



大唐環境產業集團股份有限公司

Datang Environment Industry Group Co., Ltd.*

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

Stock Code: 1272

2017

INTERIM REPORT



* For identification purpose only

Contents

Company Profile	2
Financial and Operation Highlights	3
Financial Highlights	4
Management Discussion and Analysis	7
Changes in Share Capital and Shareholdings of Substantial Shareholders	24
Significant Events	29
Profile of Directors, Supervisors and Senior Management	34
Interim Condensed Consolidated Statement of	
Profit or Loss and Other Comprehensive Income	46
Interim Condensed Consolidated Statement of Financial Position	48
Interim Condensed Consolidated Statement of Changes in Equity	50
Interim Condensed Consolidated Statement of Cash Flows	51
Notes to the Interim Condensed Consolidated Financial Statements	52
Definition and Glossary of Terms	80
Corporate Information	83

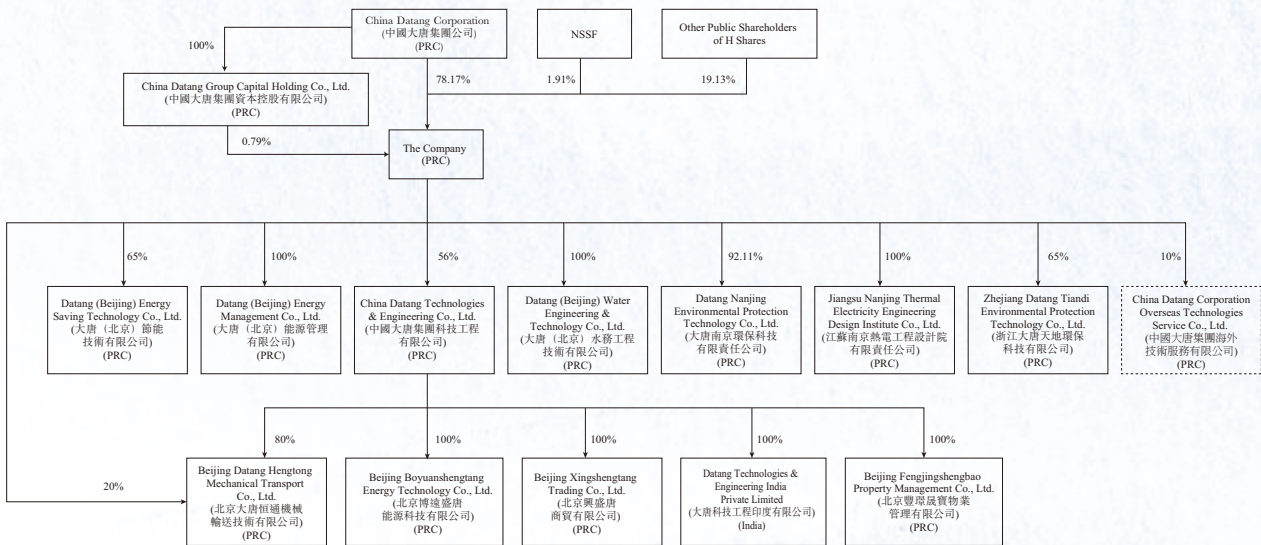


Company Profile

The predecessor of the Company (stock code: 1272) was China Datang Group Environment Technology Co., Ltd. (中國大唐集團環境技術有限公司), which was established in July 2011. Since the establishment of the Company and after several years of rapid development and a series of business restructuring, the Company has been successfully listed on the Main Board of the Stock Exchange since 15 November 2016. As at 30 June 2017, the Company had a total of 2,967,542,000 issued Shares, among which the Controlling Shareholder, China Datang, holds, directly and indirectly, an aggregate of approximately 78.96%.

The Group is the sole platform for the development of environmental protection and energy conservation business under China Datang Group, one of the five major state wholly-owned power generation groups in the PRC. The principal business of the Group includes environmental protection facility concession operation, denitrification catalysts, environmental protection facilities engineering, water treatment business, energy conservation business and renewable energy engineering business.

As at 30 June 2017, the Company's major corporate structure was as follows:



Financial and Operation Highlights



- For the six months ended 30 June 2017, the revenue of the Group amounted to RMB2,994.0 million, representing a decrease of 4.7% as compared with the same period of last year.
- For the six months ended 30 June 2017, the gross profit of the Group amounted to RMB616.6 million and the gross profit margin of the Group amounted to 20.6%, representing a decrease of 13.8% and 2.2 percentage points as compared with the same period of last year, respectively.
- For the six months ended 30 June 2017, the total comprehensive income attributable to owners of the parent amounted to RMB282.0 million, representing a decrease of 29.6% as compared with the same period of last year.
- As at 30 June 2017, the cumulative installed capacity in operation of the Group's desulfurization and denitrification concession operation increased by 2,350MW and 2,320MW as compared with the end of last year, respectively.
- In June 2017, the production line of regenerated catalyst of the Group was completed and put into trial production, which increased a total capacity of 10,000m³ for regenerated catalyst.
- For the six months ended 30 June 2017, the total contract amount of the Group's overseas business was approximately RMB516 million.

Financial Highlights

The following table sets forth the Group's interim condensed consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	For the six months ended 30 June	
	2017 (unaudited) RMB'000	2016 (audited) RMB'000
Revenue	2,994,018	3,142,088
Cost of sales	(2,377,383)	(2,427,109)
Gross profit	616,635	714,979
Selling and distribution expenses	(23,537)	(18,211)
Administrative expenses	(125,921)	(107,483)
Other income and gains	26,195	23,049
Finance costs	(90,668)	(99,415)
Exchange gains/(loss), net	(35,005)	44
Profit before tax	367,699	512,963
Income tax expenses	(69,961)	(74,486)
PROFIT FOR THE PERIOD	297,738	438,477
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	(32)	(431)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(32)	(431)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(32)	(431)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	297,706	438,046

Financial Highlights (Continued)

	For the six months ended 30 June	
	2017 (unaudited) RMB'000	2016 (audited) RMB'000
Profit attributable to:		
Owners of the parent	282,000	400,487
Non-controlling interests	15,738	37,990
	297,738	438,477
Total comprehensive income attributable to:		
Owners of the parent	281,982	400,267
Non-controlling interests	15,724	37,779
	297,706	438,046
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted (RMB)	0.10	0.17

Financial Highlights (Continued)

The following table sets forth selected items from the Group's interim condensed consolidated statements of financial position as at the dates indicated:

	As at 30 June 2017 (unaudited) <i>RMB'000</i>	As at 31 December 2016 (audited) <i>RMB'000</i>
ASSETS		
Total current assets	10,073,468	11,016,628
Total non-current assets	7,191,744	6,918,912
Total assets	17,265,212	17,935,540
LIABILITIES AND EQUITY		
Total current liabilities	7,835,652	8,022,970
Total non-current liabilities	3,119,475	3,497,216
Total equity	6,310,085	6,415,354
Total liabilities and equity	17,265,212	17,935,540

The following table sets forth a summary of the Group's interim condensed consolidated statements of cash flows for the periods indicated:

	<u>For the six months ended 30 June</u>	
	2017 (unaudited) <i>RMB'000</i>	2016 (audited) <i>RMB'000</i>
Net cash flows used in operating activities	(21,316)	(55,035)
Net cash flows used in investing activities	(463,018)	(422,841)
Net cash flows used in financing activities	(593,194)	(219,382)



Management Discussion and Analysis

As an environmental protection and energy conservation solution provider for coal-fired power generation enterprises, the principal business of the Group includes environmental protection facility concession operation, denitrification catalysts, environmental protection facilities engineering, water treatment business, energy conservation business and renewable energy engineering business. Customers of the Group spread over 30 provinces, autonomous regions and municipal cities in the PRC as well as five countries.

I. INDUSTRY OVERVIEW

In recent years, the size of the environmental protection and energy conservation industry where the Company operates has increased to RMB5 trillion in 2016 from RMB2.99 trillion in 2012, with the growth rate maintaining at over 15%. Continuously driven by the introduction of the policies, such as the 13th Five-Year Plan for the Development of Energy Conservation and Environmental Protection Industries (《「十三五」節能環保產業發展規劃》), the 13th Five-Year Comprehensive Action Plan for Energy Conservation and Emission Reduction (《「十三五」節能減排綜合工作方案》), and the Water Pollution Control Action Plan (《水污染防治行動計劃》) and the Soil Pollution Control Action Plan (《土壤污染防治行動計劃》), the environmental protection and energy conservation industry accelerated its development. It is expected that China's environmental protection and energy conservation industry will keep a growth rate of around 18% during 2017 to 2020. By around 2020, the size of the environmental protection and energy conservation industry will reach approximately RMB10 trillion, and its share of the Gross Domestic Product will increase to over 10% from the existing 7%.

During the first half of 2017, the Ministry of Environmental Protection reviewed and approved in principle the 13th Five-Year Action Plan for Prevention and Treatment of Volatile Organic Compound Pollution (《「十三五」揮發性有機物污染防治工作方案》). China National Environmental Monitoring Center issued the Technical Requirements on the National Network Soil Environment Monitoring for 2017 (《2017年國家網土壤環境監測技術要求》).

II. BUSINESS OVERVIEW

1. Environmental Protection and Energy Conservation Solution Business

1.1. Environmental protection facility concession operation business

As at 30 June 2017, the cumulative installed capacity in operation for desulfurization concession operations of the Group reached 35,910MW, representing an increase of 2,350MW as compared with the end of last year, and the installed capacity for desulfurization concession operation projects under construction reached 10,000MW. The cumulative installed capacity in operation for denitrification concession operations reached 29,780MW, representing an increase of 2,320MW as compared with the end of last year, and the installed capacity for denitrification concession operation projects under construction reached 8,680MW. The installed capacity for desulfurization entrusted operation project reached 1,960MW. During January to June 2017, the Group recorded a revenue of RMB1,310.0 million from the environmental protection facility concession operation business, and the gross profit margin reached 34.0%.

1.2. Denitrification catalysts business

As at 30 June 2017, the production volume and the sales volume of the denitrification catalysts business of the Group were 16,621.49m³ and 15,689.97m³, respectively. The following table sets forth the breakdown of the key figures of the Group's denitrification catalysts business as at 30 June 2017:

(Unit: m³)

Production volume	Sales volume	Delivery volume	Delivery volume to customers other than China Datang Group
16,621.5	15,690.0	21,947.7	5,970.4

In June 2017, the Group's regenerated catalysts production line was completed and put into trial production, which increased a capacity of 10,000m³ for regenerated catalysts. In addition, the Group has successfully expanded into the market of sales of denitrification catalysts in non-electric industry, and has obtained a number of orders in cement industry.

