



華電國際電力股份有限公司

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED \*

Stock Code: 1071

# Interim Report 2017



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\* For identification purposes only

The board of directors (the "**Board**") of Huadian Power International Corporation Limited\* (the "**Company**") hereby announces the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2017 (the "**Period**") prepared in accordance with the International Accounting Standards 34 "Interim Financial Reporting". The Group's interim financial report for the Period is unaudited, but has been reviewed by Deloitte Touche Tohmatsu, the auditor of the Company, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The unmodified review report addressed by the auditor to the Board is set out on page 25. The audit committee of the Company has also reviewed the 2017 interim report and the relevant financial information of the Group.

## BUSINESS REVIEW

During the Period, the turnover of the Group amounted to approximately RMB36,423 million, representing an increase of approximately 24.00% over the corresponding period in 2016; the loss attributable to equity shareholders of the Company for the Period amounted to approximately RMB181 million, representing a decrease of approximately 107.32% over the corresponding period in 2016; the basic loss per share was approximately RMB0.018; the net asset value per share (excluding non-controlling interests) amounted to approximately RMB4.29.

## INTERIM DIVIDEND

The Board did not recommend declaring any interim dividends for the Period.

## MAJOR ASSETS

The Group is one of the largest comprehensive energy companies in the People's Republic of China (the "**PRC**"), primarily engaged in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects. The Group's power generating assets are located in 14 provinces, autonomous regions and municipalities across the PRC, mainly in the electricity and heat load centres or regions with abundant coal resources. As at the date of this report, the Group had 61 controlled power plants which have commenced operations involving a total of 48,498.9 MW controlled installed capacity, with 38,540 MW attributable to coal-fired generating units, 4,426.5 MW attributable to gas-fired generating units and 5,532.4 MW attributable to renewable energy generating units such as hydropower, wind power and solar power generating units.

## MAJOR ASSETS (CONTINUED)

Details of the Group's major power generating assets which have commenced operations as at the date of this report are as follows:

### 1) Details of controlled coal- or gas-fired generating units are as follows:

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
1	Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
2	Shiliquan Plant	2,060	100%	1 x 660 MW + 1 x 600 MW + 2 x 330 MW + 1 x 140 MW
3	Laicheng Plant	1,200	100%	4 x 300 MW
4	Shuozhou Thermal Power Branch	700	100%	2 x 350 MW
5	Huadian Zouxian Power Generation Company Limited ("Zouxian Company")	2,000	69%	2 x 1,000 MW
6	Huadian Laizhou Power Generation Company Limited ("Laizhou Company")	2,000	75%	2 x 1,000 MW
7	Huadian Weifang Power Generation Company Limited ("Weifang Company")	2,000	45%	2 x 670 MW + 2 x 330 MW
8	Huadian Qingdao Power Generation Company Limited ("Qingdao Company")	1,220	55%	1 x 320 MW + 3 x 300 MW
9	Huadian Zibo Thermal Power Company Limited ("Zibo Company")	950	100%	2 x 330 MW + 2 x 145 MW
10	Huadian Zhangqiu Power Generation Company Limited ("Zhangqiu Company")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW

## MAJOR ASSETS (CONTINUED)

### 1) Details of controlled coal- or gas-fired generating units are as follows: (Continued)

		Installed capacity (MW)	Equity interest held by the Company	Generating units
11	Huadian Tengzhou Xinyuan Thermal Power Company Limited (" <b>Tengzhou Company</b> ")	930	93.257%	2 x 315 MW + 2 x 150 MW
12	Hudian Longkou Power Generation Company Limited (" <b>Longkou Company</b> ")	880	84.31%	4 x 220 MW
13	Huadian Ningxia Lingwu Power Generation Company Limited (" <b>Lingwu Company</b> ")	3,320	65%	2 x 1,060 MW + 2 x 600 MW
14	Sichuan Guang'an Power Generation Company Limited (" <b>Guang'an Company</b> ")	2,400	80%	2 x 600 MW + 4 x 300 MW
15	Huadian Xinxiang Power Generation Company Limited (" <b>Xinxiang Company</b> ")	1,320	90%	2 x 660 MW
16	Huadian Luohe Power Generation Company Limited (" <b>Luohe Company</b> ")	660	75%	2 x 330 MW
17	Huadian Qudong Power Generation Company Limited (" <b>Qudong Company</b> ")	660	90%	2 x 330 MW
18	Anhui Huadian Suzhou Power Generation Company Limited (" <b>Suzhou Company</b> ")	1,260	97%	2 x 630 MW
19	Anhui Huadian Wuhu Power Generation Company Limited (" <b>Wuhu Company</b> ")	1,320	65%	2 x 660 MW
20	Anhui Huadian Lu'an Power Generation Company Limited (" <b>Lu'an Company</b> ")	1,320	95%	2 x 660 MW
21	Hangzhou Huadian Banshan Power Generation Company Limited (" <b>Hangzhou Banshan Company</b> ")	2,415	64%	3 x 415 MW + 3 x 390 MW

## MAJOR ASSETS (CONTINUED)

### 1) Details of controlled coal- or gas-fired generating units are as follows: (Continued)

Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
22 Hangzhou Huadian Xiasha Thermal Power Company Limited (" <b>Xiasha Company</b> ")	246	56%	1 x 88 MW + 2 x 79 MW
23 Hangzhou Huadian Jiangdong Thermal Power Company Limited (" <b>Jiangdong Company</b> ")	960.5	70%	2 x 480.25 MW
24 Huadian Zhejiang Longyou Thermal Power Company Limited (" <b>Longyou Company</b> ")	405	100%	2 x 127.6 MW + 1 x 130.3 MW + 1 x 19.5 MW
25 Hebei Huadian Shijiazhuang Thermal Power Company Limited (" <b>Shijiazhuang Thermal Power Company</b> ")	475	82%	2 x 200 MW + 3 x 25 MW
26 Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited (" <b>Yuhua Company</b> ")	600	100%	2 x 300 MW
27 Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited (" <b>Luhua Company</b> ")	660	90%	2 x 330 MW
28 Hebei Huarui Energy Group Corporation Limited (" <b>Huarui Company</b> ") (Note 1)	1,584.6	100%	-
29 Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) (" <b>Pingshi Power Company</b> ")	725	100%	2 x 300 MW + 1 x 125 MW
30 Tianjin Huadian Fuyuan Thermal Power Company Limited (" <b>Fuyuan Thermal Power Company</b> ")	400	100%	2 x 200 MW



## MAJOR ASSETS (CONTINUED)

### 1) Details of controlled coal- or gas-fired generating units are as follows: (Continued)

Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
31 Huadian Hubei Power Generation Company Limited ("Hubei Company") (Note 2)	5,330	82.56%	2 x 680 MW + 2 x 640 MW + 6 x 330 MW + 1 x 300 MW + 1 x 200 MW + 40 x 2 MW + 30 MW + 100 MW
32 Fengjie Plant	1,200	100%	2 x 600 MW

Note 1: As at the date of this report, the Company's interest in the installed capacity of Huarui Company amounted to 1,584.6 MW. The installed capacity of wind power of Hebei Huadian Yuzhou Wind Power Company Limited ("**Yuzhou Wind Power Company**"), a wholly-owned subsidiary of Huarui Company, amounted to 99 MW.

## MAJOR ASSETS (CONTINUED)

### 1) Details of controlled coal- or gas-fired generating units are as follows: (Continued)

Note 2: Details of the installed generating units of Hubei Company are as follows:

Name of power plant/company	Installed capacity (MW)	Shareholding percentage of Hubei company	Generating units
Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Plant ("Huangshi Thermal Power Plant")	530	100%	1 x 330 MW + 1 x 200 MW
Hubei Xisaishan Power Generation Company Limited ("Xisaishan Company")	660	50%	2 x 330 MW
Hubei Huadian Xisaishan Power Generation Company Limited ("Huadian Xisaishan Company")	1,360	50%	2 x 680 MW
Hubei Huadian Xiangyang Power Generation Company Limited ("Xiangyang Company")	2,570	60.10%	2 x 640 MW + 3 x 330 MW + 1 x 300 MW
Hubei Huadian Wuxue New Energy Company Limited ("Wuxue New Energy Company")	80	100%	40 x 2 MW
Hubei Huadian Suixian Yindian Photovoltaic Power Generation Company Limited ("Suixian Photovoltaic Power Generation Company")	30	100%	30 MW
Hubei Huadian Zaoyang Photovoltaic Power Generation Company Limited ("Zaoyang Photovoltaic Power Generation Company")	100	100%	100 MW

## MAJOR ASSETS (CONTINUED)

### 2) Details of controlled renewable energy generating units are as follows:

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
1	Sichuan Huadian Luding Hydropower Company Limited (" <b>Luding Hydropower Company</b> ")	920	100%	4 x 230 MW
2	Sichuan Huadian Za-gunao Hydroelectric Development Company Limited (" <b>Za-gunao Hydroelectric Company</b> ")	591	64%	3 x 65 MW + 3 x 56 MW + 3 x 46 MW + 3 x 30 MW
3	Lixian Xinghe Power Company Limited (" <b>Lixian Company</b> ")	67	100%	4 x 8.5 MW + 3 x 11 MW
4	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited (" <b>Shuiluohe Company</b> ")	324	57%	3 x 70 MW + 3 x 38 MW
5	Hebei Huadian Complex Pumping-storage Hydropower Company Limited (" <b>Hebei Hydropower Company</b> ")	57	100%	1 x 16 MW + 2 x 15 MW + 1 x 11 MW
6	Inner Mongolia Huadian Mengdong Energy Company Limited (" <b>Mengdong Energy Company</b> ")	399	100%	262 x 1.5 MW + 2 x 3 MW
7	Huadian Kezuozhongqi Wind Power Company Limited (" <b>Kezuozhongqi Wind Power Company</b> ")	49.5	100%	33 x 1.5 MW
8	Huadian Power International Ningxia New Energy Power Company Limited (" <b>Ningxia New Energy Company</b> ")	1,311.5	100%	147 x 2 MW + 665 x 1.5 MW + 20 MW
9	Hebei Huadian Guyuan Wind Power Company Limited (" <b>Guyuan Wind Power Company</b> ")	290.5	100%	167 x 1.5 MW + 40 MW
10	Hebei Huadian Kangbao Wind Power Company Limited (" <b>Kangbao Wind Power Company</b> ")	129	100%	48 x 2 MW + 2 x 1.5 MW + 30 MW



