interest expenses		**(63,516)**		(69,403)
Present value of finance lease obligations		**263,453**		277,167

At inception, the lease periods of the finance lease obligation are approximately 9-12 years.

19 TRADE CREDITORS AND BILLS PAYABLE

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
Trade creditors to third parties	**196,715**	279,661
Bills payable to third parties	**266,473**	512,382
Amounts due to related parties	**559,079**	400,251
Bills payable to related parties	**211,568**	376,746
	1,233,835	1,569,040

19 TRADE CREDITORS AND BILLS PAYABLE *(Continued)*

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

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Due within 3 months or on demand	**1,079,744**	998,562
Due after 3 months but within 6 months	**101,540**	369,376
Due after 6 months but within 1 year	**52,551**	201,102
	1,233,835	1,569,040

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

20 OTHER PAYABLES

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Payables for acquisition of property, plant and equipment and intangible assets	**5,477,821**	6,697,994
Provision for Mianhuatan resettlement compensation *(note (i))*	**40,000**	40,000
Retention payable *(note (ii))*	**1,001,947**	1,011,514
Dividends payable	**468,943**	103,770
Payable for acquisition of subsidiaries	**1,385**	14,504
Payables for staff related costs	**63,063**	59,551
Payables for other taxes	**235,778**	210,551
Interest payable	**255,243**	262,171
Amounts due to fellow subsidiaries *(note (iii))*	**507,821**	417,028
Amounts due to associates *(note (iii))*	**591,195**	773,796
Amounts due to Huadian *(note (iii))*	**12,000**	12,000
Other accruals and payables	**311,186**	310,048
	8,966,382	9,912,927

20 OTHER PAYABLES *(Continued)*

Notes:

(i) Mianhuatan Hydropower, one of the Company's subsidiaries, owns and operates a hydropower plant (the "Mianhuatan Project") in Longyan, Fujian. The relevant local government authority disputed the amount of resettlement compensation and requested Mianhuatan Hydropower to increase the compensation to cover the rising costs associated with the relocation and resettlement of additional residents, the construction of roads and bridges, environmental protection and the preservation of historical relics. In response to this request, Mianhuatan Hydropower engaged the original independent design institute for this hydropower project, Shanghai Investigation, Design & Research Institute (the "Shanghai Institute"), to assess the need to pay any additional resettlement compensation. To support the local government's relocation and resettlement efforts, Mianhuatan Hydropower agreed in principle and paid to the local government additional compensations of RMB15 million, RMB15 million and RMB360 million in 2009, 2010 and 2011, respectively, totaling RMB390 million. In addition, the management of Mianhuatan Hydropower has recognised an additional provision of RMB40 million for this dispute during the year ended 31 December 2011. The total amounts of RMB430 million have been capitalised in the property, plant and equipment. After reviewing the assessment report from the Shanghai Institute, Fujian Development and Reform Commission (the "Fujian DRC") and National Development and Reform Commission of the PRC (the "NDRC") will determine the adjusted resettlement compensation for which Mianhuatan Hydropower is responsible.

(ii) Retention payable represents amounts due to equipment suppliers and construction contractors which will be settled upon the expiry of the warranty period.

(iii) These amounts are all unsecured, interest-free and have no fixed terms of payment.

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

21 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The board of directors did not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the period of RMB0.0510 per share (six months ended 30 June 2016: RMB0.0403 per share)	**428,806**	338,841

(b) Share capital

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
Ordinary shares, issued and fully paid		
5,837,738,400 domestic state-owned ordinary shares of RMB1.00 each	**5,837,738**	5,837,738
2,570,223,120 H shares of RMB1.00 each	**2,570,224**	2,570,224
	8,407,962	8,407,962

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

22 PERPETUAL MEDIUM-TERM NOTES

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

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

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

During the six months ended 30 June 2017, the profit attributable to holders of perpetual medium-term notes, based on the applicable distribution rate, was RMB57,500,000 (six months ended 30 June 2016: RMB57,500,000).

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

At 30 June 2017 and 31 December 2016, the financial instruments of the Group carried at fair value were available-for-sale equity securities. These instruments fall into Level 1 of the fair value hierarchy described above.

		Fair value measurements as at 30 June 2017 categorised into		
	Fair value at 30 June 2017 *RMB'000*	Quoted prices in active market for identical assets (Level 1) *RMB'000*	Significant other observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*
Recurring fair value measurement				
Financial assets:				
Available-for-sale equity securities:				
– Listed	**338,450**	**338,450**	**–**	**–**

		Fair value measurements as at 31 December 2016 categorised into		
	Fair value at 31 December 2016 *RMB'000*	Quoted prices in active market for identical assets (Level 1) *RMB'000*	Significant other observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*
Recurring fair value measurement				
Financial assets:				
Available-for-sale equity securities:				
– Listed	300,856	300,856	–	–

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2017 and 31 December 2016.

