



大唐国际发电股份有限公司  
DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991

# 2017 Interim Report



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## Company Results

### OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB30,048 million, representing an increase of approximately 2.91% over the first half of 2016.
- Total profit before tax amounted to approximately RMB1,795 million, representing a decrease of approximately 48.54% over the first half of 2016.
- Net profit attributable to equity holders of the Company amounted to approximately RMB1,092 million, representing a decrease of approximately 36.11% over the first half of 2016.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0820, representing a decrease of RMB0.0464 per share over the first half of 2016.

The board of directors (the "Board") of Datang International Power Generation Co., Ltd. (the "Company") hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the "Group") prepared in conformity with International Financial Reporting Standards ("IFRS") for the six months ended 30 June 2017 (the "Period"), together with the unaudited consolidated operating results of the first half of 2016 (the "Corresponding Period Last Year") for comparison. Such operating results have been reviewed and confirmed by the Company's audit committee (the "Audit Committee").

Operating revenue of the Group for the Period was approximately RMB30,048 million, representing an increase of approximately 2.91% as compared to the Corresponding Period Last Year. Total profit before tax amounted to approximately RMB1,795 million, representing a decrease of approximately 48.54% over the Corresponding Period Last Year. Net profit attributable to equity holders of the Company was approximately RMB1,092 million, representing a decrease of approximately 36.11% as compared to the Corresponding Period Last Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0820, representing a decrease of RMB0.0464 per share as compared to the Corresponding Period Last Year.

# Management Discussion and Analysis



The Company is one of the largest independent power generation companies in the People's Republic of China (the "PRC"). Power generation businesses of the Company and its subsidiaries in operation or under construction are mainly distributed across 18 provinces, municipalities and autonomous regions throughout the country, whereby coal-fired power generators of the Company are centralised in Beijing-Tianjin-Hebei and southeast coastal areas, while most of the hydropower projects are located in the southwest region. Wind power and photovoltaic power are distributed across the country in areas with abundant resources.

In the first half of 2017, in the face of complex situations such as the in-depth advancing of the reform in power system and the severe condition regarding coal power maintenance, supply and price control, the Company focused on the target of being "an industry leader of world-class standard", adhered to the main line of "comprehensive quality improvement", actively adapted to the changes of national policies and market situation, proactively pushed forward production and operation management, comprehensively implemented the forging ahead strategy, strived for efficient power generation, controlled and maintained the coal price at a favourable level and adopted advanced benchmark in fees reduction. The Company remarkably accomplished all tasks of the first half of 2017 with improvements, laying a solid foundation for realisation of "a year of comprehensive progression".

## (I) REVIEW OF BUSINESSES

1. Continuously strengthening production safety management and control. The Company always adheres to the fundamental position of safety production and maintains a high-tension safety management. The Company insists on controlling minor matters to prevent the occurrence of material matters, regarding attempts as realised matters, giving zero tolerance to potential safety hazards, strictly holding accountability and upgrading evaluation of safety issues. The Company has thoroughly implemented standardised team building, persistently strengthened the safety awareness and techniques of all employees, and fulfilled the power preservation tasks in "Two Festivals", "Two Sessions" and the "Belt and Road Initiative" summit forums. The Company spared no efforts on managing competition of large generating units, promoting positive economic operation of generating units through competition, and improving the technical level of personnel. Eight 600MW generating units won awards, representing an increase of four awards over the Corresponding Period Last Year. Nine 300MW generating units won awards, representing an increase of five awards over the Corresponding Period Last Year. Six generating units from enterprises such as Tuoketuo Power Generation Company, Wushashan Power Generation Company, Panshan Power Generation Company and Zhangjiakou Power Plant won awards in the national reliability units appraisal. As part of our continuous efforts to promote technological innovation, the Company obtained 12 innovation patents in total and 120 new utility model patents in the first half of 2017.



## Management Discussion and Analysis

2. Benchmark upgrading achieved significant results. Firstly, the Company strived to increase power generation. Targeting on the benchmark, the Company strengthened regional benchmark and same-type benchmark and strived to seize all efficient market power. The Company actively participated in market power competition, strengthened the marketing system, and continued to improve the market competitiveness. During the reporting period, power generation of the Company accumulated to 90.5765 billion kWh, representing a year-on-year increase of approximately 10.52%. Secondly, the Company controlled the coal price with all endeavours. By strengthening the coordination and synergy among specialised departments, the Company innovated fuel management model and grasped the favourable opportunities in the coal market to reduce fuel cost through the procurement of fuels, optimisation of inventories and enhancement of coal blending and mixed burning. Thirdly, the Company strengthened overall expenses control. The Company strengthened the comprehensiveness and rigidity of budget to strictly control the expenses of all items.
3. Consecutive breakthroughs achieved in optimised development. The Company commenced the scrolling revision work for the “13th Five-Year Plan”, actively promoted the implementation of key projects, and pursued the most favourable path for transformation and upgrading. The development of Hainan project realised breakthrough in obtaining the development right of 6.7MW distributed photovoltaic power project in Lingshui Fuli Ocean Park. During the reporting period, installed capacity of the Company was 2,756.5MW, among which two 660,000KW power generating units in Tuoketuo Power Plant (Phase V) successfully commenced operation, becoming the largest thermal power plant in the world. Three 650,000KW power generating units in Changheba Hydropower Station commenced production, becoming the largest hydropower station in service of the Company.
4. Steady advancement in capital operation. The Company optimised the structure of property rights, revitalised existing assets and realised preservation and appreciation of assets. During the reporting period, the Company has completed equity transfer of 2.31% equity interest in China Continent Property & Casualty Insurance Company Ltd. and 100% equity interest in Chongqing Yuneng Yangzi Electricity Company Limited, and the revenue from such transfers amounted to approximately RMB238 million and RMB21.52 million, respectively, while the recovered capital amounted to approximately RMB408 million and RMB23.68 million, respectively. The Company has completed the reply on the first round of feedback from the China Securities Regulatory Commission (the “CSRC”) on the non-public issuance of A shares and H shares of the Company.