## MAJOR ASSETS (CONTINUED)

### 2) Details of controlled renewable energy generating units are as follows: (Continued)

Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
11 State Development Zhangjiakou Wind Power Company Limited (" <b>Zhangjiakou Wind Power Company</b> ")	201	100%	134 x 1.5 MW
12 Huadian Laizhou Wind Power Company Limited (" <b>Laizhou Wind Power Company</b> ")	40.5	55%	27 x 1.5 MW
13 Huadian Laizhou Wind Power Generation Company Limited (" <b>Laizhou Wind Company</b> ")	48	100%	24 x 2 MW
14 Huadian Laizhou Wind Energy Power Company Limited (" <b>Laizhou Wind Energy Company</b> ")	99.6	55%	48 x 2 MW + 2 x 1.8 MW
15 Huadian Changyi Wind Power Company Limited (" <b>Changyi Wind Power Company</b> ")	97.5	100%	24 x 2 MW + 33 x 1.5 MW
16 Huadian Zibo Wind Power Company Limited (" <b>Zibo Wind Power Company</b> ")	48	100%	24 x 2 MW
17 Huadian Longkou Wind Power Company Limited (" <b>Longkou Wind Power Company</b> ")	99.3	65%	23 x 1.5 MW + 6 x 2.5 MW + 24 x 2 MW + 1 x 1.8 MW
18 Huadian Zaozhuang New Energy Power Generation Company Limited (" <b>Zaozhuang New Energy Company</b> ")	50	100%	25 x 2 MW
19 Huadian Feicheng New Energy Power Generation Company Limited (" <b>Feicheng New Energy Company</b> ")	149.7	100%	72 x 2 MW + 3 x 1.9 MW
20 Huadian Laixi New Energy Power Generation Company Limited (" <b>Laixi New Energy Company</b> ")	49.8	100%	24 x 2 MW + 1 x 1.8 MW

## MAJOR ASSETS (CONTINUED)

### 2) Details of controlled renewable energy generating units are as follows: (Continued)

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
21	Longkou Dongyi Wind Power Company Limited ("Longkou Dongyi Wind Power Company")	30	100%	20 x 1.5 MW
22	Huadian Yiyuan New Energy Power Generation Company Limited ("Yiyuan New Energy Company")	48	100%	24 x 2 MW
23	Huadian Xuwen Wind Power Company Limited ("Xuwen Wind Power Company")	49.5	100%	24 x 2 MW + 1 x 1.5 MW
24	Huadian Ningxia Ningdong Shangde Solar Power Company Limited ("Shangde Solar Company")	10	60%	10 MW
25	Huadian Zhangqiu New Energy Power Generation Company Limited ("Zhangqiu New Energy Company")	10	100%	10 MW
26	Huadian Zhangjiakou Saibei New Energy Power Generation Company Limited ("Zhangjiakou Saibei New Energy Company")	4	100%	4 MW
27	Huadian Ningbo New Energy Power Generation Company Limited ("Ningbo New Energy Company")	10	100%	10 MW
28	Zhejiang Huzhou New Energy Power Generation Company Limited ("Huzhou New Energy Company")	15	100%	15 MW
29	Huadian Suzhou Biomass Energy Power Generation Company Limited ("Suzhou Biomass Energy Company")	25	78%	2 x 12.5 MW

## ADDITIONAL INSTALLED CAPACITY

From 1 January 2017 up to the date of this report, the details of the Group's newly-installed power generating units are set out as follows:

<b>Projects</b>	<b>Category</b>	<b>Capacity (MW)</b>
Shiliquan Plant	Coal-fired	660
Zhangjiakou Wind Power Company	Wind Power	100.5
Longkou Wind Power Company	Wind Power	49.8
Changyi Wind Power Company	Wind Power	48
Ningxia New Energy Company	Wind Power	49.5
Yiyuan New Energy Company	Wind Power	48
Wuxue New Energy Company	Wind Power	26
Feicheng New Energy Company	Wind Power	49.9
Guyuan Wind Power Company	Photovoltaic Power	20
Huzhou New Energy Company	Photovoltaic Power	15
Zaoyang Photovoltaic Power Generation Company	Photovoltaic Power	70
Ningbo New Energy Company	Photovoltaic Power	10
<b>Total</b>		<b>1,146.7</b>



## PROJECTS APPROVED, FILED AND UNDER CONSTRUCTION

As at the date of this report, the Group's major generating units which have been approved, filed and under construction are as follows:

<b>Type of generating units</b>	<b>Planned installed capacity (MW)</b>
Coal-fired generating units	8,744
Gas-fired generating units	5,118.8
Hydropower generating units	492
Wind power generating units	2,137.1
Photovoltaic power generating units	886
<b>Total</b>	<b>17,377.9</b>

The Company will manage the construction of its projects and the pace of their operation in accordance with the national and local energy policies, the conditions of the power market and the Company's overall strategy.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (1) Macroeconomic conditions and electricity demand

According to the relevant information and statistics, in the first half of 2017, the gross domestic product of the PRC amounted to RMB38,149.0 billion, representing an increase of 6.9% over the corresponding period in 2016 based on comparable prices. Power consumption of the entire society in the PRC totaled 2,950.8 million MWh, representing an increase of 6.3% over the corresponding period in 2016, with a year-on-year increase of approximately 3.6 percentage points in the growth rate. Specifically, consumption by the primary industry represented a year-on-year increase of 7.2%, consumption by the secondary industry represented a year-on-year increase of 6.1% and consumption by the tertiary industry represented a year-on-year increase of 9.3%, while the household consumption by urban and rural residents represented a year-on-year increase of 4.5%.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (2) Power generation

During the Period, the power generated by the Group amounted to approximately 88.57 million MWh, representing an increase of approximately 2.33% over the corresponding period in 2016; the on-grid power sold amounted to approximately 82.83 million MWh, representing an increase of approximately 2.29% over the corresponding period in 2016. Such increases in the power generated and on-grid power sold were mainly attributable to the power contribution from the newly-added generating units of the Group. The average utilization hours of the generating units were 1,862 hours, among which the average utilization hours of coal-fired generating units were 2,095 hours and the coal consumption for power supply was 298.65 g/KWh that was remarkably lower than the national average.

### (3) Turnover and profit

The turnover of the Group for the Period amounted to approximately RMB36,423 million, representing an increase of approximately 24.00% over the corresponding period in 2016, mainly due to the increases in the revenue generated from the sale of coal. The revenue generated from the sale of electricity of the Group amounted to approximately RMB28,138 million, representing an increase of approximately 5.19% over the corresponding period in 2016. The revenue generated from the sale of heat amounted to approximately RMB2,245 million, representing an increase of approximately 17.89% over the corresponding period in 2016. The revenue generated from the sale of coal amounted to approximately RMB6,040 million, representing an increase of approximately 739.31% over the corresponding period in 2016, which was primarily due to the increase in the trading volume and the significant increase in the purchase price of coal.

The Group's operating profit for the Period amounted to approximately RMB1,769 million, representing a decrease of approximately 72.92% over the corresponding period in 2016. The loss attributable to equity shareholders of the Company for the Period amounted to approximately RMB181 million, representing a decrease of approximately 107.32% over the corresponding period in 2016. The basic loss per share was approximately RMB0.018. Such loss was mainly due to the significant increase in the purchase price of coal.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (4) Major operating expenses

Fuel cost is the major operating expense of the Group. Fuel cost of the Group for the Period amounted to approximately RMB18,530 million, representing an increase of approximately 65.91% over the corresponding period in 2016. This was mainly due to the significant increase in the purchase price of coal.

During the Period, the cost of coal sold of the Group amounted to approximately RMB5,821 million, representing an increase of approximately 767.14% over the corresponding period in 2016. This was mainly due to the increase in the trading volume and the significant increase in the purchase price of coal.

During the Period, the depreciation and amortization expenses of the Group amounted to approximately RMB5,262 million, representing an increase of approximately 1.19% over the corresponding period in 2016. This was mainly due to the commencement of operation of new generating units and the assets transferred from technical reforms.

During the Period, the repairs, maintenance and inspection costs of the Group amounted to approximately RMB1,235 million, representing a decrease of approximately 29.38% over the corresponding period in 2016. This was mainly due to the optimized time for repairing generating units and stricter cost control.

During the Period, the staff costs of the Group amounted to approximately RMB2,104 million, representing a decrease of approximately 10.45% over the corresponding period in 2016. This was mainly due to the control on remuneration payment of some affiliated entities .

During the Period, the administration expenses of the Group amounted to approximately RMB736 million, representing a decrease of approximately 19.02% over the corresponding period in 2016. This was mainly due to the adjustments of real estate tax and other expenses from administrative expenses to tax and surcharges according to relevant requirements of the Ministry of Finance of the PRC, and the Group's stricter cost control.

During the Period, tax and surcharges of the Group amounted to approximately RMB446 million, representing an increase of approximately 11.97% over the corresponding period in 2016. This was mainly due to the adjustments of real estate tax and other expenses from administrative expenses to tax and surcharges according to relevant requirements of the Ministry of Finance of the PRC.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (4) Major operating expenses (Continued)

During the Period, other operating expenses of the Group amounted to approximately RMB520 million, representing an increase of approximately 31.21% over the corresponding period in 2016. This was mainly due to the increase in heat purchase charges as a result of the expanded heat supply market.