1.3. Environmental protection facilities engineering business

As at 30 June 2017, the Group cumulatively undertook 515 environmental protection facilities engineering projects and had completed 391 projects, including 40 ultra-low emission projects.

The Group's dust management business continued to keep a good development momentum. During January to June 2017, the Group entered into five new contracts with a total contract value of RMB600 million, and was awarded four projects.

The following table sets forth the breakdown of the environmental protection facilities engineering business of the Group as at 30 June 2017:

Projects	Projects under construction		Projects put into operation as at 30 June 2017		Total projects in operation	
	Number	Capacity (MW)	Number	Capacity (MW)	Number	Capacity (MW)
Desulfurization	17	14,810	9	6,260	75	50,400
Denitrification	13	15,180	3	1,560	102	64,120
Dust removal	21	18,420	6	4,760	62	41,050
Ultra-low emission	25	21,890	12	7,820	40	25,850
Ash and slag handling	22	11,580	7	4,280	100	36,308
Industrial site dust management	26	38,904	5	4,680	12	14,540

1.4. Water treatment business

As at 30 June 2017, the Group entered into contracts for three new water treatment EPC projects, including one new water treatment island EPC project. As at 30 June 2017, the Group has four water treatment operation projects under construction, ten water engineering projects under construction, four of which are water treatment island projects.

1.5. Energy conservation business

As at 30 June 2017, the Group has six new energy conservation facility projects under construction. In respect of the energy management contract business, the Group has seven energy management contract projects under construction with a total investment of approximately RMB380 million.

2. Renewable Energy Business

As at 30 June 2017, the Group has five renewable energy projects under construction with an installed capacity of 297MW.

3. Other Businesses

The Group continued to carry out fiberglass chimney anti-corrosion projects and air-cooling system engineering general contracting projects as at 30 June 2017.

4. Overseas Business

As at 30 June 2017, the Group has four overseas projects under enforcement. During January to June 2017, the Group has one new overseas project, the 50MW Biomass Power Generation EPC Project in Thailand with a total contract amount of approximately RMB516 million.

5. Research and Development

As at 30 June 2017, the Group has 125 invention patents. The Group participated in the drafting of the four industry standards. The Group had 22 technical standards under drafting and led the drafting of one international standard as well as five national and industry standards. In April 2017, the Group developed the technology invention the Construction and Application of Denitrification Catalysts Full-life Management Platform (基於大數據的脫硝催化劑全壽命管理平台建設與應用) through independent research, which were assessed to be of international leading level by the China Electricity Council.

While paying attention to technology research and development, the Group actively promoted to transform the technology achievements. The Energy-saving Turbulence Pipe Gate High-efficient Desulfurization Technology (節能型湍流管柵高效脫硫技術) developed by the Group through independent research has been applied in 16 power plants, and 30 coal-fired power generation units with ultra-low emission projects, with a total installed capacity reaching to 18,180MW, generating significant economic and environmental benefits.

III. MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND OPERATING RESULTS

The following discussion should be read in conjunction with the financial information of the Group together with the accompanying notes included in this interim report and other sections therein.

There are inter-segment sales among the Group's segments and sub-segments, and accordingly the Group records intra-segment elimination and inter-segment elimination among these segments/sub-segments for the relevant revenue and cost of sales. In this interim report, unless otherwise specified herein, (i) all discussion about total revenue, total gross profit and overall gross profit margin are based on the amounts after all intra- and inter-segment elimination among the segments/sub-segments (being the figures reflected in our consolidated statement of profit or loss and other comprehensive income), and (ii) all discussion about the revenue, gross profit and gross profit margin of business segments and sub-segments are based on the amounts before any intra- or inter-segment elimination of such segment or sub-segment.

1. Overview

The Group's revenue decreased by 4.7% to RMB2,994.0 million for the six months ended 30 June 2017 as compared with RMB3,142.1 million for the same period in 2016. The Group's profit for the six months ended 30 June 2017 amounted to RMB297.7 million, representing a decrease of RMB140.8 million as compared with RMB438.5 million for the same period in 2016. Profit attributable to the owners of the parent amounted to RMB282.0 million for the six months ended 30 June 2017. For the six months ended 30 June 2017, the Group's cash and cash equivalents increased by 153.9% to RMB1,900.1 million as compared with RMB748.3 million for the same period in 2016. The Group's total assets decreased by 3.7% to RMB17,265.2 million as at 30 June 2017 as compared with RMB17,935.5 million as at 31 December 2016. The Group's total liabilities decreased by 4.9% to RMB10,955.1 million as at 30 June 2017 as compared with RMB11,520.2 million as at 31 December 2016. The Group's return on total assets for the six months ended 30 June 2017 was 1.7%, as compared with 3.1% for the same period in 2016.

2. Results of Operation

2.1. Revenue

The Group's revenue decreased by 4.7% to RMB2,994.0 million for the six months ended 30 June 2017 as compared with RMB3,142.1 million for the same period in 2016, primarily due to the decrease of revenue in environmental protection facilities engineering business.

2.2. Cost of sales

The Group's cost of sales decreased by 2.1% to RMB2,377.4 million for the six months ended 30 June 2017 as compared with RMB2,427.1 million for the same period in 2016. The decrease of the Group's cost of sales was due to the decrease of cost of sales along with the decrease of revenue in environmental protection facilities engineering business and the raising price of certain raw materials in environmental protection facility concession operation business.

2.3. Selling and distribution expenses

The Group's selling and distribution expenses increased by 29.1% to RMB23.5 million for the six months ended 30 June 2017 as compared with RMB18.2 million for the same period in 2016, mainly due to the Group's active market development and expansion.

2.4. Administrative expenses

The Group's administrative expenses increased by 17.1% to RMB125.9 million for the six months ended 30 June 2017 as compared with RMB107.5 million for the same period in 2016, mainly due to the increase of research and development expenditure in denitrification catalysts business.

2.5. Other income and gains

The Group's other income and gains increased by 13.4% to RMB26.2 million for the six months ended 30 June 2017 as compared with RMB23.1 million for the same period in 2016, mainly due to the increase of government subsidy in environmental protection facility concession operation business.

2.6. Finance costs

The Group's finance costs decreased by 8.8% to RMB90.7 million for the six months ended 30 June 2017 as compared with RMB99.4 million for the same period in 2016, primarily due to the Group's adjustment of debt structure.

2.7. Profit before tax

As a result of the foregoing factors, the Group's profit before tax decreased by 28.3% to RMB367.7 million for the six months ended 30 June 2017 as compared with RMB513.0 million for the same period in 2016.

2.8. Income tax expense

The Group's income tax expense was RMB70.0 million for the six months ended 30 June 2017, representing a decrease of 6.0% from RMB74.5 million for the same period in 2016.

2.9. Profit for the period

The Group's profit for the period decreased by RMB140.8 million from RMB438.5 million for the six months ended 30 June 2016 to RMB297.7 million for the six months ended 30 June 2017. For the six months ended 30 June 2017, the Group's profit for the period as a percentage of its total revenue decreased to 10.0% as compared with 14.0% for the same period in 2016.

2.10. Profit attributable to owners of the parent

The profit attributable to owners of the parent decreased by RMB118.5 million to RMB282.0 million for the six months ended 30 June 2017 as compared with RMB400.5 million for the same period in 2016.

2.11. Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 58.7% to RMB15.7 million for the six months ended 30 June 2017 as compared with RMB38.0 million for the same period in 2016.

Management Discussion and Analysis (Continued)

3. Results on Business Segments

The following table sets forth a breakdown of the Group's revenue by segment/sub-segment and each segment/sub-segment as a percentage of total revenue for the six months ended 30 June 2017 and 30 June 2016, respectively, as well as the percentage of change:

	For the six months ended 30 June				
	2017		2016		Change %
	Revenue <i>RMB'000</i>	Percentage of total revenue before elimination ⁽¹⁾ %	Revenue <i>RMB'000</i>	Percentage of total revenue before elimination ⁽¹⁾ %	
Environmental Protection and Energy Conservation Solutions:					
Environmental protection facilities concession operation	1,310,019	42.4	1,176,491	37.1	11.3
Denitrification catalysts	274,860	8.9	240,966	7.6	14.1
Environmental protection facilities engineering	483,795	15.7	731,453	23.1	(33.9)
Water treatment business	174,719	5.7	81,356	2.6	114.8
Energy conservation business	12,058	0.4	7,748	0.2	55.6
Total revenue of environmental protection and energy conservation solutions before elimination	2,255,451	73.1	2,238,014	70.6	0.8
Intra-segment elimination ⁽²⁾	(86,157)	-	(25,123)	-	-
Total revenue of environmental protection and energy conservation solutions after intra-segment elimination	2,169,294	70.3	2,212,891	69.8	(2.0)
External revenue of environmental protection and energy conservation solutions	2,169,294	70.3	2,212,891	69.8	(2.0)

Management Discussion and Analysis (Continued)

	For the six months ended 30 June				
	2017		2016		Change %
	Revenue <i>RMB'000</i>	Percentage of total revenue before elimination ⁽¹⁾ %	Revenue <i>RMB'000</i>	Percentage of total revenue before elimination ⁽¹⁾ %	
Renewable Energy Engineering:					
Total revenue of renewable energy engineering business	717,114	23.2	888,653	28.0	(19.3)
Inter-segment elimination	-	-	-	-	-
External revenue of renewable energy engineering business	717,114	23.2	888,653	28.0	(19.3)
Thermal power plants engineering general contracting:					
Total revenue of thermal power plants engineering general contracting	-	-	-	-	-
Inter-segment elimination	-	-	-	-	-
External revenue of thermal power plants engineering general contracting	-	-	-	-	-
Other businesses:					
Total revenue of other businesses	113,558	3.7	44,075	1.4	157.6
Inter-segment elimination ⁽³⁾	(5,948)	-	(3,531)	-	-
External revenue of other businesses	107,610	3.5	40,544	1.3	165.4
Total revenue before elimination⁽⁴⁾	3,086,123	100.0	3,170,742	100.0	(2.7)
Total intra- and inter-segment elimination⁽⁵⁾	(92,105)	-	(28,654)	-	-
Total revenue	2,994,018	-	3,142,088	-	-

Management Discussion and Analysis (Continued)

Notes:

- (1) Represents the revenue of each business segment or sub-segment (before any intra- or inter-segment elimination) as a percentage of the total revenue before any intra- or inter-segment elimination.
- (2) Intra-segment elimination of revenue from sub-segments under environmental protection and energy conservation solutions segment mainly arises from the intra-segment sales between denitrification catalysts sub-segment to denitrification facilities engineering sub-segment and environmental protection facilities concession operation, respectively.
- (3) Inter-segment elimination of revenue from other businesses segment mainly arises from the inter-segment sales between other businesses segment and environmental protection and energy conservation solutions segment, respectively.
- (4) Represents the aggregate amount of the revenue of all segments/sub-segments before any intra- or inter-segment elimination.
- (5) Represents the aggregate amount of all intra- and inter-segment elimination.