5. Firm progression of the Party building work. The Company fully utilised its political advantage as a central enterprise and integrated the strengthening of Party leadership with the enhancement of corporate governance. The Company has also clarified the statutory position of Party Organisation in the corporate governance structure by including the general requirements of the Party building work for state-owned enterprises into the articles of association in accordance with the requirements of the Organisation Department of the CPC Central Committee and the Party Committee of SASAC of the State Council. Relevant issues were considered and approved by the Board and at the second extraordinary general meeting for the year 2017 of the Company.

## (II) MAJOR FINANCIAL INDICATORS AND ANALYSIS

### 1. Operating Revenue

During the Period, the Group realised an operating revenue of approximately RMB30,048 million, representing an increase of approximately 2.91% over the Corresponding Period Last Year, among which revenue from electricity sales was approximately RMB27,130 million, representing an increase of approximately RMB2,068 million or approximately 8.25% over the Corresponding Period Last Year. The increase in electricity sales revenue was mainly due to the increase in demand for on-grid electricity which caused the operating revenue to increase by approximately RMB2,588 million.

### 2. Operating Costs

During the Period, total operating costs of the Group amounted to approximately RMB26,255 million, representing an increase of approximately RMB3,878 million or approximately 17.33% over the Corresponding Period Last Year. Among which, fuel cost accounted for approximately 58.58% of the operating costs, and depreciation cost accounted for approximately 20.98%. Since the unit price of standard coal for power generation increased by approximately RMB224.71/tonne over the Corresponding Period Last Year, the fuel costs increased by approximately RMB4,442 million.



## Management Discussion and Analysis

### 3. Net Finance Costs

During the Period, finance costs of the Group amounted to approximately RMB2,860 million, representing a decrease of approximately RMB866 million and approximately 23.25% over the Corresponding Period Last Year. The year-on-year decrease in finance costs was mainly due to reduction of liability scale arising from equity transfer of the coal-to-chemical and the related projects and effective reduction of the scale of interest-bearing liabilities and consolidated financing costs through adjusting liability structure and obtaining preferential interest rate.

### 4. Profit and Net Profit

During the Period, total profit before tax of the Group amounted to approximately RMB1,795 million, representing a decrease of approximately 48.54% over the Corresponding Period Last Year. Among which, the power generation segment recorded an accumulated profit of approximately RMB1,409 million, representing a decrease of approximately 77.01% over the Corresponding Period Last Year. During the Period, net profit attributable to equity holders of the Company amounted to approximately RMB1,092 million, representing a decrease of approximately 36.11% over the Corresponding Period Last Year.

### 5. Financial Position

As at 30 June 2017, total assets of the Group amounted to approximately RMB232,053 million, representing a decrease of approximately RMB1,412 million as compared to the end of 2016. The decrease in total assets was primarily attributable to the decrease in property, plant and equipment.

Total liabilities of the Group amounted to approximately RMB172,203 million, representing a decrease of approximately RMB2,433 million over the end of 2016.

Equity attributable to equity holders of the Company amounted to approximately RMB41,050 million, representing an increase of approximately RMB1,066 million over the end of 2016. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB3.08, representing an increase of approximately RMB0.08 per share over the end of 2016.



### 6. Liquidity

As at 30 June 2017, the assets-to-liabilities ratio of the Group was approximately 74.21%. The net debt-to-equity ratio (i.e. (loans + long-term bonds – cash and cash equivalents) / total equity) was approximately 224.41%.

As at 30 June 2017, cash and cash equivalents of the Group amounted to approximately RMB4,710 million, among which deposits equivalent to approximately RMB168 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Period.

As at 30 June 2017, short-term borrowings of the Group amounted to approximately RMB24,043 million, bearing annual interest rates ranging from 2.35% to 4.35%. Long-term borrowings (excluding those repayable within one year) amounted to approximately RMB91,352 million and long-term borrowings repayable within one year amounted to approximately RMB8,188 million. Long-term borrowings (including those repayable within one year) were at annual interest rates ranging from 1.35% to 4.90%.

Borrowings equivalent to approximately RMB945 million were denominated in US dollar. The Group pays close attention to foreign exchange market fluctuations and cautiously assesses risks.

### 7. Welfare Policy

As at 30 June 2017, the number of staff of the Company totalled 18,400. The Company has adopted the basic salary system focusing on the basis of position-points salary distribution and a variety of incentive mechanisms so as to implement policies such as providing allowance for employees who work in remote and underdeveloped areas and allowance for team leaders.

The Company is concerned about training of its staff. The Company relies on a three-tier management structure and implements an all-staff training scheme for various levels. During the Period, the Company has implemented 13 training programmes with 16 sessions in total, training 3,935 person-times. The Company also attended 25 training programmes with 38 sessions held by the group company, and trained 1,970 person-times. The Company completed the assessment on professional technique qualifications for the year 2016 for 1,522 employees, and organised and participated in the BRICS Skills Development and Technology Innovation Competition – International Welding Competition (the 5<sup>th</sup> Arc Cup), and won the second-class award in the competition. The Company organised and participated in the Youth Enterprise Trainer Competition of China Datang Corporation and was awarded the champion and the first runner-up, and organised four Safety Production Personnel Safety Production Knowledge Examinations of the Company.