As at 30 June 2017, the investments in unquoted equity securities (see note 13) are measured at cost which fair value cannot be measured reliably as these investments in non-listed companies do not have quoted market price in an active market. The Group has no intention to dispose these investments.

24 CAPITAL COMMITMENTS

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

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Contracted for	**6,809,427**	7,367,849
Authorised but not contracted for	**22,174,639**	23,161,788
	28,984,066	30,529,637

25 CONTINGENT LIABILITIES

(a) Financial guarantees issued

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Financial guarantees to banks for:		
– An associate	**19,708**	19,708

As at 30 June 2017, the directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

(b) Contingent liability in respect of taxes on CDM revenue

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

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

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

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

(Expressed in RMB)

26 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Purchase of coal shipping service from		
Fellow subsidiaries	**27,807**	17,228
An associate	**–**	4,647
Purchase of power generation quota from		
A fellow subsidiary	**–**	40,343
Purchase of construction service and construction materials from		
Fellow subsidiaries	**208,794**	342,968
An associate	**55,443**	184,450
Office rental and property management service provided by		
Fellow subsidiaries	**14,172**	13,548
Sale of electricity to		
An associate	**11,924**	24,143
Sales of coal and material to		
A fellow subsidiary	**–**	33,047

26 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(a) Transactions with related parties *(Continued)*

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Purchases of coal from		
Fellow subsidiaries	**1,559,654**	249,470
Release of loan guarantees issued by		
Huadian	**64,700**	81,200
Loans received from/(repaid to)		
Huadian	**(1,000,000)**	–
Fellow subsidiaries	**680,727**	336,452
Net deposit change in		
Huadian Finance	**(136,124)**	529,845
Interest expenses		
Huadian	**86,679**	100,366
Fellow subsidiaries	**22,397**	20,897
Interest income		
Huadian Finance	**9,320**	7,413
Associates	**640**	5,288
Acquisition of business from		
Huadian	**–**	8,800

(b) Outstanding balances with related parties

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

26 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

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

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

– Sales of electricity;

– Depositing and borrowing money;

– Purchase of materials and receiving construction work services; and

– Service concession arrangements.

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

For the six months ended 30 June 2017, revenue from the sales of electricity made to the provincial power grid companies which are government-related entities accounted for 91.66% of total revenue from the sales of electricity (six months ended 30 June 2016: 96.61%). As at 30 June 2017, the trade debtors and bills receivable due from these power grid companies accounted for 96.74% of total trade and bills receivable (31 December 2016: 93.22%).

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

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

26 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(d) Key management personnel remuneration

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

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Salaries and other emoluments	**1,471**	1,424
Discretionary bonus	**1,601**	1,696
Retirement scheme contributions	**375**	353
	3,447	3,473

(e) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and Huadian for its staff. As at 30 June 2017 and 31 December 2016, there was no material outstanding contribution to post-employment benefit plans.

(f) Commitment with related parties

	At 30 June	At 31 December
	2017	2016
	RMB'000	*RMB'000*
Capital commitment	**1,153,517**	881,232
Commitment for office rental and property management fee	**11,087**	22,173

27 BUSINESS COMBINATION UNDER COMMON CONTROL

On 30 September 2016, the Company acquired Mengyin Dongda New Energy Company Limited ("Dongda New Engery") from Nanjing Guodian Nanzi New Energy Engineering Technology Company Limited ("Nanzi Engineering Technology"), a subsidiary of Huadian. As the Company, Nanzi Engineering Technology are under common control of Huadian, the acquisitions are determined as business combinations under common control. The consolidated financial statements of the Group have been restated as if the combinations had occurred at the beginning of the periods presented.

28 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On 25 July 2017, Fujian Fuqing Nuclear Power Company Limited ("**Fuqing Nuclear Power**"), an associate held as to 39% by the Company, received a notice from Fujian Provincial Price Bureau, "Adjustment of On-grid Tariffs for Nuclear Power" (Min Jia Shang [2017] No. 179), pursuant to which the on-grid tariffs (tax inclusive) for the No. 2 and No. 3 power generating units of Fuqing Nuclear Power have been adjusted from RMB0.43/KWh to RMB0.4055/KWh and RMB0.3717/KWh respectively. According to the notice, the adjusted tariffs shall take effect from the date when the relevant power generating units commence commercial operations.

As of the date of this report, Fuqing Nuclear Power is communicating with the relevant government authorities for the implementation date of the adjusted tariffs and application method of the above notice. Management believes the ultimate outcome cannot be reliably estimated at present. No provision was made in respect of this matter.