The following table sets forth a breakdown of the Group's gross profit by segment/sub-segment and gross profit margin of each business segment/sub-segment for the six months ended 30 June 2017 and 30 June 2016, respectively, as well as the percentage of change in gross profit:

	For the six months ended 30 June				
	2017		2016		Change of gross profit %
	Gross profit ⁽¹⁾ RMB'000	Gross profit margin ⁽²⁾ %	Gross profit ⁽¹⁾ RMB'000	Gross profit margin ⁽²⁾ %	
Environmental Protection and Energy Conservation Solutions:					
Environmental protection facilities concession operation	445,176	34.0	463,624	39.4	(4.0)
Denitrification catalysts	101,320	36.9	131,992	54.8	(23.2)
Environmental protection facilities engineering	47,343	9.8	78,731	10.8	(39.9)
Water treatment business	14,909	8.5	9,103	11.2	63.8
Energy conservation business	1,838	15.2	1,440	18.6	27.7

Management Discussion and Analysis (Continued)

	For the six months ended 30 June				
	2017		2016		Change of gross profit %
	Gross profit ⁽¹⁾ RMB'000	Gross profit margin ⁽²⁾ %	Gross profit ⁽¹⁾ RMB'000	Gross profit margin ⁽²⁾ %	
Total gross profit of environmental protection and energy conservation solutions	610,586	27.1	684,890	30.6	(10.8)
Total gross profit of renewable energy engineering business	41,621	5.8	58,707	6.6	(29.1)
Total gross profit of thermal power plants engineering general contracting	-	-	-	-	-
Total gross profit of other businesses	3,886	3.4	(4,928)	(11.2)	(178.8)
Total gross profit and overall gross profit margin ⁽³⁾	616,635	20.6	714,979	22.8	(13.8)

Notes:

- (1) Calculated based on the revenue of each segment or sub-segment (before any intra- or inter-segment elimination) minus the cost of sales of such segment or sub-segment (before any intra- or inter-segment elimination).
- (2) Calculated based on the gross profit of each segment or sub-segment calculated according to note (1) divided by the revenue of such segment or sub-segment (before any intra- or inter-segment elimination).
- (3) Total gross profit equals total revenue (being the revenue reflected on our consolidated statement of profit or loss and other comprehensive income) minus total cost of sales (being the cost of sales reflected on our consolidated statement of profit or loss and other comprehensive income). Overall gross profit margin equals total gross profit divided by total revenue.

4. Cash Flows

As at 30 June 2017, the Group's cash and cash equivalents increased by 153.9% to RMB1,900.1 million as compared with RMB748.3 million as at 30 June 2016. Such increase was mainly attributable to the proceeds from the initial public offering.

5. Working Capital

As at 30 June 2017, the Group's net current assets decreased by 25.2% to RMB2,237.8 million as compared with RMB2,993.7 million as at 31 December 2016, primarily due to the decrease in cash and cash equivalents for payments of newly-built environmental protection facility concession operation projects, and the increase in current liabilities for distribution of dividends for 2016 in cash.

6. Indebtedness

As at 30 June 2017, the Group's borrowings decreased by 10.2% to RMB4,159.3 million as compared with RMB4,632.2 million as at 31 December 2016.

7. Capital Expenditure

The Group's capital expenditure increased by 315.3% to RMB696.9 million for the six months ended 30 June 2017 as compared with RMB167.8 million for the six months ended 30 June 2016. Capital expenditure mainly comprises construction cost of newly-built environmental protection facility concession operation projects and cost of ultra-low emission refurbishment projects.

8. Net Gearing Ratio

As at 30 June 2017, the Group's net gearing ratio (net debt (total borrowings minus cash and cash equivalents) divided by the sum of net debt and total equity) was 26.4%, representing an increase of 6.2 percentage points as compared with 20.2% as at 31 December 2016, which was mainly due to the decrease in cash and cash equivalents.

IV. RISK FACTORS AND RISK MANAGEMENT

Risks on environmental protection and energy conservation policies

The Group provides substantially all of its products and services in the PRC, and the development of its business is greatly dependent on the environmental protection policies of the PRC. Environmental protection industry is one of the major industries that benefit from the constant support of the PRC governments. The market demand for the Group's environmental protection and energy conservation products and services and the revenue generated therefrom are directly affected by the environmental protection policies of the PRC. However, there is no assurance that such policies will continue to be available to the Group or there will be no adverse change. If there is any adverse change, it may result in a material and adverse effect on the business prospects, results of operations and financial condition of the Group. The management of the Group is of the view that, given the severity of pollution in the PRC, it is unlikely for the PRC governments to revise such environmental protection policies to an adverse effect or to withdraw any resources invested in the environmental protection industry. Moreover, the Group, as a trendsetter and leader of the environmental protection and energy conservation for China's electric power industry, has participated in the formulation of various industrial policies and standards, which allows it to catch the latest industry trends and respond in a timely fashion.

Risks on connected transactions with China Datang Group

The Group has been conducting various transactions with China Datang Group, and will continue to enter into more such transactions in the future. For the six months ended 30 June 2017, the total value of products and services provided by the Group to China Datang Group (other than concession operations) was approximately RMB977.6 million, representing approximately 32.7% of the total revenue of the Group. For the six months ended 30 June 2017, the total value of the services provided by the Group to China Datang Group under the concession operations (desulfurization and denitrification) was approximately RMB1,308.1 million, representing approximately 43.7% of the total revenue of the Group. The Group has been actively expanding its client base. In particular, it has achieved remarkable progress in expanding overseas business.

Liquidity risks

The Group had negative operating cash flows for the six months ended 30 June 2017. The Group's ability to generate adequate cash inflows from operating activities in the future will depend in large part on project schedule and billing arrangement, its ability to collect receivables from its customers in a timely manner and the credit terms it can obtain. If the Group is not able to generate sufficient cash flows from its operations or obtain sufficient financing to support its business operation, the Group's growth prospects may be materially and adversely affected. The Group plans to collect receivables in order to improve operating

cash flow. In addition, the Group has been proactively seeking finance to support the development and expansion of its business. As at 30 June 2017, the Group had available bank facilities of RMB7.28 billion.

Industry risks

The Group's business primarily focuses on the environmental protection and energy conservation for coal-fired power plants, the market demand for its business relies heavily on the growth rate of the coal-fired power generation output in the PRC. In particular, the revenue generated from concession operations will be directly affected by the power generation output of coal-fired power plants. As pollution has become an increasingly severe environmental issue in the PRC, the PRC government has shown considerable concern for the adjustment to the national energy structure and development. Therefore, there can be no assurance that coal-fired power generation output in the PRC will continue to grow at the current pace. If the increase of coal-fired power generation output in the PRC slows down, it may result in a decrease of utilization hours of coal-fired power generation units, or a lower demand for the Group's products and services, which in turn will materially and adversely affect our business prospects, results of operations and financial position. The management of the Group is of the view that, in terms of the power generation portfolio in the PRC, coal-fired power generation still dominates the market. In addition, the vast majority of the Group's concession operations locate in coastal areas or economically developed areas, where the utilization hours of coal-fired power generation are higher than the average level nationwide. The Group plans to actively explore clients in the iron and steel, cement and petro-chemical industries.

Risks on overseas business

The Group is aggressively developing its overseas business, especially in the *Belt and Road Initiative* countries. The Group's global business expansion may be hindered by risks such as: lack of availability of overseas financing, possible difficulties in the management of overseas personnel and business operations, lack of understanding of the local business environment, financial and management system or legal system, volatility in currency exchange rates, cultural differences, changes in political, regulatory or economic environments in the foreign countries or other regions, as well as the risk of barriers. If the Group fails to manage the above risks effectively, its overseas expansion may be hindered, which may in turn result in a material and adverse effect on its business prospects, results of operations and financial condition. The management of the Group is of the view that, the PRC governments have been actively establishing friendly diplomatic relations with the *Belt and Road Initiative* countries and improving the overseas investment atmosphere. The Group has extensive experience in project management in certain countries, for instance India and Thailand, which can serve as examples for its future overseas development. Moreover, the Group has established rather mature risk management and internal control systems to mitigate risks on overseas business to the greatest extent possible.

V. EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2017, we had 1,147 employees, substantially all of whom were based in the PRC. The Group has individually established labor union branches. Currently, the Group has entered into employment agreements with all employees, in which the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets and grounds for termination are specified pursuant to the PRC Labor Law and other relevant regulations.

The table below sets forth the number of employees as at 30 June 2017 by their functions:

Function	Number of employees	Percentage of the total number of employees
Concession operation management personnel	297	25.89%
Engineering and technical personnel	249	21.71%
Sales personnel	148	12.90%
Research and development personnel	270	23.54%
Administrative and management personnel	128	11.16%
Manufacture personnel	27	2.35%
Others	28	2.45%
Total	1,147	100%

According to the development requirements, the Company further established and improved the overall responsibility management system and the whole staff performance evaluation system on the basis of clear position objectives. In order to inspire the potential and work enthusiasm of employees, to fully embody the incentive and constraint behavior, and to lay a solid foundation for the career orderly development of all the employees, the Company divides the specific task in development planning into each department and position, objectively and accurately evaluates the job targets completing performance of employees by building position performance targets and performance standard, and realizes awards and punishments according to the score that is formed by evaluation results quantification.



Management Discussion and Analysis (Continued)

The remuneration package of our employees includes salaries, bonuses and allowances. Our employees also receive welfare benefits, including medical care, housing subsidies, retirement and other benefits. We carry out employee performance appraisals, establish diversified and dynamic appraisal mechanisms. The department heads' salaries and remunerations will be adjusted corresponding to the results of their performance appraisals. Pursuant to applicable PRC regulations, we have contributed to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and housing funds for our employees.

In order to attract and retain high-quality employees and further improve their knowledge, skill level and professional attainments, we place a strong emphasis on the training of our employees. We offer in-service education, training and other opportunities to our managers and employees to improve their professional skills and knowledge.

During the Reporting Period, the Group provided 12 training programs on business management, professional techniques and production skills, with 100% employees attending the trainings.