### (5) Other revenue and net income

During the Period, the other revenue and net income of the Group amounted to approximately RMB299 million, representing a decrease of approximately 29.10% over the corresponding period in 2016. This was mainly due to the decrease in government grants.

### (6) Finance costs

During the Period, finance costs of the Group amounted to approximately RMB2,466 million, representing a decrease of approximately 2.16% over the corresponding period in 2016. This was mainly due to the decrease in the rate of capital cost as a result of stronger management implemented by the Group.

### (7) Share of results of associates and joint ventures

During the Period, the share of results of associates and joint ventures of the Group amounted to approximately RMB329 million, representing an increase of approximately 307.99% over the corresponding period in 2016. This was mainly due to the increase in the income of coal mining enterprises invested by the Group.

### (8) Income tax

Income tax of the Group for the Period amounted to approximately RMB155 million, representing a decrease of approximately 86.34% over the corresponding period in 2016. This was mainly due to the decrease in the Group's profit.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (9) Pledge and mortgage of assets

As at 30 June 2017, the Company and its subsidiaries have pledged their income stream in respect of the sale of electricity to secure loans amounting to approximately RMB20,156 million.

As at 30 June 2017, some subsidiaries of the Company have mortgaged their generating units and relevant equipment, land use rights and mining rights to secure loans amounting to RMB3,506 million.

### (10) Indebtedness

As at 30 June 2017, the total borrowings of the Group amounted to approximately RMB98,842 million, of which borrowings denominated in US dollars and Euro amounted to approximately US\$64 million and approximately EUR15 million, respectively. The liabilities to assets ratio was approximately 73.29%, representing an increase of 0.68 percentage points compared to the end of 2016. Borrowings of the Group were mainly made at floating rates. In addition, the closing balance of super short-term debentures payable, medium-term notes payable (including the portion due within one year), debt financing instruments issued through non-public offering to target subscribers (including the portion due within one year) and obligations payable under finance lease amounted to approximately RMB3,561 million, RMB10,049 million, RMB6,993 million and RMB3,065 million, respectively.

### (11) Contingent liabilities

As at 30 June 2017, Guang'an Company, a subsidiary of the Group, provided guarantees to banks for loans amounting to approximately RMB43.65 million which were granted to Sichuan Huayingshan Longtan Coal Company Limited.

### (12) Cash and cash equivalents

As at 30 June 2017, the Group had cash and cash equivalents of approximately RMB6,302 million.

Save as disclosed herein, information with respect to the Group's other matters as set out in paragraph 32 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") (The Stock Exchange of Hong Kong Limited is referred as the "**Hong Kong Stock Exchange**") has not changed materially from that included in the Company's 2016 annual report.

## BUSINESS OUTLOOK

Though the stable foundation of China's economy is and will be enhanced at present and in the upcoming period, the operation of the Group still faces a relatively complicated and grim landscape. Firstly, in terms of the power market, the newly installed capacity across the PRC is expected to grow faster than the power demand in 2017, threatening to exacerbate the overcapacity. Besides, as the reform of power system advances, the market trading scale will be further expanded with increasingly diversified trading methods, which will result in fiercer competitions in the power market. Secondly, the coal production will be released in a relatively stable manner, as the government facilitates the release of high quality capacity in the context of deepening the reduction of excessive coal capacity and as environmental protection and safety concerns create constraints. At the same time, consumption of thermal coal will grow in a slower manner. As such, supply and demand on the coal market will be balanced on the whole, which will alleviate the pressure of lingering high coal price partially. Thirdly, in terms of the capital market, China implements a proactive and effective fiscal policy as well as a prudent and moderate monetary policy. With a tendency to seek the signal of "stability", the monetary policy will strike a balance between the loose and the tight sides, which may squeeze the capital source of the Company.

With a strategic vision as well as scientific and pragmatic attitudes, the Group will grasp the developing trends of the macro economy and the energy industry accurately and cope with difficulties and challenges actively with the following emphases. Firstly, the Group will spare no effort to control power market risks by a number of measures. Specifically, it will actively take part in the power system reforms, proactively conduct research on the supply and demand on power market and enhance marketing management. Moreover, it will call for better linkage between the coal and electricity industries through communication with the relevant government authorities. Secondly, the Group will vigorously control the cost of fuel procurement. It will track the dynamics between supply and demand on both domestic and overseas coal markets, ramp up centralized procurement, adjust the procurement strategies for thermal coal from time to time, keep optimizing the channels of coal procurement, and step up fuel refinement management such as practicing blending and combustion. Thirdly, the Group will prevent debt risks. It will monitor the changes of capital market closely and expand new financing channels earnestly. It will also impose strict restriction on capital cost on the condition that its capital demand is duly satisfied and lower the liabilities to assets ratio of the Company. Fourthly, the Group will uphold management innovation. Focusing closely on the market, it will improve management by vigorously enhancing the adaptability of its management structure, management mode and management procedures in face of the changing situations. Fifthly, the Group will adhere to the principle of strengthening the enterprise by recruiting talents. It will build up a stronger management team, reinforce talent development and training, and introduce innovative incentive schemes for talents. In addition, it will transform the strength in the talents into advantages in production, operation, development and market competition. These efforts will help create good returns for shareholders of the Company continuously.

## SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS

### (1) Amendment to the Articles of Association of the Company

In order to adapt to the business needs of the Company, paragraph 2 of Article 11 of the Articles of Association of the Company has been revised to read as “The Company’s scope of business includes construction, operation and management of power plants and businesses related to power generation, technological service and information consultation relating to the power business, sale, purchase and service of power and thermal products, design and construction of electric power engineering, and operation of power distribution networks.” The amendment has been considered and approved at the 2016 annual general meeting of the Company which was held on 30 June 2017 (the **“2016 AGM”**).

For details, please refer to the announcements of the Company dated 28 March 2017 and 30 June 2017, as well as the circular of the Company dated 9 June 2017.

### (2) Renewal of the Finance Lease Framework Agreement (the **“Finance Lease Framework Agreement”**) with Huadian Financial Leasing Company Limited (**“Huadian Financial Leasing”**) and Further Amendments

On 28 March 2017, the Company renewed the Finance Lease Framework Agreement with Huadian Financial Leasing, pursuant to which Huadian Financial Leasing agreed to provide finance lease services to the Group subject to the terms and conditions provided therein. These services included direct lease services and sale and leaseback services. In respect of each finance lease, the relevant member(s) of the Group and Huadian Financial Leasing agreed to enter into separate implementation contract(s). The aggregate finance amount outstanding from time to time in respect of all finance leases will not exceed RMB1.25 billion.

On 10 May 2017, the Company increased the cap of aggregate finance amount outstanding from time to time in respect of all finance leases to RMB6.0 billion, and revised the contractual period to a period from 1 July 2017 to 30 June 2020. The revisions have been approved by the shareholders at the 2016 AGM. Huadian Financial Leasing is a subsidiary of China Huadian Corporation (**“China Huadian”**), the controlling shareholder of the Company and thus a connected person of the Company. Therefore, the continuing transactions under the Finance Lease Framework Agreement constituted continuing connected transactions of the Company.

For details, please refer to the announcements of the Company dated 28 March 2017, 10 May 2017, and 30 June 2017, as well as the circular of the Company dated 9 June 2017.

## SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS (CONTINUED)

### (3) Capital Increase in Huadian Group Beijing Fuel Logistics Co., Ltd.\* (“Beijing Fuel Logistics”)

On 13 April 2017, Beijing Fuel Logistics held a shareholders' meeting which resolved to increase the registered capital of Beijing Fuel Logistics to RMB1 billion with relevant contributions to be made by China Huadian and the Company in cash phase by phase. Upon completion of the capital increase, China Huadian will contribute a total of RMB90 million, accounting for 9% of the registered capital of Beijing Fuel Logistics; while the Company will contribute a total of RMB910 million, accounting for 91% of registered capital of Beijing Fuel Logistics.

For details, please refer to the announcement of the Company dated 13 April 2017.

### (4) Capital Increase in Huadian Jinsha River Upstream Hydropower Development Co., Ltd.\* (“Huadian Jinsha River”)

On 13 June 2017, the Company entered into a capital increase agreement (the “**Capital Increase Agreement**”) with Huadian Jinsha River. Immediately after the capital increase, the registered capital of Huadian Jinsha River will be increased from RMB1.1 billion to RMB3 billion, which will be funded entirely by capital contributions by the existing shareholders of Huadian Jinsha River on a pro-rata basis and will be completed on or before 31 December 2020. The Company will contribute an amount of RMB380 million in cash and pay up the outstanding unpaid capital contribution of RMB4.2 million to Huadian Jinsha River, both on a pro-rata basis, totaling RMB384.2 million. Upon completion of the capital increase, the equity interests held by the Company in the then enlarged registered capital of Huadian Jinsha River are expected to remain as 20%. Huadian Jinsha River is a subsidiary of China Huadian, the Company's controlling shareholder, and thus a connected person of the Company. The Capital Increase Agreement and the transactions contemplated thereunder therefore constituted a connected transaction of the Company as defined under Chapter 14A of the Hong Kong Listing Rules.

For details, please refer to the announcement of the Company dated 13 June 2017.



## SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS (CONTINUED)

### (5) Re-election of Directors and Supervisors, Change of Employee Representative Supervisors and Resignation of Chief Financial officer

On 30 June 2017, the Company held the 2016 AGM, on which Mr. Zhao Jianguo, Mr. Chen Bin, Ms. Wang Yingli, Mr. Tian Hongbao, Mr. Gou Wei, Mr. Chu Yu and Mr. Zhang Ke were re-elected as directors of the eighth session of the Board; Mr. Ding Huiping, Mr. Wang Dashu, Mr. Wang Chuanshun and Mr. Zong Wenlong were re-elected as independent non-executive directors of the eighth session of the Board; Mr. Li Xiaopeng, Mr. Peng Xingyu and Mr. Zha Jianqiu were re-elected as supervisors (not representing the employees of the Company) of the eighth session of the supervisory committee of the Company (the "**Supervisory Committee**"); and the Board was authorised to determine and finalize the remuneration of the directors. The above directors will serve a term of three years commencing from the conclusion of the 2016 AGM and expiring at the conclusion of the general meeting electing the ninth session of the Board; and the above supervisors will serve a term of three years commencing from the conclusion of the 2016 AGM and expiring at the conclusion of the general meeting electing the ninth session of the Supervisory Committee (not representing the employees of the Company) to be held by the Company.

Ms. Wei Aiyun (魏愛雲) ("**Ms. Wei**"), an employee representative supervisor of the seventh session of the Supervisory Committee, ceased to act as an employee representative supervisor of the Company as she has reached the age of retirement. The employees of the Company democratically elected Mr. Ma Jing'an (馬敬安) to replace Ms. Wei as an employee representative supervisor of the eighth session of the Supervisory Committee for a term from 30 June 2017 upon conclusion of the annual general meeting to the expiry of the eighth session of the Supervisory Committee.

For details, please refer to the announcement of the Company dated 30 June 2017.

Mr. Li Zengfang (李增昉) ("**Mr. Li**") resigned as the chief financial officer of the Company with effect from 21 August 2017 due to personal work arrangements. Mr. Li confirmed that he has no disagreement with the Board and there were no matters that need to be brought to the attention of the shareholders of the Company in connection with his resignation as the chief financial officer of the Company. The Board would like to express sincere appreciation to Mr. Li for his contribution to the Company's operation and development.



## SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, each of the following persons, not being a director, supervisor, chief executive or member of the senior management of the Company, had an interest or short position as at 30 June 2017 in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or was otherwise interested in 5% or more of any class of issued share capital of the Company as at 30 June 2017, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company as at 30 June 2017:

Name of shareholder	Class of shares	Number of shares held	Equity interest as at 30 June 2017		
			Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue
China Huadian	A Shares	4,534,199,224 (L)	45.97%	55.66%	-
	H Shares	85,862,000 (L) (Note)	0.87%	-	5.00%
Shandong International Trust Co., Ltd	A Shares	800,766,729 (L)	8.12%	9.83%	-
JPMorgan Chase & Co.	H Shares	188,852,397 (L)	1.91%	-	10.99%
		2,600,000 (S)	0.03%	-	0.15%
		10,710,000 (P)	0.11%	-	0.62%
BlackRock, Inc.	H Shares	92,397,665 (L)	0.94%	-	5.38%

(L): Long position

(S): Short position

(P): Lending pool

*Note:* So far as the directors of the Company are aware or are given to understand, these 85,862,000 H shares were directly held by China Huadian Hong Kong Company Limited, a wholly-owned subsidiary of China Huadian, through CCASS in the name of HKSCC Nominees Limited.

Save as disclosed above and so far as the directors of the Company are aware, as at 30 June 2017, no other person (other than the directors, supervisors, chief executive or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

## INTERESTS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVES OR SENIOR MANAGEMENT IN THE SECURITIES

As at 30 June 2017, the interests or short positions of the directors, supervisors, chief executives or members of the senior management of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were 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 recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules adopted by the Company (the “**Model Code**”), to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Name	Position in the Company	Number of A Shares of the Company held as personal interest	Capacity in A Shares
Gou Wei	Non-executive director	10,000 ( <i>Note</i> )	Beneficial owner

*Note:* Accounted for approximately 0.0001% of the total issued A shares of the Company on 30 June 2017.

Save as disclosed above, as at 30 June 2017, none of the directors, supervisors, chief executives or members of the senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was (i) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such director, supervisor, chief executive or members of senior management of the Company was taken or deemed to have under such provisions of the SFO) or was (ii) required to be entered in the register of interests required to be kept by the Company pursuant to Section 352 of the SFO, or which was otherwise (iii) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (which for this purpose shall be deemed to apply to the supervisors of the Company to the extent as it applies to the directors of the Company).

During the Period, the Company has adopted a code of conduct regarding transactions of the directors of the Company in the Company’s securities on terms identical to those of the Model Code. Having made specific enquiries of all directors and supervisors of the Company, the Company understands that all of the directors and supervisors have complied with the required standard set out in the Model Code.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Saved as disclosed in this report, during the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued securities (“**securities**” having the meaning as ascribed thereto under paragraph 1 of Appendix 16 to the Hong Kong Listing Rules).

## DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 30 June 2017, the Group’s deposits placed with financial institutions or other parties did not include any designated or trust deposits, or any material time deposits which could not be collected by the Group upon maturity.

## MATERIAL LITIGATION

As at 30 June 2017, certain members of the Group were party to certain litigations arising from the Group’s ordinary course of business or acquisition of assets. However, the management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid cases will not have any material adverse effect on the financial position and operating results of the Group.

## AUDIT COMMITTEE

The unaudited condensed consolidated financial statements for the Period prepared under the International Accounting Standards 34 “Interim Financial Reporting” have been reviewed by the Audit Committee.

## EMPLOYEE REMUNERATION POLICY FOR THE GROUP

As at 30 June 2017, the total number of employees of the Group amounted to 27,601. The Group has consistently adhered to the relevant requirements of the PRC and taken into account its own economic situation to determine the level of compensation for each type of employees. The Group has upheld the concept of “identifying talents through performance, selecting talents through competition and awarding talents through remuneration”, in order to establish an objective, impartial, scientific and effective remuneration distribution mechanism and performance appraisal mechanism for its employees.

## CORPORATE GOVERNANCE

The Company has consistently attached great importance to corporate governance and has continuously implemented management innovation. In strict compliance with the Company Law of the PRC, the Securities Law of the PRC, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, the Hong Kong Listing Rules and relevant provisions promulgated by domestic and overseas securities regulatory institutions. The Company has improved the structure of corporate governance, enhanced the level of the Company's governance and endeavored to achieve a balanced development between the growth of the Company and the interest of its shareholders.

The codes on corporate governance practices adopted by the Company include, but not limited to, its Articles of Association, Code on Shareholders' Meetings, Code on Board Practices, Code on Supervisory Committee Practices, the Terms of Reference for the Audit Committee under the Board, the Terms of Reference for the Remuneration and Appraisal Committee under the Board, and the Terms of Reference for the Nomination Committee under the Board, etc.

The Company has established and improved the standardized operating systems of the shareholders' meetings, meetings of the board of directors and supervisory committees of the Company and its subsidiaries. The independent directors, the Audit Committee and the Supervisory Committee have actively supervised the preparation of regular reports, whereas non-executive directors and supervisors have performed their duties by carrying out annual reviews and the Supervisory Committee has further improved its supervisory duties. The Company has upheld transparency and compliance with information disclosures. Trainings regarding corporate governance and regulatory compliance were provided to the directors, supervisors and secretaries to the board of the Company and its subsidiaries. In accordance with the relevant requirements of the internal control and risk management of the Company, regular assessments were made on the internal control and risk management of the Company. In July 2017, Mr. Zhou Lianqing, secretary to the Board and company secretary to the Company, became a member of Hong Kong Institute of Chartered Secretaries.

The Group has further improved the establishment of the system in respect of the environmental, social and governance indicator system and the relevant auxiliary support in accordance with the requirement of the Hong Kong Listing Rules in the first half of the year.

## CORPORATE GOVERNANCE (CONTINUED)

The Board adheres to the principles of corporate governance in order to achieve prudent management and enhancement of shareholders' value. Transparency, accountability and independence are enshrined under these principles. The Board has reviewed the relevant requirements prescribed under the codes on corporate governance practices adopted by the Company and its actual operations, and has taken the view that the corporate governance practices of the Company during the Period have met the requirements under the code provisions in the Corporate Governance Code as contained in Appendix 14 to the Hong Kong Listing Rules. The Company has also adopted the board member diversity policy. In certain aspects, the corporate governance codes adopted by the Company are more stringent than the code provisions set out in the Corporate Governance Code, the major particulars of which are as follows:

- The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited for Directors and Supervisors and the Code on Trading in Securities of Huadian Power International Corporation Limited for Employees, which are on terms no less lenient than those set out in the Model Code.
- In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and has stipulated the Terms of Reference for the Strategic Committee.
- The Audit Committee comprises five members, including two non-executive directors and three independent non-executive directors.