## Management Discussion and Analysis

### (III) OUTLOOK FOR THE SECOND HALF OF 2017

In the second half of 2017, the Company will encounter more complicated situation with arduous tasks. The Company will adhere to benchmark upgrading and top-quality guidance, ensure safety production, strengthen the increase in power generation and cost reduction and control, promote optimisation of development, and strive to achieve all targets and tasks in realising “a year of comprehensive progression”.

1. Committed to maintain safety production. The Company insists on maintaining safety production as the precondition and basis of all work, and further implemented the concept of “overall safety” as well as adhered to the upgrading and assessment of safety production so as to effectively consolidate the foundation of safety production. The Company will continue to promote the overall improvement of production management, maintain the A grade power generation units in terms of reliability throughout the country and national generating unit competition so as to create the efficient benchmarking for outstanding generating units throughout the country. Performing favourable political undertakings, the Company shall ensure the perfect power maintenance work during the 19<sup>th</sup> National Congress, strengthen capability of emergency response, and continue to advance technological innovation.
2. Committed to increase power generation. The Company motivated the initiatives in increasing power generation of accountable entities in all levels, continued to seize benchmark as the supporting point, spared no effort to achieve plans for basic numbers and occupation of power in the market, optimised power marketing system construction and talent team building, actively developed power market, optimised market response mechanism, strengthened overall planning and coordination, focused on power replacement, power transformation and power optimising adjustment.
3. Committed to cost control. Optimising fuel procurement strategy, the Company strengthened the procurement of high-quality coal with long-term agreements, actively expanded the source of coal in low-price market, practically implemented depth coal blending and mixed burning, and made use of “one policy for one plant” to optimise coal blending and mixed burning scheme in order to ensure the enhancement of efficiency. Persisting in the “austere life” concept, insisting on effectiveness of dedicate management, establishing scientific benchmark analysis, benchmark notification and benchmark evaluation mechanism, the Company genuinely realised cost reduction in the entire procedure in earlier stage, infrastructure, production and management, strengthened the bid for regulatory management, and reduced material procurement cost.



4. Committed to promote development. Insisting on the primary task of development, the Company optimised and adjusted thermal power structure, accelerated the development of non-hydro renewable energy, and steadily expanded the international market. Strengthening development of projects and controlling the process of key construction projects, the Company endeavoured to create exquisite projects with “low cost, short construction period, good quality and high efficiency”. The Company strengthened the coordination of approval on directed increase of issuance of shares of the Company and optimised the issuance scheme, so as to ensure the smooth implementation of the directed increase of issuance of shares of the Company.



# Share Capital and Dividends

## 1. SHARE CAPITAL

As at 30 June 2017, the total share capital of the Company amounted to 13,310,037,578 shares, divided into 13,310,037,578 shares of a nominal value of RMB1 each.

## 2. SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

To the best knowledge of the directors of the Company, the persons below held the interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") as at 30 June 2017:

Name of Shareholder	Class of Shares	Number of shares held	Approximate percentage to total issued share capital of the Company (%)	Approximate percentage to total issued A shares of the Company (%)	Approximate percentage to total issued H shares of the Company (%)
<i>CDC (Note 1)</i>	A shares	4,138,977,414	31.10	41.41	/
	A shares	8,738,600	0.07	0.09	/
	H shares	480,680,000 (L)	3.61 (L)	/	14.50 (L)
<i>Tianjin Jinneng Investment Company (Note 2)</i>	A shares	1,296,012,600	9.74	12.97	/
<i>Hebei Construction Investment Group Co., Ltd. (Note 3)</i>	A shares	1,280,872,927	9.62	12.82	/
<i>Beijing Energy Investment Group Company Limited (Note 4)</i>	A shares	1,260,988,672	9.47	12.62	/

(L) = Long Position (S) = Short Position (P) = Lending Pool

### Notes:

- As of 30 June 2017, CDC and its subsidiaries held a total of 4,628,396,014 issued shares of the Company, representing approximately 34.77% of the Company's total issued shares. Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan, all being non-executive Directors, are currently employees of CDC.
- Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Company.
- Mr. Cao Xin and Mr. Zhao Xianguo, both non-executive Directors, are currently employees of Hebei Construction Investment Group Co., Ltd..
- Mr. Liu Haixia and Ms. Guan Tiangang, both non-executive Directors, are currently employees of Beijing Energy Holding Co., Ltd..



### 3. DIVIDENDS

The Board does not recommend the payment of any interim dividend for 2017.

### 4. SHAREHOLDING OF THE DIRECTORS AND SUPERVISORS

As of 30 June 2017, none of the directors, supervisors and chief executives of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in the SFO) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 of the SFO or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").





## Significant Events

1. Upon approval of the Board, Mr. Duan Zhongmin and Mr. Ying Xuejun started serving as deputy general managers of the Company from 6 January 2017. The above-mentioned appointment of senior management by the Company followed relevant procedures, and was in compliance with relevant requirements of the Hong Kong Stock Exchange. Save as disclosed above, the Company is not aware of other changes in the directors' information which is required to be disclosed pursuant to Rule 13.51(B) of the Listing Rules.
2. On 31 March 2017, the Company convened the general meeting and class general meeting to consider and approve the proposal for the non-public issuance of A shares and H shares. On 13 April 2017 and 18 April 2017, the CSRC published the acceptance notices for the application materials of H shares and A shares, respectively. The CSRC issued the first round of feedback on the proposal for the non-public issuance of H shares and A shares, respectively, on which the Company completed the replies on 15 June 2017.