The Group complies with the Labour Law of the PRC and the Labour Contract Law of the PRC in all material respects and makes contributions to social insurance and housing provident fund for our employees according to the above laws, among which the social insurance includes basic pension insurance, medical insurance, occupational injury insurance, unemployment insurance and maternity insurance.

VI. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

In the second half of 2017, adhering to the core philosophy of “value-based thinking and benefit-oriented”, the Group will stabilize its business operation and ensure the stable and sustainable development of the Group through efforts in the following three key aspects:

1. The Group will continue enhancing the delicacy management of environmental protection facility concession operation, denitrification catalysts and engineering projects through improving the efficiency of cost control to effectively offset the impacts caused by the increase in price of major raw materials to maintain a reasonable gross profit margin for each business segment;
2. The Group will expand the overseas markets in the *Belt and Road Initiative* countries firmly, commence the construction of contracting projects and enter into contracts for bid winning projects as soon as possible, and strive to achieve a breakthrough in overseas investment projects; and
3. The Group will devote more efforts to technology research and development, and introduce industry-leading technologies with extensive market prospects when appropriate to ensure the Group's leading position in the industry in terms of technology and to develop new sources of economic growth.

Changes in Share Capital and Shareholdings of Substantial Shareholders

I. CHANGES IN SHARE CAPITAL OF THE COMPANY

	Number of Shares as at 30 June 2017	Number of Shares as at 31 December 2016	Increase/ Decrease (+, -) during the Reporting Period
Domestic Shares	2,343,245,800	2,343,245,800	0
H Shares	624,296,200	624,296,200	0
Total	2,967,542,000	2,967,542,000	0

II. INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

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

Changes in Share Capital and Shareholdings of Substantial Shareholders (Continued)

III. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, to the best of the Directors' knowledge, having made all reasonable enquiry, the following persons (other than the Directors, Supervisors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and, which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO:

As at 30 June 2017					
Name of Substantial Shareholder	Class of Shares	Capacity	Number of Shares/ underlying Shares held or deemed to be held (Share)	Approximate percentage in the relevant class of Shares of the Company ⁽¹⁾ (%)	Percentage in the total share of the Company ⁽²⁾ (%)
China Datang	Domestic Shares	Beneficial owner	2,343,245,800 (Long position)	100	78.96
Anbang Investment Holdings Co. Limited (安邦投資控股有限公司) ⁽³⁾	H Shares	Beneficial owner	120,540,000 (Long position)	19.31	4.06
Anbang Group Holdings Co. Limited (安邦集團控股有限公司) ⁽³⁾	H Shares	Interest in controlled corporation	120,540,000 (Long position)	19.31	4.06
Anbang Life Insurance Co., Ltd. (安邦人壽保險股份有限公司) ⁽³⁾	H Shares	Interest in controlled corporation	120,540,000 (Long position)	19.31	4.06
Anbang Insurance Group Co., Ltd. (安邦保險集團股份有限公司) ⁽³⁾	H Shares	Interest in controlled corporation	120,540,000 (Long position)	19.31	4.06
China Chengtong Investment Company Limited ⁽⁴⁾	H Shares	Beneficial owner	61,557,000 (Long position)	9.86	2.07
China Chengtong Holdings Group Ltd. ⁽⁴⁾	H Shares	Interest in controlled corporation	61,557,000 (Long position)	9.86	2.07
China Energy Engineering Corporation Limited (中國能源建設集團有限公司)	H Shares	Beneficial owner	61,557,000 (Long position)	9.86	2.07

Changes in Share Capital and Shareholdings of Substantial Shareholders (Continued)

As at 30 June 2017					
Name of Substantial Shareholder	Class of Shares	Capacity	Number of Shares/ underlying Shares held or deemed to be held (Share)	Approximate percentage in the relevant class of Shares of the Company ⁽¹⁾ (%)	Percentage in the total share of the Company ⁽²⁾ (%)
State Grid International Development Limited (國家電網國際發展有限公司) ⁽⁶⁾	H Shares	Beneficial owner	61,467,000 (Long position)	9.85	2.07
State Grid Corporation of China (國家電網公司) ⁽⁶⁾	H Shares	Interest in controlled corporation	61,467,000 (Long position)	9.85	2.07
Three Gorges Capital Holdings Co., Ltd. (三峽資本控股有限責任公司) ⁽⁶⁾	H Shares	Beneficial owner	59,506,000 (Long position)	9.53	2.01
China Three Gorges Corporation (中國長江三峽集團公司) ⁽⁶⁾	H Shares	Interest in controlled corporation	59,506,000 (Long position)	9.53	2.01
NSSF	H Shares	Beneficial owner	56,754,200 (Long position)	9.09	1.91
China Huaneng Group Hong Kong Limited (中國華能集團香港有限公司) ⁽⁷⁾	H Shares	Beneficial owner	49,002,000 (Long position)	7.85	1.65
China Huaneng Group (中國華能集團公司) ⁽⁷⁾	H Shares	Interest in controlled corporation	49,002,000 (Long position)	7.85	1.65
China Huadian Hong Kong Limited (中國華電香港有限公司) ⁽⁸⁾	H Shares	Beneficial owner	48,628,000 (Long position)	7.79	1.64
China Huadian Corporation (中國華電集團公司) ⁽⁸⁾	H Shares	Interest in controlled corporation	48,628,000 (Long position)	7.79	1.64
Taiping General Insurance Co., Ltd. (太平財產保險有限公司) ⁽⁹⁾	H Shares	Beneficial owner	41,038,000 (Long position)	6.57	1.38
China Taiping Insurance Holdings Company Limited (中國太平保險控股有限公司) ⁽⁹⁾	H Shares	Interest in controlled corporation	41,038,000 (Long position)	6.57	1.38

Changes in Share Capital and Shareholdings of Substantial Shareholders (Continued)

As at 30 June 2017					
Name of Substantial Shareholder	Class of Shares	Capacity	Number of Shares/ underlying Shares held or deemed to be held (Share)	Approximate percentage in the relevant class of Shares of the Company ⁽¹⁾ (%)	Percentage in the total share of the Company ⁽²⁾ (%)
China Taiping Insurance (HK) Company Limited (中國太平保險集團(香港)有限公司) ⁽⁹⁾	H Shares	Interest in controlled corporation	41,038,000 (Long position)	6.57	1.38
China Taiping Insurance Group Ltd. (中國太平保險集團有限責任公司) ⁽⁹⁾	H Shares	Interest in controlled corporation	41,038,000 (Long position)	6.57	1.38
China Life Franklin Asset Management Co., Limited (中國人壽富蘭克林資產管理有限公司) ⁽¹⁰⁾	H Shares	Beneficial owner	41,038,000 (Long position)	6.57	1.38
China Life Asset Management Company Limited (中國人壽資產管理有限公司) ⁽¹⁰⁾	H Shares	Interest in controlled corporation	41,038,000 (Long position)	6.57	1.38
China Life Insurance Company Limited (中國人壽保險股份有限公司) ⁽¹⁰⁾	H Shares	Beneficial owner	20,519,000 (Long position)	3.29	0.69
		Interest in controlled corporation	41,038,000 (Long position)	6.57	1.38

Changes in Share Capital and Shareholdings of Substantial Shareholders (Continued)

As at 30 June 2017					
Name of Substantial Shareholder	Class of Shares	Capacity	Number of Shares/ underlying Shares held or deemed to be held (Share)	Approximate percentage in the relevant class of Shares of the Company ⁽¹⁾ (%)	Percentage in the total share of the Company ⁽²⁾ (%)
China Life Insurance (Group) Company (中國人壽保險(集團)公司) ⁽¹⁰⁾	H Shares	Beneficial owner	41,038,000 (Long position)	6.57	1.38
		Interest in controlled corporation	20,519,000 (Long position)	3.29	0.69
		Interest in controlled corporation	41,038,000 (Long position)	6.57	1.38

Notes:

- (1) The calculation is based on the percentage of shareholding in a total of 2,343,245,800 Domestic Shares and a total of 624,296,200 H Shares respectively as at 30 June 2017.
- (2) The calculation is based on the percentage of shareholding in a total of 2,967,542,000 Shares as at 30 June 2017.
- (3) Anbang Investment Holdings Co., Limited is a wholly-owned subsidiary of Anbang Group Holdings Co. Limited. Anbang Group Holdings Co. Limited is a wholly-owned subsidiary of Anbang Life Insurance Co., Ltd., which is wholly-owned by Anbang Insurance Group Co., Ltd..
- (4) China Chengtong Investment Company Limited is a wholly-owned subsidiary of China Chengtong Holdings Group Ltd..
- (5) State Grid International Development Limited is a wholly-owned subsidiary of State Grid Corporation of China.
- (6) Three Gorges Capital Holdings Co., Ltd. is the wholly-owned subsidiary of China Three Gorges Corporation.
- (7) China Huaneng Group Hong Kong Limited is a wholly-owned subsidiary of China Huaneng Group.
- (8) China Huadian Hong Kong Company Limited is a wholly-owned subsidiary of China Huadian Corporation.
- (9) Taiping General Insurance Co., Ltd. is a subsidiary of China Taiping Insurance Holdings Company Limited. China Taiping Insurance Holdings Company Limited is a subsidiary of China Taiping Insurance (HK) Company Limited, which is a wholly-owned subsidiary of China Taiping Insurance Group Ltd..
- (10) China Life Asset Management Company Limited is a controlling shareholder of China Life Franklin Asset Management Co., Limited. China Life Asset Management Company Limited is a subsidiary of China Life Insurance Company Limited, which is controlled by China Life Insurance (Group) Company.

Save as disclosed above, as at 30 June 2017, to the best knowledge of the Directors, the Directors were not aware of any persons who had interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

I. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and did not conduct any acts which deviated from such provisions.

II. COMPLIANCE WITH THE MODEL CODE FOR DEALING IN THE SECURITIES OF THE COMPANY BY ITS DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Group has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors, Supervisors and relevant employees of the Company (as defined in the Model Code). According to the specific enquiries of the Directors and Supervisors, each Director and Supervisor confirmed that he/she had strictly complied with the standard set out in the Model Code during the Reporting Period.

III. THE DIVIDEND DISTRIBUTION PLAN FOR THE SIX MONTHS ENDED 30 JUNE 2017

According to the resolution of the Board passed on 21 August 2017, the Board did not recommend to distribute any interim dividend to Shareholders for the six months ended 30 June 2017.

IV. MATERIAL LITIGATION OR ARBITRATION EVENTS

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

V. CHANGES IN ACCOUNTING POLICIES

There was no change in accounting policies of the Company during the Reporting Period, except for the adoption of new accounting standards effective as of 1 January 2017.