By order of the Board  
**Huadian Power International Corporation Limited\***  
**Zhao Jianguo**  
*Chairman*

Beijing, the PRC  
30 August 2017

\* *For identification purposes only*



# Report on Review of Condensed Consolidated Financial Statements

# Deloitte.

# 德勤

TO THE BOARD OF DIRECTORS OF  
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Huadian Power International Corporation Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 26 to 62, which comprise the condensed consolidated statement of financial position as of 30 June 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim financial reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

30 August 2017



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

For the Six Months Ended 30 June 2017

		Six months ended 30 June	
		2017	2016
Notes		RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Turnover</b>	4	<b>36,423,499</b>	29,374,186
<b>Operating expenses</b>			
Fuel costs		<b>(18,530,363)</b>	(11,169,029)
Cost of coal sold		<b>(5,821,164)</b>	(671,307)
Depreciation and amortisation		<b>(5,261,548)</b>	(5,199,522)
Repairs, maintenance and inspection		<b>(1,235,228)</b>	(1,749,186)
Personnel costs		<b>(2,103,904)</b>	(2,349,452)
Administration expenses		<b>(736,346)</b>	(909,285)
Tax and surcharges		<b>(445,792)</b>	(398,140)
Other operating expenses		<b>(520,321)</b>	(396,564)
		<b>(34,654,666)</b>	(22,842,485)
<b>Operating profit</b>		<b>1,768,833</b>	6,531,701
Investment income/(loss)	5	<b>14,419</b>	(107,061)
Other revenue and net income		<b>298,953</b>	421,664
Interest income from bank deposits		<b>46,182</b>	58,183
Finance costs	6	<b>(2,466,304)</b>	(2,520,666)
Share of results of associates and joint ventures		<b>328,960</b>	80,629
<b>(Loss)/profit before taxation</b>	7	<b>(8,957)</b>	4,464,450
Income tax	8	<b>(155,213)</b>	(1,136,270)
<b>(Loss)/profit for the period</b>		<b>(164,170)</b>	3,328,180
<b>Other comprehensive expense for the period (net of tax):</b>	9	<b>(1,791)</b>	(22,449)
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Net fair value gain/(loss) on available-for-sale investments		<b>2,307</b>	(4,791)
Share of net fair value loss on available-for-sale investments of associates		<b>(4,098)</b>	(17,658)
<b>Total comprehensive (expense)/income for the period</b>		<b>(165,961)</b>	3,305,731

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

*For the Six Months Ended 30 June 2017*

	Notes	Six months ended 30 June	
		2017	2016
		<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
<b>(Loss)/profit for the period attributable to:</b>			
Equity shareholders of the Company		<b>(180,842)</b>	2,469,348
Non-controlling interests		<b>16,672</b>	858,832
		<b>(164,170)</b>	3,328,180
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
Equity shareholders of the Company		<b>(182,496)</b>	2,447,490
Non-controlling interests		<b>16,535</b>	858,241
		<b>(165,961)</b>	3,305,731
<b>Basic (loss)/earnings per share</b>	10	<b>RMB(0.018)</b>	RMB0.250

## Condensed Consolidated Statement of Financial Position

At 30 June 2017

	<i>Notes</i>	<b>At 30 June 2017</b>	At 31 December 2016
		<b>RMB'000 (unaudited)</b>	<b>RMB'000 (audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>142,640,854</b>	146,701,724
Construction in progress	12	<b>23,086,112</b>	22,214,934
Lease prepayments		<b>2,917,417</b>	2,902,835
Intangible assets		<b>5,972,850</b>	6,114,886
Goodwill		<b>1,432,780</b>	1,432,780
Interests in associates and joint ventures		<b>10,386,659</b>	9,411,044
Available-for-sale investments		<b>290,046</b>	281,970
Other non-current assets	13	<b>2,500,660</b>	2,673,055
Deferred tax assets		<b>285,836</b>	178,772
		<b>189,513,214</b>	191,912,000
<b>Current assets</b>			
Inventories		<b>2,976,529</b>	2,737,360
Trade debtors and bills receivable	14	<b>7,601,700</b>	7,254,884
Deposits, other receivables and prepayments	15	<b>3,840,618</b>	4,383,316
Tax recoverable		<b>208,496</b>	221,387
Restricted deposits	16	<b>231,043</b>	105,121
Lease prepayments		<b>106,726</b>	103,030
Cash and cash equivalents	17	<b>6,301,768</b>	6,358,618
		<b>21,266,880</b>	21,163,716

## Condensed Consolidated Statement of Financial Position (Continued)

*At 30 June 2017*

	<i>Notes</i>	<b>At 30 June 2017</b>	<b>At 31 December 2016</b>
		<b>RMB'000 (unaudited)</b>	<b>RMB'000 (audited)</b>
<b>Current liabilities</b>			
Bank loans		<b>32,930,401</b>	17,724,554
State loans		<b>9,938</b>	9,479
Other loans	18(a)	<b>4,305,070</b>	5,025,620
Short-term debentures payable	18(b)	<b>3,560,674</b>	19,754,377
Long-term debentures payable			
– current portion	18(c)	<b>3,493,880</b>	1,996,900
Amount due to the parent company		<b>47,622</b>	31,191
Obligations under finance leases	19	<b>797,891</b>	735,430
Trade creditors and bills payable	20	<b>16,877,178</b>	20,796,385
Other payables	21	<b>6,784,074</b>	7,899,531
Dividend payable		<b>1,317,131</b>	–
Tax payable		<b>132,185</b>	180,963
		<b>70,256,044</b>	74,154,430
<b>Net current liabilities</b>		<b>(48,989,164)</b>	(52,990,714)
<b>Total assets less current liabilities</b>		<b>140,524,050</b>	138,921,286

## Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2017

	<i>Notes</i>	<b>At 30 June 2017</b>	At 31 December 2016
		<b>RMB'000 (unaudited)</b>	<b>RMB'000 (audited)</b>
<b>Non-current liabilities</b>			
Bank loans		<b>53,801,627</b>	52,916,289
Loans from shareholders		<b>2,028,666</b>	1,778,666
State loans		<b>65,866</b>	66,214
Other loans	18(a)	<b>5,700,011</b>	4,932,920
Long-term debentures payable	18(c)	<b>13,548,774</b>	11,053,323
Obligations under finance leases	19	<b>2,266,816</b>	2,692,366
Long-term payables		<b>320,265</b>	360,135
Provisions		<b>104,879</b>	100,845
Deferred government grants		<b>1,273,235</b>	1,306,819
Deferred income		<b>2,430,677</b>	2,469,687
Deferred tax liabilities		<b>2,654,967</b>	2,849,680
Retirement benefit obligations		<b>21,933</b>	23,418
		<b>84,217,716</b>	80,550,362
<b>Net assets</b>		<b>56,306,334</b>	58,370,924
<b>Capital and reserves</b>			
Share capital		<b>9,862,977</b>	9,862,977
Reserves		<b>32,449,769</b>	33,975,340
<b>Total equity attributable to equity shareholders of the Company</b>		<b>42,312,746</b>	43,838,317
<b>Non-controlling interests</b>		<b>13,993,588</b>	14,532,607
<b>Total equity</b>		<b>56,306,334</b>	58,370,924

The condensed consolidated financial statements on pages 26 to 62 were approved and authorised for issue by the board of directors on 30 August 2017 and are signed on its behalf by:

**Chen Bin**  
*Director*

**Tian Hongbao**  
*Director*

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	Attributable to equity shareholders of the Company									
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	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
<b>Balance at 1 January 2017 (audited)</b>	9,862,977	14,878,228	3,006,351	68,089	44,726	(3,687)	15,981,633	43,838,317	14,532,607	58,370,924
(Loss)/profit for the period	-	-	-	-	-	-	(180,842)	(180,842)	16,672	(164,170)
Other comprehensive expense (Note 9)	-	-	-	-	-	(1,654)	-	(1,654)	(137)	(1,791)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(1,654)	(180,842)	(182,496)	16,535	(165,961)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	145,965	145,965
Acquisition of non-controlling interests	-	272	-	-	-	-	-	272	(7,115)	(6,843)
Loss of control of a subsidiary	-	-	12,646	-	-	-	(12,646)	-	(353,696)	(353,696)
Dividends recognised as distribution (Note 22)	-	-	-	-	-	-	(1,341,365)	(1,341,365)	-	(1,341,365)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	(340,057)	(340,057)
Appropriation of specific reserve	-	-	77,309	-	-	-	(77,309)	-	-	-
Utilisation of specific reserve	-	-	(13,571)	-	-	-	13,571	-	-	-
Others	-	(1,542)	-	-	-	-	(440)	(1,982)	(651)	(2,633)
<b>Balance at 30 June 2017 (unaudited)</b>	9,862,977	14,876,958	3,082,735	68,089	44,726	(5,341)	14,382,602	42,312,746	13,993,588	56,306,334



## Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2017

	Attributable to equity shareholders of the Company									
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	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
<b>Balance at 1 January 2016 (audited)</b>	9,862,977	14,878,477	2,555,606	68,089	44,726	24,253	16,265,061	43,699,189	14,362,950	58,062,139
Profit for the period	-	-	-	-	-	-	2,469,348	2,469,348	858,832	3,328,180
Other comprehensive expense (Note 9)	-	-	-	-	-	(21,858)	-	(21,858)	(591)	(22,449)
Total comprehensive income for the period	-	-	-	-	-	(21,858)	2,469,348	2,447,490	858,241	3,305,731
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	435,538	435,538
Appropriation of specific reserve	-	-	27,316	-	-	-	(27,316)	-	-	-
Utilisation of specific reserve	-	-	(7,359)	-	-	-	7,359	-	-	-
Dividends recognised as distribution (Note 22)	-	-	-	-	-	-	(2,958,893)	(2,958,893)	-	(2,958,893)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	(829,160)	(829,160)
Others	-	(642)	-	-	-	-	(1,589)	(2,231)	(2,240)	(4,471)
<b>Balance at 30 June 2016 (unaudited)</b>	<b>9,862,977</b>	<b>14,877,835</b>	<b>2,575,563</b>	<b>68,089</b>	<b>44,726</b>	<b>2,395</b>	<b>15,753,970</b>	<b>43,185,555</b>	<b>14,825,329</b>	<b>58,010,884</b>

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

	Notes	Six months ended 30 June	
		2017	2016
		RMB'000 (unaudited)	RMB'000 (unaudited)
Cash generated from operations		<b>3,466,813</b>	10,768,746
PRC enterprise income tax paid		<b>(387,356)</b>	(1,946,445)
Net cash generated from operating activities		<b>3,079,457</b>	8,822,301
Net cash used in investing activities	24	<b>(6,677,474)</b>	(6,373,376)
Net cash generated from/(used in) financing activities	24	<b>3,541,167</b>	(3,255,565)
Decrease in cash and cash equivalents		<b>(56,850)</b>	(806,640)
Cash and cash equivalents at 1 January		<b>6,358,618</b>	9,238,080
Cash and cash equivalents at 30 June	17	<b>6,301,768</b>	8,431,440

# Notes to the Condensed Consolidated Financial Statements

*For the Six Months Ended 30 June 2017*

## 1. GENERAL

Huadian Power International Corporation Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 28 June 1994 as a joint stock limited company.