3. Pledge of Assets

As of 30 June 2017, assets with a carrying amount of RMB9,187,405 thousand (2016: RMB9,477,947 thousand) of the Group were used for long-term borrowings pledge and collateral, among which the carrying amount for the pledge of property, plant and equipment was RMB3,684,550 thousand (2016: RMB3,917,013 thousand); the carrying amount for the pledge of electricity tariff collection rights was RMB4,481,442 thousand (2016: RMB4,505,663 thousand); the carrying amount of other pledges was RMB1,021,413 thousand (2016: RMB1,055,271 thousand).

As of 30 June 2017, restricted deposits of the Group with a carrying amount of RMB12,321 thousand (2016: RMB68,484 thousand) were primarily used for bankers acceptance and letter of credit deposits.

4. Other Events

Save as disclosed in this report, the Group did not hold any significant investment during the Period nor did it conduct any material acquisition or disposal of subsidiaries.

## Purchase, Sale and Redemption of the Company's Listed Securities



During the Period, the Group did not purchase, sell or redeem any of its listed securities.



## Compliance with the Code on Corporate Governance Practices

To the knowledge of the Board, the Company complied with all the code provisions under the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules for the Period, with the exception of the following:

During the Period, the legal action (if any) which the directors of the Company may face is covered in the internal risk management and control of the Company, and therefore insurance arrangements for directors have not been made.

During the Period, the nomination committee, the remuneration and appraisal committee, the audit committee and the strategic development and risk control committee set up by the Company carried out their work in accordance with their respective terms of reference. Their terms of reference have covered the responsibilities required to be performed by the code provisions A.5.2, B.1.2 and C.3.3 of the Code. Only differences in expressions or sequence exist between such terms of reference and the aforesaid code provisions.

# Compliance with the Model Code



The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions of the directors. Upon specific enquiries made to all the directors and in accordance with the information provided, the Board confirmed that all directors have complied with the Model Code as set out in Appendix 10 to the Listing Rules during the Period.

## PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of directors, as of 30 June 2017 and as of the date of this Report, the Company confirmed that it had sufficient public float, which was in compliance with the requirements of the Listing Rules.





## Audit Committee

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The Audit Committee has reviewed the accounting standards adopted by the Group with the management of the Company. They have also discussed matters regarding internal control and the financial statements, including the review of the financial information for the Period.

The Audit Committee considers that the financial report of the Group for the first half of 2017 has complied with the applicable accounting standards, and that the Group has made adequate disclosures thereof.

By order of the Board  
**Chen Jinhang**  
*Chairman*

Beijing, the PRC, 15 August 2017

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Loss

For the six months ended 30 June 2017



	Note	Six months ended 30 June	
		2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Operating revenue	4	30,047,916	29,198,539
<b>Operating costs</b>			
Fuel for power and heat generation		(15,371,879)	(8,836,603)
Fuel for coal sales		(7,425)	(154,227)
Depreciation		(5,509,563)	(6,372,036)
Repairs and maintenance		(523,459)	(686,116)
Salaries and staff welfare		(1,512,634)	(1,633,328)
Local government surcharges		(504,338)	(297,748)
Others		(2,825,578)	(4,396,592)
<b>Total operating costs</b>		<b>(26,254,876)</b>	<b>(22,376,650)</b>
<b>Operating profit</b>		<b>3,793,040</b>	<b>6,821,889</b>
Shares of profits of associates		612,966	99,974
Shares of (losses)/profits of joint ventures		(38,822)	180,072
Investment income		5,061	86,299
Other gains		259,938	–
Interest income		22,563	25,589
Finance costs	6	(2,859,649)	(3,725,733)
<b>Profit before tax</b>		<b>1,795,097</b>	<b>3,488,090</b>
Income tax expense	7	(460,131)	(1,436,411)
<b>Profit for the period</b>	8	<b>1,334,966</b>	<b>2,051,679</b>



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Loss

For the six months ended 30 June 2017

	Note	Six months ended 30 June	
		2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
<b>Other comprehensive loss:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Fair value gain/(loss) on available-for-sale financial assets		14,939	(43,997)
Share of other comprehensive loss of associates		(37,132)	(19,479)
Exchange differences on translating foreign operations		(4,381)	922
Income tax on items that may be reclassified to profit or loss		93	191
<b>Other comprehensive loss for the period, net of tax</b>		<b>(26,481)</b>	<b>(62,363)</b>
<b>Total comprehensive income for the period</b>		<b>1,308,485</b>	<b>1,989,316</b>
<b>Profit for the period attributable to:</b>			
Owners of the Company		1,092,019	1,709,340
Non-controlling interests		242,947	342,339
		<b>1,334,966</b>	<b>2,051,679</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		1,065,538	1,646,977
Non-controlling interests		242,947	342,339
		<b>1,308,485</b>	<b>1,989,316</b>
		<b>RMB</b>	<b>RMB</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings per share</b>			
Basic and diluted	10	0.0820	0.1284