For details, please refer to Note 2 to the condensed financial statements in this interim report.

VI. PUBLIC FLOAT

Based on information publicly available to the Company and so far as the Directors are aware, not less than 20% of the issued share capital of the Company was held by the public as at the date of this interim report, which was in compliance with the requirements and public float waiver approved by the Stock Exchange under the Listing Rules. For details of the public float waiver, please refer to the section headed “Waivers from Strict Compliance with the Listing Rules” in the Prospectus.

VII. MATERIAL CONTRACTS

On 24 April 2017, the Company and Datang Finance entered into a financial services agreement (the “**Financial Services Agreement**”), pursuant to which Datang Finance agreed to provide to the Company financial services, including loan services, deposit services and other financial services for a term commencing from the effective date and ending on 31 December 2019. As Datang Finance is a non-wholly owned subsidiary of China Datang Group, the Controlling Shareholder, it is a connected person of the Company and therefore, transactions under the Financial Services Agreement constitute continuing connected transactions of the Company. The loan services are exempt from announcement, circular and independent shareholders’ approval requirements in accordance with Rule 14A.90 of the Listing Rules. The other financial services are exempt from announcement, circular and independent Shareholders’ approval requirements in accordance with Rule 14A.76 of the Listing Rules. The deposit services are subject to announcement, circular, independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Financial Services Agreement was approved by independent Shareholders at the 2016 AGM. For details, please refer to the announcement of the Company dated 24 April 2017 and the 2016 AGM circular of the Company dated 15 May 2017.

On 28 April 2017, China Datang Technologies & Engineering Co., Ltd. and Beijing Boyuanshengtang Energy Technology Co., Ltd. entered into an equity transfer agreement, pursuant to which Beijing Boyuanshengtang Energy Technology Co., Ltd. agreed to transfer its 34.5% equity interest in Beijing Datang Hengtong Mechanical Transport Co., Ltd. to China Datang Technologies & Engineering Co., Ltd. at a consideration of RMB8,944,879.85.

On 28 April 2017, China Datang Technologies & Engineering Co., Ltd. and Beijing Boyuanshengtang Energy Technology Co., Ltd. entered into an equity transfer agreement, pursuant to which Beijing Boyuanshengtang Energy Technology Co., Ltd. agreed to transfer its 100% equity interest in Beijing Fengjingshengbao Property Management Co., Ltd. to China Datang Technologies & Engineering Co., Ltd. at a consideration of RMB1,869,965.33.

Save as disclosed above, during the Reporting Period, none of the Company or any of its subsidiaries entered into material contracts with the Controlling Shareholder or any of its subsidiaries other than the Group, nor was there any material contract between the Group and the Controlling Shareholder or any of its subsidiaries other than the Group in relation to provision of services.

VIII. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2017, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the Company's listed securities.

IX. RESERVES

Details of the changes in reserves of the Group during the Reporting Period are set out in the interim condensed consolidated statement of changes in equity.

X. USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company has been listed on the Main Board of the Stock Exchange since 15 November 2016. The net proceeds from the initial public offering and partial exercise of the over-allotment option, after deducting the underwriting fees and relevant expenses, amounted to approximately HK\$2,032.3 million, which will be used in the ways stated in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

As at 30 June 2017, the Company's total amount of proceeds used was HK\$860.3 million, and the remaining net balance of proceeds was approximately HK\$1,172.0 million.

XI. ASSET TRANSACTIONS

During the Reporting Period, the Group had no significant assets transactions other than in the ordinary and usual course of business.

XII. INSOLVENCY AND RESTRUCTURING

During the Reporting Period, the Group was not involved in any insolvency or restructuring matters.



Significant Events (Continued)

XIII. SIGNIFICANT TRUSTEESHIP, CONTRACTING AND LEASE

During the Reporting Period, the Group was not involved in significant trusteeship, contracting or lease of any other company's assets, nor placing its assets to or under any other companies' trusteeship, contracting or lease which would require disclosure.

XIV. MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2017, the Group had no material acquisition or disposal.

XV. SIGNIFICANT INVESTMENT AND FUTURE PLANS FOR MAJOR INVESTMENTS

For the six months ended 30 June 2017, the Group did not hold any significant investment and has not executed any agreement in respect of material acquisitions, investments or capital asset and did not have any other future plans relating to material acquisitions, investments or capital asset as at the Latest Practicable Date. Nonetheless, if any potential investment opportunity arises in the coming future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the Shareholders as a whole.

XVI. FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

During the Reporting Period, the Group had not used any financial instruments for hedging purposes.

XVII. CHARGED AND PLEDGED ASSETS

During the Reporting Period, the Group had no charged or pledged assets.

XVIII. BANK BORROWINGS AND OTHER LOANS

The details of bank borrowings and other loans of the Group as at 30 June 2017 are set out in Note 15 to the condensed financial statements in this interim report.

XIX. CONTINGENT LIABILITIES

As at 30 June 2017, the Group had no material contingent liabilities.

XX. CHANGES TO BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES UNDER RULE 13.51B(1) OF THE LISTING RULES

With effect from 18 January 2017, Mr. Wang Hongjin resigned as the employee representative supervisor of the Company and Mr. Liu Jianxiang served as the employee representative supervisor of the Company.

With effect from 10 March 2017, Mr. Wu Deren retired from office as a deputy general manager of the Company; Mr. Hu Xiaodong resigned as the secretary of the Board, joint company secretary and authorized representative of the Company; Mr. Xia Huaixiang resigned as the chief engineer of the Company; Mr. Liu Yinshun and Mr. Mao Hui served as the deputy general managers of the Company; and Mr. Zeng Bing served as the chief economist, secretary of the Board, joint company secretary and authorized representative of the Company.

With effect from 11 September 2017, Mr. Hu Xiaodong resigned as a deputy general manager of the Company.

For details, please refer to the announcements of the Company dated 18 January 2017, 10 March 2017 and 12 September 2017 with respect to the changes in Supervisors and senior management of the Company, respectively.

Save as disclosed above, there is no other change to the biographical details of the Directors, Supervisors and chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2016 annual report of the Company.

XXI. REVIEW OF INTERIM REPORT

The audit committee of the Company (the “**Audit Committee**”) has reviewed the unaudited interim condensed consolidated financial statements and the interim report of the Group for the six months ended 30 June 2017.

XXII. SIGNIFICANT SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There was no significant subsequent event affecting the Group which has taken place after the Reporting Period and up to the Latest Practicable Date.

XXIII. OTHER IMPORTANT MATTERS

During the Reporting Period, none of the Company, the Directors or the Supervisors was punished by administrative means or criticised through circular by the SFC or publicly condemned by the Stock Exchange.



Profile of Directors, Supervisors and Senior Management

I. NON-EXECUTIVE DIRECTORS

Mr. Jin Yaohua (金耀華)

aged 57, is the chairman of the Board and a non-executive Director. Mr. Jin had approximately 20 years of working experience in the power industry. Before joining the Company, Mr. Jin successively served as the technician, engineer, deputy director, director, and secretary of Communist Party Branch at the Thermal Workshop of Huabei Power (華北電力試驗所) from August 1982 to January 1994. He then worked in the Science Research Institute of Huabei Power (華北電力科學研究院) serving successively as the deputy secretary of the Communist Party Committee, vice dean and deputy secretary from January 1994 to September 1996. Mr. Jin was the secretary of the Communist Party Committee and deputy manager of Zhangjiakou Power Plant (張家口發電廠) from September 1996 to February 1998; and he was the manager of Qinghuangdao Thermal Power Plant (秦皇島熱電廠) from February 1998 to November 1999. Between November 1999 and January 2003, Mr. Jin successively served as the deputy chief engineer, chief engineer and deputy general manager of Beijing Datang Power Generation Co., Ltd. (北京大唐發電股份有限公司). Mr. Jin held various positions at China Datang from January 2003 to August 2011, including the director of the safety production department, deputy chief engineer and chief engineer; and he has been serving as the deputy general manager of China Datang commencing from August 2010. From April 2010 to August 2014, Mr. Jin served as the director of Datang Huayin (a company listed on the Shanghai Stock Exchange, stock code: 600744). Mr. Jin obtained a bachelor's degree in thermal surveying and automation of power plants at the School of Water Resources and Electric Power of Wuhan University (武漢水利電力學院) in 1982. Mr. Jin was recognized as a senior engineer by the North China Electric Power Administration Bureau (華北電業管理局) in October 1992.

Mr. Liu Chuandong (劉傳東)

aged 54, is a non-executive Director. Mr. Liu had more than 30 years of experience in financial management in the power industry. Prior to joining the Company, Mr. Liu served successively as the person in charge of the Youth League Committee, deputy director (in charge) of the finance department, deputy chief accountant and head of the finance department of Shandong Jining Power Plant (山東濟寧發電廠) from July 1981 to March 1996. From March 1996 to November 1997, Mr. Liu worked as the head of the accounting and audit division of the finance department and the deputy director of the finance department at Shandong Electric Power Industry Bureau (山東省電力工業局). He was the chief accountant at Jinan Yingda International Trust Co., Ltd. (濟南英大國際信託投資公司) from November 1997 to September 1999; the chief accountant and member of the Communist Party Committee of Shandong Power Generation Company (山東電力發電公司) from September 1999 to December 2001; and the deputy chief accountant at Shandong Branch of Huaneng Power International Inc. (華能國際電力股份有限公司山東分公司) from December 2001 to May 2003. During the periods from May 2003 to June 2006, July 2008 to April 2011, and May 2012 to January 2014, Mr. Liu successively served as the senior officer of property and capital at the finance and property management department, deputy director of fund settlement and management center, deputy director of finance and property management department, and director of fund settlement and management center at China Power Investment Corporation (中國電力投資集團公司). Mr. Liu worked for CPI Financial Co., Ltd. (中電投財務有限公司) during the periods from June 2006 to July 2008 and from April 2011 to January 2014, serving successively as the deputy general manager, member of the Communist Party Committee, deputy director of fund settlement and management center, general manager and deputy secretary of the Communist Party Committee. Mr. Liu was a member of the Communist Party Committee of CPI Ronghe Holdings Investment Group Company (中電投融和控股投資有限公司) from December 2011 to January 2014; the general manager and secretary of the Communist Party Committee of China Datang Group Finance Co., Ltd. (中國大唐集團財務有限公司) from January 2014 to May 2014; and the director of the financial management department of China Datang from May 2014 to November 2015. Mr. Liu has been the secretary of the Communist Party Committee of Capital Holding since May 2014 and the chief accountant and member of the Communist Party Community of China Datang since November 2015. In addition, Mr. Liu also holds directorships in other listed companies. He served as a director of Datang Huayin (a company listed on the Shanghai Stock Exchange, stock code: 600744) from June 2015 to June 2016. Mr. Liu has been serving as a non-executive director of Datang International Power Generation Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601991; a company listed on the Stock Exchange, stock code: 991) since July 2016. Mr. Liu graduated from Shandong Electric Power School (山東電力學校) in 1981, majoring in thermal power equipment in power plants. He further graduated from the Central Party School of the Communist Party of China (中央黨校) in 2001, majoring in economics. He was also accredited as a senior accountant by the Power Industry Bureau of Shandong Province (山東省電力工業局) in February 1998.