The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in the generation and sale of electricity, heat and coal. Majority of electricity generated is supplied to the local power grid companies where the power plants are located.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”), Interim Financial Reporting as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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

## 3. PRINCIPAL ACCOUNTING POLICIES

Excepted as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards (“IFRSs”) for the preparation of the Group’s condensed consolidated financial statements.

- Amendments to IAS 7 – Disclosure Initiative
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IFRSs – Annual Improvements to IFRS Standards 2014–2016 Cycle

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. Additional disclosures relating to the reconciliation of liabilities arising from financing activities will be provided in the consolidated financial statements for the year ending 31 December 2017 in accordance with the Amendments to IAS 7.

### 4. TURNOVER

Turnover represents the sale of electricity, heat and coal. Major components of the Group's turnover are as follows:

	<b>Six months ended 30 June</b>	
	<b>2017</b>	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of electricity	<b>28,138,106</b>	26,749,921
Sale of heat	<b>2,245,451</b>	1,904,630
Sale of coal	<b>6,039,942</b>	719,635
	<b>36,423,499</b>	29,374,186

The chief operating decision makers review the Group's revenue and profit as a whole, which is determined in accordance with the Group's accounting policies, for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented in the condensed consolidated financial statements. The Group's major customers are the power grid operators in relation to the sale of electricity. The Group's assets are mainly located in the PRC.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 5. INVESTMENT INCOME/(LOSS)

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Loss on deemed disposal of part of the interest in an associate	–	(144,024)
Gain on loss of control of a subsidiary	<b>6,304</b>	–
Dividend income from available-for-sale investments	<b>926</b>	30,250
Interest income from other long-term receivables	<b>7,189</b>	6,713
	<b>14,419</b>	(107,061)

### 6. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Interest on loans and other financial liabilities	<b>2,658,395</b>	2,628,762
Less: interest capitalised	<b>(296,812)</b>	(233,126)
	<b>2,361,583</b>	2,395,636
Net foreign exchange (gain)/loss	<b>(3,257)</b>	17,878
Amortisation on unrecognised finance charges	<b>97,193</b>	94,118
Other finance costs	<b>10,785</b>	13,034
	<b>2,466,304</b>	2,520,666

The borrowing costs have been capitalised at an average rate of 4.70% per annum (six months ended 30 June 2016: 5.04% per annum) for construction in progress.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation		
– lease prepayments	<b>52,465</b>	47,270
– intangible assets	<b>90,821</b>	85,380
Depreciation of property, plant and equipment	<b>5,118,262</b>	5,066,872
Total depreciation and amortisation	<b>5,261,548</b>	5,199,522
Cost of inventories	<b>25,408,174</b>	13,386,252
Operating lease charges in respect of land and buildings	<b>116,353</b>	57,213
Government grants included in other revenue and net income	<b>(74,361)</b>	(238,942)
Research and development costs recognised as expense	<b>3,580</b>	2,610
Net (gain)/loss on disposal of property, plant and equipment	<b>(8,242)</b>	2,240
Net income from sale of materials	<b>(137,549)</b>	(101,136)



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 8. INCOME TAX

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
Charge for the PRC enterprise income tax for the period	<b>329,349</b>	1,161,764
Under provision in respect of prior years	<b>22,151</b>	9,078
	<b>351,500</b>	1,170,842
Deferred tax		
Origination and reversal of temporary differences and tax losses	<b>(196,287)</b>	(34,572)
	<b>155,213</b>	1,136,270

The charge for PRC enterprise income tax is calculated at the statutory rate of 25% (six months ended 30 June 2016: 25%) on the estimated assessable profits of the Group for the six months ended 30 June 2017 determined in accordance with relevant enterprise income tax rules and regulations, except for certain subsidiaries of the Company which are tax exempted or taxed at preferential rates of 7.5%, 12.5% or 15% (six months ended 30 June 2016: 7.5%, 12.5% or 15%).

## Notes to the Condensed Consolidated Financial Statements (Continued)

*For the Six Months Ended 30 June 2017*

### 9. OTHER COMPREHENSIVE EXPENSE

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Net increase/(decrease) in fair value on available-for-sale investments	3,076	(6,388)
Net deferred tax (charged)/credited to other comprehensive income	(769)	1,597
	2,307	(4,791)
Share of net fair value loss on available-for-sale investments of associates	(4,098)	(17,658)
Other comprehensive expense, net of income tax	(1,791)	(22,449)

### 10. (LOSS)/EARNINGS PER SHARE

#### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company for the six months ended 30 June 2017 of RMB181 million (six months ended 30 June 2016: profit of RMB2,469 million) and the 9,862,976,653 ordinary shares in issue during the period (six months ended 30 June 2016: 9,862,976,653 shares).

#### (b) Diluted earnings per share

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the six months ended 30 June 2017 and 2016.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment with an aggregate cost of RMB2,478 million (six months ended 30 June 2016: RMB3,250 million), including RMB2,462 million (six months ended 30 June 2016: RMB3,196 million) through transfer from construction in progress.

During the current interim period, the Group disposed of certain plant and machine with an aggregate carrying amount of RMB5 million (six months ended 30 June 2016: RMB176 million) for cash proceeds of RMB13 million (six months ended 30 June 2016: RMB131 million), resulting in a gain on disposal of RMB8 million (six months ended 30 June 2016: loss on disposal of RMB2 million).

### 12. CONSTRUCTION IN PROGRESS

The acquisition and transfer of items of construction in progress during the six months ended 30 June 2017 and 2016 are as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Additions	3,334,813	5,004,197
Transfer to property, plant and equipment	(2,462,101)	(3,195,553)
	<u>872,712</u>	<u>1,808,644</u>

### 13. OTHER NON-CURRENT ASSETS

	At 30 June 2017	At 31 December 2016
	RMB'000	RMB'000
Financial assets – other long-term receivables with fixed-rate and non-current feature	314,204	314,177
Deductible VAT and other tax	1,893,019	2,049,833
Deferred differences arising from sale and leaseback arrangements (Note)	391,298	406,906
	<u>2,598,521</u>	<u>2,770,916</u>
Less: impairment loss	(97,861)	(97,861)
	<u>2,500,660</u>	<u>2,673,055</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 13. OTHER NON-CURRENT ASSETS (CONTINUED)

Note:

Deferred differences arising from sale and leaseback arrangements represent the deficit of sale proceeds over the carrying amounts of the assets disposed under the sale and leaseback arrangements which resulted in finance lease. The differences are deferred and amortised as adjustments to the depreciation of the assets over their estimated useful lives.

### 14. TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Trade debtors and bills receivable for sale of electricity	6,051,371	6,468,848
Trade debtors and bills receivable for sale of heat	519,323	370,486
Trade debtors and bills receivable for sale of coal	1,283,962	668,506
	<b>7,854,656</b>	7,507,840
Less: allowance for doubtful debts	<b>(252,956)</b>	(252,956)
	<b>7,601,700</b>	7,254,884

The ageing analysis of trade debtors and bills receivable (net of allowance for doubtful debts), presented based on the invoice date, which approximated to the revenue recognition date, is as follows:

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	7,222,175	6,866,465
1 to 2 years	328,408	318,586
2 to 3 years	12,234	69,309
Over 3 years	38,883	524
	<b>7,601,700</b>	7,254,884

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 15. DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
– Dividends receivable	<b>596,308</b>	667,766
– Deposits	<b>116,567</b>	115,895
– Other receivables	<b>993,887</b>	1,096,210
	<b>1,706,762</b>	1,879,871
Less: allowance for doubtful debts ( <i>Note</i> )	<b>(143,463)</b>	(143,463)
	<b>1,563,299</b>	1,736,408
Deductible VAT	<b>1,967,954</b>	2,228,431
Prepayments	<b>252,963</b>	386,743
Others	<b>56,402</b>	31,734
	<b>3,840,618</b>	4,383,316

*Note:*

As at 30 June 2017, specific allowance for doubtful debts of the Group amounted to RMB143 million (31 December 2016: RMB143 million), including bad debt allowance on receivables on Certified Emission Reductions of RMB85 million (31 December 2016: RMB85 million).

### 16. RESTRICTED DEPOSITS

Restricted deposits mainly represent deposits at banks and a financial institution with maturity of over three months and as collateral for bills payable.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 17. CASH AND CASH EQUIVALENTS

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at bank and in hand	1,321,191	1,900,945
Cash at an other financial institution	4,980,577	4,457,673
	<b>6,301,768</b>	6,358,618

### 18. BORROWINGS

#### (a) Other loans

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Due:		
Within 1 year		
– short term other loans	3,464,000	3,308,000
– current portion of long term other loans	841,070	1,717,620
	<b>4,305,070</b>	5,025,620
After 1 year but within 2 years	927,210	1,146,010
After 2 years but within 5 years	3,772,762	2,916,726
After 5 years	1,000,039	870,184
	<b>5,700,011</b>	4,932,920
	<b>10,005,081</b>	9,958,540

Other loans are borrowed from China Huadian Finance Corporation Limited (“China Huadian Finance”), an associate of the Company, a fellow subsidiary of the Company, and other trust companies. Other loans bear interest rates ranging from 1.80% to 5.39% per annum as at 30 June 2017 (31 December 2016: 2.80% to 5.39% per annum), with maturities from 2017 to 2026 (31 December 2016: 2017 to 2026).



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 18. BORROWINGS (CONTINUED)

#### (a) Other loans (CONTINUED)

All of other loans are unsecured except for amounts totaling RMB219 million (31 December 2016: RMB232 million) in respect of certain subsidiaries, which are secured by the income stream in respect of the sale of electricity of these subsidiaries, and amounts totaling of RMB1,500 million (31 December 2016: RMB1,500 million) are secured by guarantee from China Huadian Corporation ("China Huadian").