# Condensed Consolidated Statement of Financial Position

At 30 June 2017



	<i>Note</i>	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	180,616,415	182,921,995
Investment properties		515,256	549,727
Intangible assets		1,980,111	1,988,652
Development costs		11	21
Investments in associates		14,214,519	8,562,286
Investments in joint ventures		964,619	6,629,938
Available-for-sale financial assets		4,832,696	4,991,091
Long-term entrusted loans to an associate		30,477	25,188
Deferred tax assets		3,556,165	3,420,216
Other non-current assets		3,988,255	4,181,389
<b>Total non-current assets</b>		<b>210,698,524</b>	<b>213,270,503</b>
<b>Current assets</b>			
Inventories		2,709,809	2,766,573
Accounts and notes receivables	12	8,917,827	8,003,721
Prepayments and other receivables		4,439,961	4,416,631
Tax recoverable		388,472	367,970
Current portion of long-term entrusted loans to an associate		100,000	100,000
Current portion of other non-current assets		75,687	11,656
Cash and cash equivalents and restricted deposits		4,722,296	4,528,367
<b>Total current assets</b>		<b>21,354,052</b>	<b>20,194,918</b>
<b>TOTAL ASSETS</b>		<b>232,052,576</b>	<b>233,465,421</b>





## Condensed Consolidated Statement of Financial Position

At 30 June 2017

	<i>Note</i>	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to owners of the Company			
Share capital	13	13,310,038	13,310,038
Reserves		22,121,213	31,160,431
Retained earnings/(accumulated losses)		5,618,608	(4,486,148)
		<b>41,049,859</b>	39,984,321
Non-controlling interests		18,799,341	18,844,672
<b>Total equity</b>		<b>59,849,200</b>	58,828,993
<b>Non-current liabilities</b>			
Long-term loans		91,351,963	90,166,116
Long-term bonds		15,435,369	15,426,755
Deferred income		1,691,852	1,783,656
Deferred tax liabilities		558,019	563,261
Other non-current liabilities		8,393,875	9,331,062
<b>Total non-current liabilities</b>		<b>117,431,078</b>	117,270,850
<b>Current liabilities</b>			
Accounts payables and accrued liabilities	14	18,338,119	20,396,471
Taxes payables		782,266	887,815
Dividends payables		649,460	633,461
Short-term loans		24,043,379	11,010,175
Short-term bonds		–	14,182,902
Current portion of non-current liabilities		10,959,074	10,254,754
<b>Total current liabilities</b>		<b>54,772,298</b>	57,365,578
<b>Total liabilities</b>		<b>172,203,376</b>	174,636,428
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>232,052,576</b>	233,465,421
<b>NET CURRENT LIABILITIES</b>		<b>(33,418,246)</b>	(37,170,660)

Approved by the Board of Directors on 15 August 2017:

Wang Xin

Ying Xuejun

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017



	Attributable to owners of the Company																						
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Restricted reserve	Foreign currency translation reserve	Available-for-sale financial assets revaluation reserve	Other reserves	Retained earnings	Total	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	RMB'000
													(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 January 2016	13,310,038	9,910,838	4,992,897	13,291,203	89,610	53,294	68,454	914,357	2,666,792	45,297,483	18,286,856	63,584,339											
Total comprehensive income for the period	-	-	-	-	-	922	(63,285)	-	1,709,340	1,646,977	342,339	1,989,316											
Capital injections from non-controlling interests	-	-	-	-	-	-	-	-	-	-	230,580	230,580											
Others	-	-	-	-	-	-	-	218	-	218	322	540											
Transfer to restricted reserve	-	-	-	-	7,262	-	-	-	(7,262)	-	-	-											
Transfer to surplus reserve	-	-	-	2,213,673	-	-	-	-	(2,213,673)	-	-	-											
Dividends paid	-	-	-	-	-	-	-	-	(2,262,706)	(2,262,706)	(1,869,115)	(4,131,821)											
Changes in equity for the period	-	-	-	2,213,673	7,262	922	(63,285)	218	(2,774,301)	(615,511)	(1,295,874)	(1,911,385)											
At 30 June 2016	13,310,038	9,910,838	4,992,897	15,504,876	96,872	54,216	5,169	914,575	(107,509)	44,681,972	16,990,982	61,672,954											
At 1 January 2017	13,310,038	9,910,838	4,992,897	15,504,876	12,290	47,523	49,256	642,751	(4,486,148)	39,984,321	18,844,672	58,828,993											
Total comprehensive income for the period	-	-	-	-	-	(4,381)	(22,100)	-	1,092,019	1,065,538	242,947	1,308,485											
Capital injections from non-controlling interests	-	-	-	-	-	-	-	-	-	-	218,090	218,090											
Transfer to restricted reserve	-	-	-	-	2,428	-	-	-	(2,428)	-	-	-											
Transfer from surplus reserve	-	-	-	(9,015,165)	-	-	-	-	9,015,165	-	-	-											
Dividends paid	-	-	-	-	-	-	-	-	-	-	(506,368)	(506,368)											
Changes in equity for the period	-	-	-	(9,015,165)	2,428	(4,381)	(22,100)	-	10,104,756	1,065,538	(45,331)	1,020,207											
At 30 June 2017	13,310,038	9,910,838	4,992,897	6,489,711	14,718	43,142	27,156	642,751	5,618,608	41,049,859	18,799,341	59,849,200											



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	8,013,958	12,243,246
Interest received	22,563	25,589
Income tax paid	(687,929)	(1,543,534)
Net cash generated from operating activities	7,348,592	10,725,301
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(4,359,645)	(5,568,339)
Additions to intangible assets	(663)	–
Investment in an associate	(27,000)	(8,400)
Investment in a joint venture	(13,000)	–
Investment in available-for-sale financial assets	(3,000)	–
Proceeds from disposals of property, plant and equipment	–	285,739
Disposals of subsidiaries	23,641	–
Proceeds from disposals of available-for-sale financial assets	408,350	–
Dividends received	613,116	410,310
Others	21,660	(102,285)
Net cash used in investing activities	(3,336,541)	(4,982,975)