Definition and Glossary of Technical Terms

"Articles of Association"	the articles of association of the Company
"attributable consolidated installed capacity"	calculated by multiplying our equity interest (whether or not such interest is a controlling interest) in the power generating projects by their installed capacity, usually denominated in MW
"average utilization hours"	the gross power generation in a specified period divided by the average installed capacity in such period
"biomass"	plant material, vegetation or agricultural waste used as a fuel or energy source
"Board"	the board of Directors of the Company
"Board of Supervisors"	the board of Supervisors of the Company
"Company", "we" or "us"	Huadian Fuxin Energy Corporation Limited
"consolidated installed capacity"	the aggregate amount of installed capacity of our operating power generating projects that we fully consolidate in our consolidated financial statements. For wind power projects, consolidated installed capacity refers to the aggregate amount of installed capacity of our grid-connected wind power projects
"Corporate Governance Code"	the Corporate Governance Code in Appendix 14 to the Main Board Listing Rules on the Stock Exchange of Hong Kong Limited
"corresponding period of 2016"	Six months ended 30 June 2016
"Directors"	the director(s) of the Company
"electricity sales"	the actual amount of electricity sold by a power plant in a particular period which equals gross power generation less consolidated auxiliary electricity
"Fuqing Nuclear"	Fujian Fuqing Nuclear Power Company Limited
"gross generation"	for a specified period, the total amount of electricity produced by a power generating project during that period
"Group"	Huadian Fuxin Energy Corporation Limited and its subsidiaries
"GW"	gigawatt, a unit of power, 1 GW = 1,000 MW
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

Definition and Glossary of Technical Terms (Continued)

"Huadian"	China Huadian Corporation
"Huadian Finance"	China Huadian Finance Co., Ltd. (中國華電集團財務有限公司), a subsidiary of Huadian
"KWh"	kilowatt-hour, a unit of energy. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a power generator producing one thousand watts for one hour
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MW"	megawatt, a unit of power. 1 MW = 1,000 kW. The capacity of a power project is generally expressed in MW
"MWh"	megawatt-hour, a unit of energy. 1 MWh = 1,000 kWh
"NDRC"	National Development and Reform Commission of the People's Republic of China
"on-grid tariff"	the selling price of electricity for which a power generating project could sell the electricity it generates to the power grid companies, usually denominated in RMB per kWh (such on-grid tariff includes value-added tax)
"PRC" or "China"	the People's Republic of China
"reporting period"	the period from 1 January 2017 to 30 June 2017
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Supervisors"	the supervisor(s) of the Company
"13th Five-Year Plan"	"13th Five-Year Plan" with the full name being the Outline of the 13th Five-Year Plan for National Economic and Social Development of the People's Republic of China, and the term of the "13th Five-Year Plan" starts in 2016 and ends in 2020

Corporate Information

LEGAL NAME OF THE COMPANY

華電福新能源股份有限公司

ENGLISH NAME OF THE COMPANY

Huadian Fuxin Energy Corporation Limited

REGISTERED OFFICE

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Fuzhou
Fujian Province, the PRC

HEAD OFFICE IN THE PRC

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Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

MEMBERS OF THE BOARD

Executive Directors

Mr. Huang Shaoxiong *(Chairman of the Board)*
Mr. Wu Jianchun
Mr. Li Lixin

Non-executive Directors

Mr. Tao Yunpeng
Mr. Li Yinan
Mr. Mei Weiyi

Independent Non-executive Directors

Mr. Zhang Bai
Mr. Tao Zhigang
Mr. Wu Yiqiang

COMMITTEES OF THE BOARD

Audit and Risk Management Committee

Mr. Zhang Bai *(Independent Non-executive Director) (Chairman)*
Mr. Tao Zhigang *(Independent Non-executive Director)*
Mr. Li Yinan *(Non-executive Director)*

Nomination Committee

Mr. Huang Shaoxiong *(Executive Director and Chairman of the Board) (Chairman)*
Mr. Tao Zhigang *(Independent Non-executive Director)*
Mr. Wu Yiqiang *(Independent Non-executive Director)*

Remuneration and Assessment Committee

Mr. Wu Yiqiang *(Independent Non-executive Director) (Chairman)*
Mr. Zhang Bai *(Independent Non-executive Directors)*
Mr. Li Lixin *(Executive Director)*

Strategic Committee

Mr. Huang Shaoxiong *(Executive Director and Chairman of the Board) (Chairman)*
Mr. Wu Jianchun *(Executive Director)*
Mr. Wu Yiqiang *(Independent Non-executive Director)*

SUPERVISORS

Mr. Li Changxu *(Chairman of the Board of Supervisors)*
Mr. Wang Kun
Mr. Hou Jiawei
Ms. Hu Xiaohong
Mr. Yan Zhongjun
Mr. Chen Wenxin
Mr. Zhu Deyuan
Ms. Ding Ruiling
Mr. Guo Xiaoping

Corporate Information (Continued)

COMPANY SECRETARY

Ms. Mok Ming Wai

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Huang Shaoxiong

AUTHORIZED REPRESENTATIVES

Mr. Huang Shaoxiong
Ms. Mok Ming Wai

AUDITOR

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As to Hong Kong law

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STOCK CODE

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