Mr. Liu Guangming (劉光明)

aged 45, is a non-executive Director. Mr. Liu has over 10 years of extensive experience in the power industry. Before joining the Company, Mr. Liu worked in China Huadian Corporation serving successively as head of directors and supervisors office and head of 2nd division of cadre management of Human Resources Department from July 2005 to February 2008. Between February 2008 and June 2010, Mr. Liu served as an assistant general manager of China Huadian Corporation Capital Holdings Limited (中國華電集團資本控股公司). He held various positions at China Huadian Corporation Finance Company Limited (中國華電集團財務有限公司) from June 2010 to May 2014, including a deputy general manager and a party member. From May 2014 to March 2016, he served as the general manager and deputy secretary of Communist Party Committee at China Datang Group Finance Co., Ltd. (中國大唐集團財務有限公司). Since March 2016, he has been serving as the head of capital operation and assets management department of China Datang. In addition, Mr. Liu also holds directorships in other listed companies. He has served as a director of Guangxi Guiguan Electric Power Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600236) since June 2016, a director of Datang Huayin (a company listed on the Shanghai Stock Exchange, stock code: 600744) since June 2016 and a non-executive director of Datang Renewable (a company listed on the Stock Exchange, stock code: 1798) since June 2016. Mr. Liu obtained a master's degree in electric power system and automation from North China Electric Power University (華北電力大學) in June 2005. He was accredited as a senior engineer by State Power Corporation of China (國家電力公司) in December 2003.

Mr. Liang Yongpan (梁永磐)

aged 51, is a non-executive Director. Mr. Liang has over 15 years of extensive experience in the power industry. Before joining the Company, Mr. Liang was a general manager and a member of Communist Party Committee of Lanzhou Xigu Thermal Power Co. Ltd. (蘭州西固熱電有限責任公司) between June 2001 and June 2004. Mr. Liang was a member of the Communist Party Committee and a deputy general manager of Datang Gansu Power Generation Co., Ltd. (大唐甘肅發電有限公司) from June 2004 to April 2008. He then served as the deputy manager of planning, investment and financing department of China Datang from April 2008 to July 2011. He was a general manager and secretary of Communist Party Committee of Datang Gansu Power Generation Co., Ltd. (大唐甘肅發電有限公司) from July 2011 to May 2014, the manager of planning and marketing department of China Datang from May 2014 to March 2016. Since March 2016, he has been serving as the head of safety production department of China Datang. In addition, Mr. Liang also holds directorships in other listed companies. He has been serving as a non-executive director of Datang International Power Generation Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601991; a company listed on the Stock Exchange, stock code: 991) since October 2014, a director of Datang Huayin (a company listed on the Shanghai Stock Exchange, stock code: 600744) since June 2015, a director of Guangxi Guiguan Electric Power Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600236) since October 2014 and a non-executive director of Datang Renewable (a company listed on the Stock Exchange, stock code: 1798) since June 2016. Mr. Liang graduated from the thermal engineering department of Chongqing University (重慶大學) in July 1988, majoring in thermal power engineering for power plants. He was accredited as a senior engineer by Gansu Electric Power Company (甘肅省電力公司) in December 1997.

II. EXECUTIVE DIRECTORS

Mr. Deng Xiandong (鄧賢東)

aged 52, has been serving as the general manager of the Company since July 2013, an executive Director since August 2013, and the vice secretary of the Communist Party Committee of the Company since January 2015, being responsible for the overall business operation and management of the Company. Mr. Deng possessed approximately 30 years of working experience in the power industry and used to be responsible for the business operation and management of various electric power enterprises. Before joining the Company, Mr. Deng worked as a specialized technician of the production division at Xia Huan Yuan Power Plant (下花園發電廠) and Zhangjiakou Power Plant (張家口發電廠) from July 1987 to March 1993, and he served as the specialized technician of the powder production workshop and deputy manager of the production technology department of Zhangjiakou Power Plant from March 1993 to December 1998. During the period from December 1998 to September 2004, he served successively as the deputy plant manager, deputy chief engineer and head of equipment division and chief engineer at Plant A of Beijing Datang Power Zhangjiakou Power Plant (北京大唐發電張家口發電廠). Moreover, Mr. Deng was the general manager of Shanxi Datang International Yungang Thermal Power Company Limited (山西大唐國際雲岡熱電有限責任公司) from September 2004 to August 2006. From August 2006 to March 2009, Mr. Deng served successively as the deputy director of the Yunnan Representative Office of China Datang, the member of Communist Party Committee, deputy general manager and deputy director of planning and development department of the Yunnan Branch of China Datang. From August 2006 to June 2007, he worked successively as the general manager, member of Communist Party Committee of the Yunnan Branch of Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司). From June 2007 to April 2008, he was the secretary of the Communist Party Committee and general manager of Yunnan Datang International Electric Power Generation Company Limited (雲南大唐國際電力有限公司). From March 2009 to July 2013, Mr. Deng served as the vice secretary and secretary of Communist Party Committee, deputy general manager (in charge) and general manager of Datang Shandong Power Generation Co., Ltd. (大唐山東發電有限公司). Mr. Deng graduated from Northeast China Institute of Electric Power (東北電力學院) and obtained a bachelor's degree in thermal power engineering for power plants in 1987. He further obtained a master's degree in power engineering at North China Electric Power University (華北電力大學) in 2004. Mr. Deng was accredited as a senior engineer by the North China Power Administration Bureau of the Ministry of Power Industry (電力工業部華北電業管理局) in September 1998.

Mr. Lu Shengli (路勝利)

aged 57, was the vice secretary of Communist Party Committee of the Company and a Supervisor from December 2013 to January 2015. He has been serving as the secretary of Communist Party Committee, deputy general manager and head of the disciplinary committee of the Company since January 2015 and has been the executive Director since June 2015, being responsible for work related to the Communist Party Committee, disciplinary inspection affairs, staff salaries, legal affairs and logistics work of the Company. Mr. Lu had approximately 20 years of extensive experience in the power industry. Before joining the Company, Mr. Lu served successively as a member and director of the first division of the Supervisory Administration Bureau of the Ministry of Electric Power (電力部監察局) from August 1994 to August 1996. From August 1996 to January 2003, he worked successively as the deputy manager and manager of the third supervisory division of the supervisory administration of the State Power Corporation (國家電力公司). From January 2003 to December 2003, he was the manager of the first division of the supervision department of China Datang. During the period from December 2003 and November 2006, Mr. Lu served successively as the member of the Communist Party Committee, head of the disciplinary and supervisory committee and chairman of the labor union of Longtan Hydropower Development Co., Ltd. (龍灘水電開發有限公司). From November 2006 to December 2013, he was the vice secretary of Communist Party Committee, secretary of the disciplinary and supervisory committee and chairman of the labor union of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. (中國水利電力物資有限公司). Mr. Lu graduated from Engineering Institute of the People's Liberation Army for Engineering Soldiers (中國人民解放軍工程兵工程學院) and obtained a bachelor's degree in mechanical engineering in 1983. He further obtained a master's degree in business administration at Ukrainian-American Humanitarian University (烏克蘭烏美人文大學) in 2002. Mr. Lu was accredited as a senior engineer by the Ministry of Power Industry (電力工業部) in October 1995.

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ye Xiang (叶翔)

aged 53, is an independent non-executive Director. Mr. Ye possessed over 20 years of extensive experience in the industries relating to finance, banking and regulation. Mr. Ye was an economist of the People's Bank of China from August 1994 to July 1998, and he worked for Hong Kong Monetary Authority (香港金融管理局) as a senior analyst from August 1998 to July 2000. Mr. Ye served as the executive director of the Bank of China International Holdings Limited (中銀國際控股有限公司) from August 2000 to July 2001. During the period from August 2001 to October 2007, he served successively as the director of China affairs of the Securities and Futures Commission of Hong Kong. Mr. Ye has been acting as the managing director of Vision Gain Capital limited (匯信資本有限公司) since November 2007; an independent director of UBS Securities LLC (瑞銀證券有限責任公司) since March 2010; and a member of the Public Shareholders Group of the SFC since April 2015. In addition, Mr. Ye has held directorship in other listed companies, including the position of independent non-executive director of Wuling Motors Holdings Limited (五菱汽車集團控股有限公司) (a company listed on the Stock Exchange, stock code: 0305) since October 2008 and the position of independent director of Shenzhen Shenxin Taifeng (Group) Co., Ltd. (深圳市深信泰豐(集團)股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000034) since June 2011. Mr. Ye obtained a doctoral degree in economics at the Financial Research Institute of the People's Bank of China (中國人民銀行總行金融研究所) in 1995. Mr. Ye was accredited as a chartered financial analyst by the CFA Institute in September 2004.

Mr. Mao Zhuanjian (毛專建)

aged 64, is an independent non-executive Director. Mr. Mao possessed extensive experience in the environmental protection, energy conservation and clean production of the power industry. Mr. Mao currently serves as the senior expert of the energy conservation and environmental protection division of CEC (中國電力企業聯合會節能環保分會), member of the specialized committee for energy and environment of China Energy Research Society (中國能源研究會能源與環境專業委員會), member of the specialized committee for electric power and environmental protection of the Chinese Society for Electrical Engineering (中國電機工程學會電力環保專業委員會) and member of the low-carbon economics taskforce of the China Association of Plant Engineering Consultants (中國設備監理協會低碳經濟工作委員會). Before joining the Company, Mr. Mao was the engineer and deputy head of the environmental protection office of the planning department of the Ministry of Water and Power Industry (國家水電部) from February 1986 to November 1988. Between November 1988 and November 1993, Mr. Mao served as the deputy head of the Environmental Protection and Management Division (環境保護管理處) under the environmental protection center for China Electricity Council (中國電力企業聯合會環境保護中心). From November 1995 to September 2005, he

served as director of the consulting division of CEC Electric Power Construction Technical Center (中電聯電力建設技術中心) under the State Power Corporation. From October 2005 to June 2017, he served successively as the manager of environmental protection division and the manager of climate change response division under the CEC, the vice secretary for the National Collaborative Network for Desulfurization and Denitrification Technologies for the Power Industry (全國電力行業脫硫脫硝技術協作網), and the deputy secretary and deputy secretary general for the energy conservation and environmental protection sub-division under the CEC. Mr. Mao graduated from Guizhou Industrial College (貴州工學院) in 1976, majoring in inorganic chemistry. Mr. Mao was accredited as a professor-level senior engineer by the Ministry of Power Industry in April 1999 and was engaged by the energy conservation and environmental protection sub-division under CEC as a core professional for CEC (中國電力企業聯合會核心專家) in June 2014. Mr. Mao was twice accredited as an expert in the expert reserves for environmental protection and energy conservation professionals for the power industry (電力行業環保節能專家庫專家) by CEC in October 2013 and August 2014, respectively.