#### (b) Short-term debentures payable

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Third tranche of super short-term debentures for the year of 2016	—	3,564,844
Fourth tranche of super short-term debentures for the year of 2016	—	3,050,143
Fifth tranche of super short-term debentures for the year of 2016	—	3,041,556
Sixth tranche of super short-term debentures for the year of 2016	—	3,528,516
Seven tranche of super short-term debentures for the year of 2016	<b>3,560,674</b>	3,505,609
First tranche of short-term debentures for the year of 2016	—	3,063,709
	<b>3,560,674</b>	19,754,377

During the current interim period, the Group repaid one tranche of short-term debentures and four tranches of super short-term debentures with a total principal amount of RMB16,000 million (six months ended 30 June 2016: repaid one tranche of short-term debentures and three tranches of super short-term debentures with a total principal amount of RMB12,000 million) at par value.

The effective interest rate of the debenture is 3.18% per annum (31 December 2016: ranging from 2.89% to 3.18% per annum) after considering the effect of issue costs.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 18. BORROWINGS (CONTINUED)

#### (c) Long-term debentures payable

On 4 May 2017, the Company issued the first tranche of medium-term notes of 2017 in the PRC interbank debenture market. These bonds were unsecured 5-year notes totalling RMB3,500 million which were issued at par value of RMB100 each and bear interest at 4.85% per annum.

On 19 May 2017, the Company issued the second tranche of medium-term notes of 2017 in the PRC interbank debenture market. These bonds were unsecured 3-year notes totalling RMB2,000 million which were issued at par value of RMB100 each and bear interest at 4.80% per annum.

During the current interim period, the Group repaid one tranche of medium term notes with principal amount of RMB1,500 million (six months ended 30 June 2016: repaid one tranche of non-public private placement bonds amounting to principal amount of RMB3,000 million) at par value.

The effective interest rates of the long-term debentures are ranged from 3.47% to 6.29% (31 December 2016: from 3.47% to 6.29%) per annum after considering the effect of issue costs.

### 19. OBLIGATIONS UNDER FINANCE LEASES

The Group had obligations under finance leases payable as follows:

	At 30 June 2017		At 31 December 2016	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	797,891	930,457	735,430	890,134
After 1 year but within 2 years	868,528	959,733	829,924	945,850
After 2 years but within 5 years	1,299,193	1,384,030	1,744,258	1,878,385
After 5 years	99,095	108,295	118,184	125,509
	<b>2,266,816</b>	<b>2,452,058</b>	2,692,366	2,949,744
	<b>3,064,707</b>	<b>3,382,515</b>	<b>3,427,796</b>	3,839,878
Less: total future interest expenses		(317,808)		(412,082)
Present value of finance lease obligations		<b>3,064,707</b>		<b>3,427,796</b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 19. OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

During the current interim period, the Group entered into one new agreement with a leasing company (Note 25(a)) to sell certain of the Group's facilities to the leasing company and leaseback the facilities for 6 years. The Group has an option to purchase these facilities at a nominal price of RMB1 at the end of the lease period.

As at 30 June 2017, the carrying amounts of the facilities held under finance lease included in property, plant and equipment amounted to RMB3,970 million (31 December 2016: RMB4,537 million).

### 20. TRADE CREDITORS AND BILLS PAYABLE

As at 30 June 2017, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<b>12,180,657</b>	16,227,976
1 to 2 years	<b>1,755,246</b>	2,353,677
Over 2 years	<b>2,941,275</b>	2,214,732
	<b>16,877,178</b>	20,796,385

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 21. OTHER PAYABLES

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities		
– Quality guarantee deposits	<b>1,427,388</b>	1,543,778
– Consideration payables on acquisitions	<b>1,010,887</b>	1,030,964
– Interest payables	<b>524,543</b>	544,831
– Wages payable	<b>234,759</b>	195,436
– Payables for installed capacity quota	<b>273,530</b>	273,530
– Payables for sewage charges	<b>52,164</b>	28,354
– Dividend payables to non-controlling interests	<b>700,088</b>	708,751
– Current portion of long-term payables (Note (i))	<b>80,758</b>	113,000
– Others (Note (ii))	<b>1,731,363</b>	1,562,141
	<b>6,035,480</b>	6,000,785
Other tax payables	<b>416,431</b>	565,606
Receipts in advance	<b>332,163</b>	1,333,140
	<b>6,784,074</b>	7,899,531

Notes:

- (i) Current portion of long-term payables mainly represents the current portion of a long-term payable to local government for mining rights.
- (ii) Others mainly include payables on service fees, rental and other miscellaneous items.
- (iii) All of the other payables of the Group are expected to be settled or recognised as income within one year or are repayable on demand.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 22. DIVIDENDS

- (a) During the current interim period, a final dividend of RMB0.136 per share in respect of the year ended 31 December 2016 (six months ended 30 June 2016: RMB0.300 per share in respect of the year ended 31 December 2015) was declared to the equity shareholders of the Company. The aggregate amount of the final dividend declared approximately amounted to RMB1,341,365,000 (six months ended 30 June 2016: approximately RMB2,958,893,000).
- (b) The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

### 23. CAPITAL COMMITMENTS

The Group had capital commitments as at 30 June 2017 and 31 December 2016 as follows:

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted for but not provided in the condensed consolidated financial statements		
– Development of power plants	<b>16,807,257</b>	18,111,899
– Improvement projects and others	<b>758,935</b>	806,215
	<b>17,566,192</b>	18,918,114



## Notes to the Condensed Consolidated Financial Statements (Continued)

*For the Six Months Ended 30 June 2017*

### 24. NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2017	2016
	<i>RMB '000</i> (unaudited)	<i>RMB '000</i> (unaudited)
<b>Investing activities</b>		
Payment for the purchase of property, plant and equipment, construction in progress and intangible assets	<b>(6,379,756)</b>	(7,119,876)
Proceeds from sale of property, plant and equipment	<b>80,010</b>	130,880
Investment in available-for-sale equity investment	<b>(5,000)</b>	–
Investment in associates and a joint venture	<b>(445,500)</b>	–
Interest received	<b>53,788</b>	58,183
Withdrawal of restricted deposits	<b>18,468</b>	369,992
Placement of restricted deposits	<b>(144,390)</b>	(152,922)
Dividends received	<b>218,937</b>	288,883
Cash received from disposal of associates	<b>4,083</b>	500
Other investing activities	<b>(78,114)</b>	50,984
Net cash used in investing activities	<b>(6,677,474)</b>	(6,373,376)
<b>Financing activities</b>		
Debentures		
– Net proceeds from debentures	<b>5,500,000</b>	18,934,750
– Repayment of debentures	<b>(17,500,000)</b>	(15,000,000)
Loans		
– Proceeds from loans	<b>35,630,887</b>	13,900,981
– Repayment of loans	<b>(18,775,716)</b>	(17,752,905)
Obligation under finance leases		
– Proceeds obtained under sale and leaseback arrangement	<b>40,000</b>	675,000
– Lease payment under sale and leaseback arrangements	<b>(251,816)</b>	(294,088)
Bills financing		
– Proceeds from bank acceptance bills discounted	<b>513,000</b>	544,314
– Repayment of bank acceptance bills	<b>(1,357,000)</b>	(616,670)
Capital injection from non-controlling interests	<b>124,790</b>	338,189
Dividends paid to equity shareholders of the Company	<b>–</b>	(2,490,580)
Dividends paid to non-controlling interests	<b>(327,545)</b>	(1,467,769)
Other financing activities	<b>(55,433)</b>	(26,787)
Net cash generated from/(used in) financing activities	<b>3,541,167</b>	(3,255,565)



# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

## 25. MATERIAL RELATED PARTY TRANSACTIONS

### (a) Transactions with shareholders, fellow subsidiaries and associates

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows:

Name of related parties	Nature of relationship
China Huadian	Parent company of the Company
China Huadian Engineering Corporation and its subsidiaries	Fellow subsidiaries of the Company
Huadian Shanxi Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Guodian Nanjing Automation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
CHD Power Plant Operation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Sichuan Power Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Materials Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Inner Mongolia Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Capital Holdings Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Advanced Training Centre	Fellow subsidiaries of the Company
Huadian Fuxin Energy Limited Company and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Electrical Construction Technical and Economic Consulting Centre	A fellow subsidiary of the Company
Huadian Shaanxi Energy Company Limited	A fellow subsidiary of the Company

## Notes to the Condensed Consolidated Financial Statements (Continued)

*For the Six Months Ended 30 June 2017*

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

Name of related parties	Nature of relationship
Huadian Trading International (Beijing) Company Limited	A fellow subsidiary of the Company
China Fortune International Trust Company Limited	A fellow subsidiary of the Company
Hubei Huadian Wuchang Thermal Power Company Limited	A fellow subsidiary of the Company
Anhui Huadian Lu'an Power Generation Company Limited	A fellow subsidiary of the Company
China Huadian Clean Energy Company Limited	A fellow subsidiary of the Company
Huadian Jiangsu Energy Limited Company	A fellow subsidiary of the Company
Hunan Huadian Changsha Power Generation Company Limited	A fellow subsidiary of the Company
China Huadian Finance	An associate of the Group
Sichuan Huayingshan Longtan Coal Company Limited ("Longtan Coal Company")	An associate of the Group
Huadian Coal Industry Group Company Limited	An associate of the Group
Ningxia Yinxing Coal Company Limited	An associate of the Group
Datang Derong Tangdian Hydropower Development Company Limited	An associate of the Group
Shanxi Huasheng Tongpei Coal Sales Company Limited	An associate of the Group
Inner Mongolia Fucheng Mining Company Limited	An associate of the Group

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

Name of related parties	Nature of relationship
Shuozhou Tong-coal Wantongyuan Coal Transportation and Sales Company Limited	An associate of the Group
CNNP CHD Hebei Nuclear Power Company Limited	An associate of the Group
Otog Front Banner Changcheng Mine Company Limited	An associate of the Group
Otog Front Banner Changcheng No. 3 Mining Company Limited	An associate of the Group
Otog Front Banner Changcheng No. 5 Mining Company Limited	An associate of the Group
Huadian Jinshajiang Upstream Hydropower Development Company Limited	An associate of the Group
Huadian Hubei Materials Company Limited	An associate of the Group
Ningxia Zhongning Power Generation Company Limited	An associate of the Group
Huadian Taiqian Photovoltaic Power Generation Company Limited	A joint venture of the Group
Beijing Huabin Investment Company Limited	A subsidiary of an associate of the Group
Beijing Huabin Property Management Company Limited	A subsidiary of an associate of the Group
Ningdong Railway Corporation Limited	A subsidiary of an associate of the Group
Yanzhou Coal Mining Company Limited. ("Yanzhou Coal") ( <i>Note</i> )	A connected person of the Group

*Note:* Yanzhou Coal is a substantial minority shareholder of a non-wholly owned subsidiary of the Company.