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017



	Six months ended 30 June	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (audited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital injections from non-controlling interests	218,090	230,580
Drawdown of loans	36,762,269	36,407,343
Issuance of short-term bonds	–	13,000,000
Proceeds from sale and finance leaseback transactions	247,263	1,560,024
Repayment of loans	(22,446,719)	(36,373,917)
Repayment of short-term bonds	(14,000,000)	(14,900,000)
Repayment of finance lease payables	(1,154,876)	(2,138,856)
Interest paid	(3,458,222)	(4,969,513)
Dividends paid to non-controlling interests	(61,495)	(262,639)
Others	89,622	(22,525)
Net cash used in financing activities	(3,804,068)	(7,469,503)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	207,983	(1,727,177)
Effect of foreign exchange rate changes	1,122	(7,037)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	4,500,684	5,199,317
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	4,709,789	3,465,103



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

## 1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

At 30 June 2017, a significant portion of the funding requirements of the Company and its subsidiaries (collectively referred to as the “Group”) for capital expenditures was satisfied by short-term borrowings. Consequently, at 30 June 2017, the Group had net current liabilities of approximately RMB33.42 billion. The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB285.27 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The Directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these condensed consolidated financial statements on a going concern basis.

These condensed consolidated financial statements should be read in conjunction with the 2016 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2016.

These condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s functional and presentation currency, and all values are rounded to the nearest thousand (“RMB’000”), unless otherwise stated.

## 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not have any significant effect on the condensed consolidated financial statements.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017



## 3. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### Disclosures of level in fair value hierarchy at 30 June 2017:

Description	Fair value measurements using Level 1:	
	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
<b>Recurring fair value measurements:</b>		
Available-for-sale financial assets		
Listed securities in Hong Kong	214,322	205,624



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

### 4. OPERATING REVENUE

An analysis of the Group's operating revenue for the period is as follows:

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Sales of electricity	27,130,370	25,062,406
Heat supply	1,119,244	988,158
Sales of coal	8,063	77,583
Sales of chemical products	–	1,498,604
Others	1,790,239	1,571,788
	<b>30,047,916</b>	<b>29,198,539</b>

### 5. SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the "Senior Management") perform the function as chief operating decision makers. The Senior Management reviews the internal reporting of the Group in order to assess performance and allocate resources. Senior Management has determined the operating segments based on these reports.

Senior Management considers the business from a product perspective. Senior Management primarily assesses the performance of power generation and coal separately. Other operating activities primarily include sales of coal ash and aluminium smelting products, etc., and are included in "other segments".

Senior Management assesses the performance of the operating segments based on a measure of profit before tax prepared under China Accounting Standards for Business Enterprises ("PRC GAAP").

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017



## 5. SEGMENT INFORMATION (Continued)

Segment profits or losses do not include dividend income from available-for-sale financial assets, gain or loss on disposals of available-for-sale financial assets and income tax expense. Segment assets do not include available-for-sale financial assets and deferred tax assets. Segment liabilities do not include current and deferred tax liabilities. Sales between operating segments are marked to market or contracted close to market price and have been eliminated at consolidation level. Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

	Power generation segment <i>RMB'000</i> (unaudited)	Coal segment <i>RMB'000</i> (unaudited)	Chemical segment <i>RMB'000</i> (unaudited)	Other segments <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
<b>Six months ended 30 June 2017</b>					
Revenue from external customers	28,473,053	8,063	–	1,566,800	30,047,916
Intersegment revenue	275,587	10,643,448	–	43,846	10,962,881
Segment profit/(loss)	1,409,378	284,316	–	(131,726)	1,561,968
<b>At 30 June 2017</b>					
Segment assets	210,536,516	10,884,830	–	12,415,158	233,836,504
Segment liabilities	167,556,106	5,068,230	–	8,762,537	181,386,873
<b>Six months ended 30 June 2016</b>					
Revenue from external customers	26,222,942	80,215	1,501,591	1,393,791	29,198,539
Intersegment revenue	351,968	5,132,952	2,343	24,962	5,512,225
Segment profit/(loss)	6,129,682	(335,957)	(2,238,069)	(92,899)	3,462,757
	(audited)	(audited)	(audited)	(audited)	(audited)
<b>At 31 December 2016</b>					
Segment assets	211,023,241	10,195,784	–	12,588,493	233,807,518
Segment liabilities	169,094,036	4,669,594	–	8,759,322	182,522,952





# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

## 5. SEGMENT INFORMATION (Continued)

	Six months ended 30 June	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (unaudited)
<b>Reconciliation of segment profit or loss:</b>		
Total profit or loss of reportable segments	1,561,968	3,462,757
Dividend income from available-for-sale financial assets	–	83,379
Gain on disposals of available-for-sale financial assets	238,257	–
Elimination of intersegment profits	(18,019)	(77,132)
IFRS adjustment on amortisation of monetary housing benefits	–	(1,708)
IFRS adjustment on reversal of general provision on mining funds	12,891	20,794
Consolidated profit before tax	1,795,097	3,488,090

	Six months ended 30 June	
	2017 <i>RMB'000</i> (unaudited)	2016 <i>RMB'000</i> (unaudited)
<b>Revenue from major customers:</b>		
<b>Power generation segment</b>		
North China Branch of State Grid Corporation of China	4,699,307	6,757,005
State Grid Beijing Electric Power Company	3,224,934	1,524,854
State Grid Jibei Electric Power Company	2,658,977	2,382,716
State Grid Zhejiang Electric Power Company	2,572,435	2,655,455
Guangdong Power Grid Corporation	2,516,760	2,099,499
State Grid Jiangsu Electric Power Company	2,050,922	1,936,133

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017



## 6. FINANCE COSTS

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Interest expense	3,457,216	4,834,304
Less: amount capitalised in property, plant and equipment	(602,368)	(1,199,398)
	2,854,848	3,634,906
Exchange (gain)/loss, net	(1,065)	10,275
Others	5,866	80,552
	2,859,649	3,725,733

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Current tax	601,229	1,481,223
Deferred tax	(141,098)	(44,812)
	460,131	1,436,411

Income tax is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expense items, which are not assessable or deductible for income tax purposes.