Mr. Gao Jiayang (高家祥)

aged 43, is an independent non-executive Director. Mr. Gao has considerable working experience in internal and external corporate audit, investment, merger and acquisition, restructuring and corporate valuation. Before joining the Company, Mr. Gao served as an audit manager at Xinxiang Juzhongyuan Certified Public Accountants (新鄉巨中元會計師事務所有限責任公司) from May 1996 to July 2003. He then worked at the Beijing branch of Nanfang Minhe Certified Public Accountants as the manager of audit department from August 2003 to June 2006. He worked as the manager at Beijing Zhonghe Dingxin Certified Public Accountants (北京中和鼎信會計師事務所) from July 2006 to August 2007 and the manager at Beijing Tianyuanquan Certified Public Accountants (北京天圓全會計師事務所) from September 2007 to February 2009. He then served as the chief financial officer of Beijing Guanshi Foundation International Investment Management Company Limited (北京管氏基業國際投資管理有限公司) from March 2009 to June 2017. Since June 2017 to present, Mr. Gao has been serving as the chief financial officer of Risun Chemical Co., Ltd. (旭陽化工有限公司). Mr. Gao graduated from Central University of Finance and Economics (中央財經大學) in January 2009 and obtained a bachelor's degree in accounting. He then obtained an MBA from Central University of Finance and Economics in June 2016. He was accredited as a certified public accountant by the Chinese Institute of Certified Public Accountants in April 2003 and as a certified tax agent by Henan Certified Tax Agent Management Center in June 2002.

IV. SUPERVISORS

Mr. Wang Yuanchun (王元春)

aged 54, is the chairman of the Supervisory Committee. He had approximately 30 years of working experience in the power related industries. Prior to joining the Company, Mr. Wang served successively as the director of the boiler department, specialized technician of the biotechnology division, manager of the biotechnology division, and deputy plant manager and the engineer of Hancheng Power Plant (韓城發電廠) under Datang Xiayi Power Co., Ltd. (大唐陝西發電有限公司) from July 1986 to September 1999. Mr. Wang worked as the deputy head of Baoji Power Plant (寶雞發電廠) from September 1999 to April 2001, the deputy general manager at the North West Power Development Co., Ltd. (西北電力開發有限責任公司) from April 2001 to October 2001, and the general manager at Xi'an Baqiao Thermal Power Co., Ltd. (西安灞橋熱電有限責任公司) from October 2001 to June 2003. From June 2003 to November 2006, he successively served as the deputy general manager, general manager, member of and secretary of the Communist Party Committee at Hancheng No. 2 Power Co., Ltd. (韓城第二發電有限責任公司). From November 2006 to July 2013, he successively served as the deputy manager of the engineering management department of China Datang, the member of the Communist Party Committee, vice secretary and secretary of the Communist Party Committee, deputy general manager and general manager at the Shanxi Branch of China Datang (中國大唐山西分公司). Mr. Wang has been serving as the deputy director of the disciplinary team of the Communist Party Committee of China Datang and the director of monitoring division (the office of disciplinary team) of the Communist Party Committee of China Datang since July 2013, the director of inspection office of China Datang (中國大唐巡視工作辦公室) since February 2015, and the director and secretary of Communist Party Committee of China Datang Techno-Economic Research Institute (中國大唐集團技術經濟研究院) since June 2017. Mr. Wang obtained a bachelor's degree in thermal power engineering for power plants in 1986 from Xi'an Jiaotong University (西安交通大學), where he further obtained a master's degree in electronic and information engineering from the same university in 2001. Mr. Wang was accredited as a senior engineer by the Northwest Electric Power Administration (西北電業管理局) in December 1997.

Mr. Liu Liming (柳立明)

aged 45, is a Supervisor. Mr. Liu had approximately 20 years of extensive experience in auditing works in relation to the power industry. Prior to his joining the Company, Mr. Liu worked for the audit department in Beijing Electric Power Corporation (北京供電公司) from December 1996 to March 2003. From March 2003 to January 2017, Mr. Liu successively worked as a staff of the first audit department, deputy manager of the first audit department, deputy manager of the third audit department and the manager of the third audit department of China Datang. Commencing from January 2017, he has been serving as the deputy director of audit division of China Datang. Mr. Liu graduated from Changsha Institute of Power (長沙電力學院) in 1996, majoring in accounting. Mr. Liu was also qualified as an intermediate accountant by MOF in May 2002.

Mr. Liu Jianxiang (劉建祥)

aged 44, is the Employee Representative Supervisor. He has approximately 20 years of working experience in the power industry. Mr. Liu has been serving as the secretary of the discipline inspection commission, the member of the communist party committee and the director of human resources department of the Company since October 2016. Before joining the Company, Mr. Liu served successively as a staff of operation department, the translator of the administrative office, the specialised technician of planning department, the deputy director of planning department, the deputy director (in charge) of the administrative office and the director of the administrative office at Shandong Rizhao Power Plant (山東日照發電廠) from July 1996 to September 2004. From September 2004 to October 2012, Mr. Liu worked at Rizhao Power Plant of Huaneng Power International, Inc. (華能國際電力股份有限公司日照電廠, a company listed on the Stock Exchange, stock code: 902), successively serving as the director of administrative department, the director and secretary of the communist party branch of human resources department, the deputy manager, the member of the communist party committee, the deputy secretary of the communist party committee, the secretary of the discipline inspection commission and the chairman of the labor union. Mr. Liu also served as the member and the secretary of communist party committee at Huaneng Laiwu Power Plant (華能萊蕪電廠) from October 2012 to November 2014. During the period from November 2014 to October 2016, Mr. Liu served successively as the person in charge and the director of human resources department of the Company. Mr. Liu graduated from Shandong Polytechnic University (山東工業大學) majoring in thermal power engineering for power plants and obtained a bachelor's degree in engineering in July 1996. Mr. Liu further obtained a master's degree in business administration from Dalian University of Technology (大連理工大學) in January 2006. Mr. Liu was accredited as a senior economist by human resource department of China Huaneng Group in December 2010.

V. SENIOR MANAGEMENT

Mr. Liu Yinshun (劉銀順)

aged 49, has been serving as a deputy general manager of the Company since 10 March 2017, being responsible for the Company's operational management and safety management. He has approximately 30 years of experience in power industry. Prior to joining the Company, Mr. Liu served as a specialist engineer of safety supervision division of North China Power Management Bureau (華北電力管理局) from July 1990 to August 1999. From August 1999 to May 2002, he served as an engineer and deputy director of safety supervision and facility management division of Datang International Power Generation Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601991; a company listed on the Stock Exchange, stock code: 991). From May 2002 to February 2003, he served as general manager assistant and director of safety supervision department of Tianjin Datang Panshan Power Generation Company Ltd. (天津大唐盤山發電有限責任公司). From February 2003 to December 2013, he served several positions in China Datang Corporation (中國大唐集團公司), including senior staff, deputy director and director of its safety supervision division of production safety department, and deputy director of its production safety department. From December 2013

Profile of Directors, Supervisors and Senior Management (Continued)

to March 2016, Mr. Liu served as a deputy general manager and member of the Communist Party Committee of Shanxi Branch of China Datang Corporation. From March 2016 to December 2016, he served as a deputy general manager and member of the Communist Party Committee of Datang Hebei Power Generation Company Ltd. (大唐河北發電有限公司). Mr. Liu graduated from Beijing Economic College (北京經濟學院) with a bachelor's degree in engineering in July 1990, majoring in safety engineering. Mr. Liu was accredited as a senior engineer by State Power Corporation of China in December 2000.

Mr. Li Zhenyu (李震宇)

aged 41, has been serving as the chief accountant and a member of the Communist Party Committee of the Company since August 2016, being responsible for the financial management, capital operation and social security management of the Company. He has more than 15 years of relevant experience in accounting. Prior to joining the Company, he served successively as the accounting clerk, the deputy director of the audit division of the finance department and the deputy director of the finance department at Hunan Huayin Electric Power Co., Ltd. (湖南華銀電力股份有限公司) from July 1998 to September 2005. From September 2005 to June 2008, Mr. Li served as the comprehensive officer of tariff at the finance and property management department of China Datang Corporation. From June 2008 to December 2013, Mr. Li served successively as deputy director (in charge) of the finance and asset management department, director and deputy chief accountant as well as the director of the finance and asset department of China Datang Corporation Overseas Investment Co., Ltd. (中國大唐集團海外投資有限公司). From December 2013 to August 2016, Mr. Li worked as the chief accountant and a member of the Communist Party Committee of Datang Shandong Power Generation Company Ltd. (大唐山東發電有限公司). Mr. Li graduated from Changsha Power Economic University (長沙電力學院), majored in accounting and obtained a bachelor's degree in economics in June 1998. He further obtained a master's degree in economics in Business School of Wuhan University (武漢大學) in June 2001, majoring in industrial economics. Mr. Li was recognized as a senior accountant by China Datang Corporation in December 2011.

Mr. Shen Zhen (申鎮)

aged 45, was the general manager of the environmental protection branch of the Company from November 2010 to January 2015 and has been serving as a deputy general manager and a member of the Communist Party Committee of the Company since January 2015, being responsible for the market development, research and development, international cooperation and external affairs. Mr. Shen had approximately 20 years of extensive experience in the power industry. From September 2004 to November 2010, Mr. Shen served successively as the manager of the engineering and project management department, deputy general manager of the desulfurization business department, deputy general manager of cooling technology business department, deputy director (in charge) of the general manager's working department and director of the engineering management department at Technologies & Engineering Company. Prior to joining the Company, Mr. Shen was a specialized engineer

at Boiler Company of Beijing Electric Power Construction Company (北京電力建設公司鍋爐專業公司) from July 1995 to April 2000 and was appointed as the manager of the engineering management department of Guohua Ebara Environmental Engineering Co., Ltd. (國華荏原環境工程有限責任公司) from April 2000 to September 2004. Mr. Shen graduated from Southeast University (東南大學) with a bachelor's degree in thermal power engineering in 1995. He further obtained an MBA degree from Tsinghua University (清華大學) in 2007. Mr. Shen is an accredited grade-one constructor (一級建造師) recognized by the Ministry of Construction (國家建設部) in March 2005 and a senior engineer recognized by the Beijing Senior Specialized Technique Titles Evaluation Committee (北京市高級專業技術資格評審委員會) of Personnel in October 2007.