## Notes to the Condensed Consolidated Financial Statements (Continued)

*For the Six Months Ended 30 June 2017*

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The Group had the following material transactions with shareholders, fellow subsidiaries and associates during the six months ended 30 June 2017 and 2016:

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Sale of electricity to</i> A fellow subsidiary	–	50,000
<i>Purchase of electricity from</i> Fellow subsidiaries	<b>16,335</b>	744
<i>Sale of coal to</i> Fellow subsidiaries	<b>4,947,419</b>	4,906
An associate	<b>205,680</b>	–
<i>Purchase of coal from</i> Associates	<b>1,692,731</b>	1,468,507
Fellow subsidiaries	<b>103,768</b>	50,436
A connected person	<b>1,686,233</b>	917,296
<i>Sale of construction service and equipment to</i> Fellow subsidiaries	<b>48,808</b>	–

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Purchase of construction service and equipment from</i>		
Fellow subsidiaries	<b>1,124,332</b>	461,219
<i>Loans obtained from</i>		
China Huadian	<b>250,000</b>	700,000
An associate	<b>5,100,000</b>	2,285,000
<i>Loans repaid to</i>		
China Huadian	–	1,175,000
An associate	<b>4,522,500</b>	2,497,600
A fellow subsidiary	<b>385,000</b>	1,000
<i>Bills receivable discounted to</i>		
An associate	<b>498,000</b>	534,499
<i>Derecognised bills receivable collected by</i>		
An associate	<b>1,656,207</b>	766,973
<i>Lease payment under sales and leaseback arrangement to</i>		
An associate	–	26,720
A fellow subsidiary	<b>184,846</b>	24,955
	<b>184,846</b>	24,955

## Notes to the Condensed Consolidated Financial Statements (Continued)

*For the Six Months Ended 30 June 2017*

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

	Six months ended 30 June	
	2017	2016
	<b>RMB'000</b>	<i>RMB'000</i>
<i>Financing received under sales and leaseback arrangement from</i>		
A fellow subsidiary	<b>40,000</b>	675,000
<i>Interest expenses paid to</i>		
China Huadian	<b>45,084</b>	40,218
An associate	<b>154,242</b>	139,838
A fellow subsidiary	<b>1,268</b>	10,571
<i>Interest income from</i>		
Associates	<b>37,872</b>	38,853
<i>Rental and property management service expenses paid to</i>		
Associates	<b>31,098</b>	28,664
Fellow subsidiaries	<b>7,098</b>	6,305
<i>Other services expenses paid to</i>		
China Huadian	<b>26,746</b>	27,254
Associates	<b>44,201</b>	25,475
Fellow subsidiaries	<b>45,109</b>	18,817
<i>Additional capital injection in</i>		
Associates	<b>365,500</b>	–
A joint venture	<b>80,000</b>	–



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The balances due from/(to) shareholders, fellow subsidiaries and associates are as follows:

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Prepayments for construction in progress-construction and construction material</i>		
Fellow subsidiaries	<b>550,084</b>	707,519
<i>Trade debtors and bills receivable</i>		
Fellow subsidiaries	<b>700,907</b>	65,201
An associate	<b>119,483</b>	–
<i>Deposits, other receivables and prepayments</i>		
Associates	<b>186,685</b>	217,778
A fellow subsidiary	<b>1,500</b>	11,337
<i>Other long-term receivables</i>		
An associate	<b>216,343</b>	216,317
<i>Cash and cash equivalents and restricted deposits</i>		
An associate	<b>5,061,883</b>	4,538,489
<i>Loans from a shareholder</i>		
China Huadian	<b>(2,000,000)</b>	(1,750,000)
<i>Other loans</i>		
An associate	<b>(7,312,493)</b>	(6,734,993)
A fellow subsidiary	–	(385,000)
	<b>–</b>	<b>–</b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

*For the Six Months Ended 30 June 2017*

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

	At 30 June 2017	At 31 December 2016
	RMB'000	RMB'000
<i>Trade creditors and bills payable</i>		
China Huadian	(20,663)	(2,293)
Associates	(496,339)	(144,171)
Fellow subsidiaries	(1,938,712)	(1,946,510)
A connected person	(341,241)	(554,793)
<i>Other payables</i>		
China Huadian	(26,959)	(28,898)
Associates	(13,771)	(12,778)
Fellow subsidiaries	(599,328)	(534,426)
<i>Receivable in advance</i>		
A fellow subsidiary	–	(19,600)
<i>Obligation under finance leases</i>		
A fellow subsidiary	(755,000)	(885,000)

*Notes:*

- (i) At 30 June 2017, Sichuan Guang'an Power Generation Company Limited, a subsidiary of the Company, provided guarantees to banks for loans granted to Longtan Coal Company amounting to RMB43.65 million (31 December 2016: RMB43.65 million).
- (ii) At 30 June 2017, China Huadian provided guarantee to banks for loans granted to the Group amounting to RMB3,148 million (31 December 2016: RMB3,151 million).

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Transactions with key management personnel

Remuneration for key management personnel, including amounts paid to the Company's directors and supervisors is as follows:

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other emoluments	493	472
Retirement benefits	188	181
Bonuses	1,392	1,352
	<b>2,073</b>	2,005

#### (c) Contributions to defined contribution retirement plans

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

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

China Huadian is a PRC state-owned enterprise. Government-related entities, other than entities under China Huadian, over which the PRC government has control, joint control or significant influence are also considered as related parties of the Group ("other government-related entities"). The majority of the business activities of the Group are conducted with other government-related entities.

The transactions between the Group and other government-related entities are conducted in the ordinary course of the Group's business within normal business operations. The Group has established its approval process 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.

## Notes to the Condensed Consolidated Financial Statements (Continued)

*For the Six Months Ended 30 June 2017*

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (d) Transactions with other government-related entities in the PRC (Continued)

Having considered the potential for transactions to be impacted by related party relationships, the Group's approval processes and financing policy, and information that would be necessary for an understanding of the potential effect of the relationship on the condensed consolidated financial statements, the directors believe that the following transactions are collectively significant for disclosure purpose:

- sale of electricity to the grid

The Group sells substantially all its electricity to local government-related power grid companies, and the tariff of electricity is regulated by relevant government. For the six months ended 30 June 2017, management estimates that the aggregate amount of the Group's significant transactions with other government-related entities are at least 97% of its sale of electricity.

- depositing and borrowing

The Group deposits most of its cash in government-related financial institutions, and also obtains most of short-term and long-term loans from these financial institutions in the ordinary course of business. The interest rates of the bank deposits and loans are regulated by the People's Bank of China.

- other transactions

Other collectively significant transactions with other government-related entities include a large portion of fuel purchases, and property, plant and equipment construction. The pricing and the selection of suppliers and service providers are not dependent on whether the counterparties are government-related entities or not.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 25. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (e) Commitment with related parties

Commitment with related parties is as follows:

	At 30 June 2017	At 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Capital commitment	<b>2,490,164</b>	3,252,628
Commitment on properties rental and management fees	<b>36,398</b>	65,148

### 26. CONTINGENT LIABILITIES

As at 30 June 2017, some subsidiaries of the Company were the defendant in certain lawsuits for events incurred before the acquisition date. At the end of reporting period, the lawsuits were in progress whose final outcomes cannot be determined at present. The directors of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Apart from these litigations and guarantees disclosed in note 25(a)(i), the Group has no other material contingent liabilities as at 30 June 2017 (31 December 2016: nil).

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 27. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	At 30 June 2017	At 31 December 2016		
Available-for-sale investments-listed equity securities in the condensed consolidated statement of financial position	<b>7,886,010 shares of the Bank of Communications Co., Ltd. – RMB49 million</b>	7,886,010 shares of the Bank of Communications Co., Ltd. – RMB46 million	Level 1	Quoted bid prices in an active market.

During the reporting period there is no transfer between instruments in Level 1 and Level 2.



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2017

### 27. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial instruments carried at other than fair value

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	At 30 June 2017		At 31 December 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed rate borrowings and debentures payable	<b>18,385,778</b>	<b>18,445,012</b>	14,600,194	14,638,875

The fair value measurements of above financial liabilities are within the level 2 category, which have been determined based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of the Group entities.

### 28. LIQUIDITY RISK MANAGEMENT

The Group expose to liquidity risks which arising in the normal course of the Group's business. The financial risk management policies and practices used by the Group to manage the risks are described below.

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

At the end of reporting period, the Group had net current liabilities of RMB48,989 million (31 December 2016: RMB52,991 million). With regards to its future capital commitments and other financing requirements, the Group has unutilised banking facilities of RMB139.7 billion as at 30 June 2017 (31 December 2016: RMB160.8 billion) and an aggregate amount of debentures of RMB36.4 billion (31 December 2016: RMB24.4 billion) registered in the PRC interbank debenture market which has not been issued as at 30 June 2017.