The applicable People's Republic of China ("PRC") Enterprise Income Tax rate of the Company and its subsidiaries is 25% (six months ended 30 June 2016: 25%). Certain subsidiaries located in western region in the PRC enjoyed PRC Enterprise Income Tax rate of 15% before 2021 (six months ended 30 June 2016: 2021) when such income tax rate has changed to 25% thereafter.

In addition, certain subsidiaries are exempted from the PRC Enterprise Income Tax for two years starting from the first year of commercial operation followed by a 50% exemption of the applicable tax rate for the next three years.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

### 8. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after (crediting)/charging the following:

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest income	(22,563)	(25,589)
Dividend income	–	(83,379)
Amortisation of intangible assets	9,787	24,746
Amortisation of deferred housing benefits	–	1,708
Depreciation	5,509,563	6,372,036
Directors' emoluments	1,734	1,927
Gain on disposals of subsidiaries	21,681	–
Gain on disposals of available-for-sale financial assets	238,257	–

### 9. DIVIDENDS

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Final dividend for the year ended 31 December 2016 (six months ended 30 June 2016: 31 December 2015) approved and paid – nil (six months ended 30 June 2016: RMB0.17) per share	–	2,262,706

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017



## 10. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of RMB1,092,019 thousand (unaudited) (six months ended 30 June 2016: RMB1,709,340 thousand (unaudited)) and the weighted average number of ordinary shares of 13,310,038 thousand (unaudited) (six months ended 30 June 2016: 13,310,038 thousand (unaudited)) in issue during the period.

### Diluted earnings per share

During the six months ended 30 June 2017 and 2016, the Company did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share is equal to basic earnings per share.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired property, plant and equipment of RMB3,468,504 thousand (unaudited) (six months ended 30 June 2016: RMB5,589,931 thousand (unaudited)).

## 12. ACCOUNTS AND NOTES RECEIVABLES

The Group usually grants credit period of approximately one month to local power grid customers and coal purchase customers from the month end after sales and sale transactions made, respectively. The ageing analysis of the accounts and notes receivables is as follows:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Within one year	8,389,497	7,474,919
Between one to two years	125,129	134,428
Between two to three years	14,680	227,320
Over three years	388,521	167,054
	<b>8,917,827</b>	<b>8,003,721</b>



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

### 13. SHARE CAPITAL

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Registered, issued and fully paid:		
9,994,360,000 (At 31 December 2016: 9,994,360,000) A shares of RMB1 each	9,994,360	9,994,360
3,315,677,578 (At 31 December 2016: 3,315,677,578) H shares of RMB1 each	3,315,678	3,315,678
	<b>13,310,038</b>	<b>13,310,038</b>

### 14. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Accounts and notes payables	6,071,034	7,256,752
Other payables and accrued liabilities	12,267,085	13,139,719
	<b>18,338,119</b>	<b>20,396,471</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017



## 14. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES (Continued)

The ageing analysis of the accounts and notes payables is as follows:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Within one year	5,211,691	6,586,715
Between one to two years	435,956	273,194
Between two to three years	145,017	190,362
Over three years	278,370	206,481
	<b>6,071,034</b>	<b>7,256,752</b>

## 15. DISPOSAL OF A SUBSIDIARY

Pursuant to an agreement dated 5 June 2017 entered into between a subsidiary of the Company, Yuneng (Group) Company Limited and independent third parties, Yuneng (Group) Company Limited disposed of 100% interest in a wholly-owned subsidiary, Chongqing Yuneng Yangzi Power Company Limited for a total cash consideration of RMB23,681 thousand, resulting in a gain on disposal of RMB21,523 thousand.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

## 16. RELATED PARTY TRANSACTIONS

- (a) Significant transactions with China Datang Corporation ("China Datang") which is the ultimate parent of the Company and its subsidiaries other than the Group (collectively referred to as "China Datang Group") and associates and joint ventures of the Group and their respective subsidiaries

	Six months ended 30 June	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
<b>China Datang Group</b>		
Purchases of fuel	134,733	10,284
Purchases of materials and equipment	240,940	408,196
Operating lease expenses for buildings and facilities	697	10,629
Receipt of repairs and maintenance services	10,377	9,892
Receipt of capital injection to subsidiaries	195,990	203,740
Payment of capital injection to an associate	–	8,400
Receipt of desulfurisation and denitrification services	580,798	440,816
Receipt of material management services	2,268	–
Receipt of property management services	1,279	3,451
Provision of technical support services	527	–
Provision of project management and repairs and maintenance services	12,985	25,729
Provision of denitrification services	8,217	–
Receipt of technical support services	5,495	9,972
Sales of desulfurisation materials	26,193	73,919
Sales of desulfurisation and denitrification assets	–	13,670
Receipt of construction services	4,556	–
Receipt of construction consulting services	7,182	1,744
Alternative power generation income	32,541	43,297
Interest expense on loans	19,119	14,858
Rental income	1,089	1,045
Provision of property management services	–	336
Sales of fuel	–	506
Receipt of finance lease services	256,000	425,000
<b>Associates of the Group</b>		
Interest expense on loans	93,310	138,139
Interest income on deposits	22,283	18,592
Receipt of technical support services	–	5,491
Receipt of finance lease services	26,129	200,000
Provision of technical support services	160	–
Drawdown of loans	3,731,700	6,248,000
Interest income on entrusted loans	4,990	2,920
Purchases of properties	–	30,482
<b>A joint venture of the Group</b>		
Purchases of fuel	–	137,501

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017



## 16. RELATED PARTY TRANSACTIONS (Continued)

- (b) Financial guarantees and financing facilities with China Datang Group and associates and joint ventures of the Group

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
<b>China Datang Group</b>		
Long-term loans of the Group guaranteed by China Datang	3,050,726	3,099,990
Long-term bonds of the Group guaranteed by China Datang ( <i>Note</i> )	12,000,000	12,000,000
Long-term loans of associates of China Datang guaranteed by the Company	14,030,000	14,106,000
<b>Associates of the Group</b>		
Long-term loans of associates guaranteed by the Company	986,893	1,020,080
Integrated credit facilities provided by an associate	24,000,000	24,000,000
<b>Joint ventures of the Group</b>		
Long-term loans of joint ventures guaranteed by the Company	113,190	139,405
Short-term loan of a joint venture guaranteed by the Company	75,000	75,000

*Note:*

Of which 65.29% (2016: 65.29%) of RMB3 billion (2016: RMB3 billion) long-term bonds were counter-guaranteed by the Company.





## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

### 16. RELATED PARTY TRANSACTIONS (Continued)

#### (c) Significant transactions with government-related entities

Government-related entities, other than entities under China Datang which is a state-owned enterprise and its subsidiaries, directly or indirectly controlled by the Central People's Government of the PRC ("Government-Related Entities") are also regarded as related parties of the Group.

For the purpose of the related party transactions disclosure, the Group has established procedures for determination, to the extent possible, of the identification of the ownership structure of its customers and suppliers as to whether they are Government-Related Entities to ensure the adequacy of disclosure for all material related party transactions given that many Government-Related Entities have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs.

During the six months ended 30 June 2017 and 2016, the Group sold substantially all of its electricity to local government-related power grid companies. Please refer the details of information of power generation revenue to major power grid companies to note 5 to the condensed consolidated financial statements. The Group maintained most of its bank deposits in government-related financial institutions while lenders of most of the Group's loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

During the six months ended 30 June 2017 and 2016, other collectively significant transactions with Government-Related Entities also included purchases of fuel and property, plant and equipment.

#### (d) Compensation to key management personnel of the Group

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Basic salaries and allowances	1,614	2,159
Bonus	1,974	3,795
Other benefits	405	630
	3,993	6,584

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017



## 17. FINANCIAL GUARANTEES

At the end of the reporting period, the Group has provided financial guarantees for loan facilities granted to the following parties:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Associates	986,893	1,020,080
Joint ventures	188,190	214,405
Associates of China Datang	14,030,000	14,106,000
	<b>15,205,083</b>	<b>15,340,485</b>

Based on historical experience, no claims have been made against the Group since the date of granting of the above financial guarantees.

## 18. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Property, plant and equipment	18,438,071	12,553,338
Share of capital commitments of joint ventures	364,760	51,404
	<b>18,802,831</b>	<b>12,604,742</b>



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

### 19. LEASE COMMITMENTS

At 30 June 2017 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Within one year	28,586	34,448
In the second to fifth years inclusive	23,596	16,276
After five years	9,000	10,800
	<b>61,182</b>	<b>61,524</b>

### 20. NEW AND REVISED IFRSs IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted. The Group has not early adopted any new or amended standards that has been issued but is not yet effective.

### 21. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 15 August 2017.

# Differences between Financial Statements

For the six months ended 30 June 2017



The condensed consolidated financial statements which are prepared by the Group in conformity with International Financial Reporting Standards (“IFRS”) differ in certain respects from China Accounting Standards for Business Enterprises (“PRC GAAP”). Major differences between IFRS and PRC GAAP (“GAAP Differences”), which affect the net assets and net profit of the Group, are summarised as follows:

	<i>Note</i>	Net assets	
		At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Net assets attributable to owners of the Company under IFRS		41,049,859	39,984,321
Impact of IFRS adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	106,466	106,466
Difference in accounting treatment on mining funds	(b)	(321,110)	(322,845)
Applicable deferred tax impact of the above GAAP Differences		(17,975)	(18,841)
Non-controlling interests' impact of the above GAAP Differences after tax		(30,910)	(30,651)
Net assets attributable to owners of the Company under PRC GAAP		40,786,330	39,718,450

	<i>Note</i>	Net profit	
		Six months ended 30 June <i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Profit for the period attributable to owners of the Company under IFRS		1,092,019	1,709,340
Impact of IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits		–	1,708
Difference in accounting treatment on mining funds	(b)	(12,891)	(20,794)
Applicable deferred tax impact of the above GAAP Differences		866	2,843
Non-controlling interests' impact of the above GAAP Differences after tax		780	590
Net profit for the period attributable to owners of the Company under PRC GAAP		1,080,774	1,693,687



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*Notes:*

**(a) Difference in the commencement of depreciation of property, plant and equipment**

This represents the depreciation difference arose from the different timing of the start of depreciation charge in previous years.

**(b) Difference in accounting treatment on mining funds**

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRS, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to restricted reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of future development and work safety expenses whereas restricted reserve is offset against retained earnings to the extent of zero.