Mr. Mao Hui (毛輝)

aged 42, has been serving as a deputy general manager of the Company since 10 March 2017, being responsible for the Company's overseas market development, international cooperation, foreign affairs and informatization management. He has approximately 20 years of experience in power industry. From January 2005 to February 2012, Mr. Mao served several positions in China Datang Technology & Engineering Co., Ltd. (中國大唐集團科技工程有限公司) ("**Technology & Engineering Company**"), which is currently a subsidiary of the Company, including chief assistant of its general manager office, a deputy director of its science and technology management department and director of its human resource department. From February 2012 to January 2015, Mr. Mao served as director of human resource department of the Company, during which, Mr. Mao also served as general manager of Technology & Engineering Company from January 2014 to January 2015 and secretary to the Communist Party Committee of Technology & Engineering Company from March 2014 to January 2015. From January 2015 to December 2016, Mr. Mao continued to serve as general manager and secretary to the Communist Party Committee of Technology & Engineering Company. Prior to joining the Group, he served as an engineer of auxiliary power division of Hunan Thermal Power Construction Corporation (湖南火電建設公司) from August 1997 to March 1999, as an engineer of power transmission and transformation department of China Huadian Engineering Co., Ltd. (中國華電工程(集團)有限公司) ("**China Huadian**") from April 1999 to December 2000, and chief information manager of general manager office of China Huadian from January 2001 to December 2004. Mr. Mao graduated from Xi'an Jiaotong University (西安交通大學) with a bachelor's degree in engineering in July 1997, majoring in electrical appliance. He further obtained an MBA degree from Tsinghua University (清華大學) in July 2009. Mr. Mao was accredited as a senior engineer by China Datang Corporation in December 2009.

Mr. Zeng Bing (曾兵)

aged 41, has been serving as the chief economist of the Company, Joint Company Secretary and the authorised representative of the Company since 10 March 2017, being responsible for auditing, legal affairs and equity investment. He has approximately 20 years of experience in power industry. Prior to joining the Company, Mr. Zeng served several positions in Datang Yantan Hydropower Plant (大唐岩灘水力發電廠) from July 1997 to August 2006, including accountant, manager, deputy director and director of its financial department, and was mainly responsible for financial management, including budget management, accounting, fund management and tax management matters. From August 2006 to November 2013, he served as deputy director and director (in charge) of audit and supervision department of Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司) (the “**Guiguan Power**”, a company listed on the Shanghai Stock Exchange, stock code: 600236), and was responsible for internal audit and internal control management. From October 2013 to January 2014, he served as the deputy general manager and secretary of the Communist Party committee of Datang Guiguan Shandong Power Investment Company Ltd. (大唐桂冠山東電力投資有限公司), a subsidiary of Guiguan Power, and was mainly responsible for financial management matters, including budget management, accounting, fund management and tax management matters. From January 2014 to October 2015, he served as director of securities affairs department of China Datang Corporation Guangxi Branch (中國大唐集團公司廣西分公司), Guiguan Power and Longtan Hydropower Development Co., Ltd. (龍灘水電開發有限公司) respectively, and was mainly responsible for daily compliance, regulatory reporting and communications and corporate governance matters, including preparing announcements and regular reports, organising board meetings, supervisor committee meetings and shareholder meetings, supervising transactions such as share repurchase, share issue, asset or equity acquisition and/or disposal. From October 2015 to December 2016, he served as the deputy general manager and secretary of the Communist Party committee of Guangxi Datang Electric Power Maintenance Co., Ltd. (廣西大唐電力檢修有限公司), and was mainly responsible for financial management, including budget management, accounting, fund management and tax management matters. Mr. Zeng graduated from Zhongnan University of Finance and Economics (中南財經大學) with a bachelor’s degree in economics in July 1997, majoring in accounting. Mr. Zeng was accredited as a PRC certified accountant by the Ministry of Finance of the People’s Republic of China in May 2004.

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

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	Six months ended 30 June	
		2017 Unaudited RMB'000	2016 Audited RMB'000
Revenue	4	2,994,018	3,142,088
Cost of sales		(2,377,383)	(2,427,109)
Gross profit		616,635	714,979
Selling and distribution expenses		(23,537)	(18,211)
Administrative expenses		(125,921)	(107,483)
Other income and gains	5	26,195	23,049
Finance costs	6	(90,668)	(99,415)
Exchange gains/(loss), net		(35,005)	44
Profit before tax		367,699	512,963
Income tax expense	7	(69,961)	(74,486)
Profit for the period		297,738	438,477
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		(32)	(431)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(32)	(431)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(32)	(431)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		297,706	438,046

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

For the six months ended 30 June 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

		Six months ended 30 June	
		2017	2016
		Unaudited	Audited
		RMB'000	RMB'000
Notes			
	Profit attributable to:		
	Owners of the parent	282,000	400,487
	Non-controlling interests	15,738	37,990
		297,738	438,477
	Total comprehensive income attributable to:		
	Owners of the parent	281,982	400,267
	Non-controlling interests	15,724	37,779
		297,706	438,046
	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
	Basic and diluted (RMB)	0.10	0.17
		9	

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

		30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	10	6,926,956	6,643,229
Intangible assets		111,030	110,501
Prepaid land lease payments		19,764	19,996
Available-for-sale financial investment		5,000	5,000
Deferred tax assets		30,368	24,829
Other non-current assets		98,626	115,357
Total non-current assets		7,191,744	6,918,912
CURRENT ASSETS			
Inventories		113,236	130,286
Construction contracts		120,189	237,747
Trade and bills receivables	11	6,534,120	6,375,700
Prepayments, deposits and other receivables	12	1,388,114	1,235,130
Restricted cash	13	17,669	25,151
Cash and cash equivalents	13	1,900,140	3,012,614
Total current assets		10,073,468	11,016,628
CURRENT LIABILITIES			
Trade and bills payables	14	5,033,907	5,766,675
Other payables and accruals		1,697,680	1,047,059
Interest-bearing bank borrowings and other loans	15	1,070,880	1,166,318
Income tax payable		33,185	42,918
Total current liabilities		7,835,652	8,022,970
NET CURRENT ASSETS		2,237,816	2,993,658
TOTAL ASSETS LESS CURRENT LIABILITIES		9,429,560	9,912,570

Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	<i>Notes</i>	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings and other loans	15	3,088,378	3,465,837
Other non-current liabilities		31,097	31,379
Total non-current liabilities		3,119,475	3,497,216
Net assets		6,310,085	6,415,354
EQUITY			
Equity attributable to owners of the parent			
Share capital		2,967,542	2,967,542
Reserves		3,183,505	3,272,466
		6,151,047	6,240,008
Non-controlling interests		159,038	175,346
Total equity		6,310,085	6,415,354

Jin Yaohua
Director

Deng Xiandong
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2017								
(unaudited)								
As at 1 January 2017	2,967,542	1,315,483	163,538	1,081	1,792,364	6,240,008	175,346	6,415,354
Profit for the period	-	-	-	-	282,000	282,000	15,738	297,738
Other comprehensive income	-	-	-	(18)	-	(18)	(14)	(32)
Total comprehensive income	-	-	-	(18)	282,000	281,982	15,724	297,706
Dividends declared to Shareholders (Note 8)	-	-	-	-	(370,943)	(370,943)	-	(370,943)
Dividends declared by a subsidiary to its non-controlling interests	-	-	-	-	-	-	(32,032)	(32,032)
As at 30 June 2017	2,967,542	1,315,483	163,538	1,063	1,703,421	6,151,047	159,038	6,310,085
Six months ended 30 June 2016								
(audited)								
As at 1 January 2016	2,400,000	64,865	73,529	(12)	961,809	3,500,191	126,880	3,627,071
Profit for the period	-	-	-	-	400,487	400,487	37,990	438,477
Other comprehensive income	-	-	-	(220)	-	(220)	(211)	(431)
Total comprehensive income	-	-	-	(220)	400,487	400,267	37,779	438,046
Dividends declared to owners of the parent (Note 8)	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Dividends declared by a subsidiary to its non-controlling interests	-	-	-	-	-	-	(2,491)	(2,491)
As at 30 June 2016	2,400,000	64,865	73,529	(232)	1,262,296	3,800,458	162,168	3,962,626

* These reserve accounts comprise the consolidated reserves of RMB3,183,505,000 and RMB1,400,458,000 as at 30 June 2017 and 2016, respectively, in the interim condensed consolidated statement of financial position.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(21,316)	(55,035)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,455	4,401
Purchase of items of property, plant and equipment and intangible assets	(466,473)	(427,242)
Net cash flows used in investing activities	(463,018)	(422,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings and other loans	253,450	621,300
Repayments of bank borrowings and other loans	(726,347)	(636,670)
Costs of issue of shares	(32,221)	–
Dividends paid	–	(103,718)
Interest paid	(88,076)	(100,294)
Net cash flows used in financing activities	(593,194)	(219,382)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,077,528)	(697,258)
Cash and cash equivalents at the beginning of the period	3,012,614	1,443,963
Effect of foreign exchange rate changes, net	(34,946)	1,568
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,900,140	748,273

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

1. CORPORATE INFORMATION

Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (the “**Company**”) was established on 25 July 2011 in the People’s Republic of China (the “**PRC**”) with limited liability. On 26 June 2015, the Company converted into a joint stock company with limited liability from a limited liability company. The shares of the Company have been listed on the Main board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) from 15 November 2016. The address of its registered office is No.120 Zizhuyuan Road, Haidian District, Beijing, the PRC.

The Company and its subsidiaries (together the “**Group**”) are involved in the following principal activities: development of environmental protection projects, investment on environmental facilities and operating management; research & development, design, production, examination, sale and technical services of denitrification catalysts; research and development, manufacture and sale of self-controlled systems; development and testing of environmental protection technology; production and sale of environmental protection equipment; design, construction and contracting of environmental protection engineering; treatment of sewage and seawater; design and contracting of power engineering systems; energy saving techniques as well as development and usage of new energy technology; design and contracting of material transportation systems and corrosion protection engineering systems; sale of building materials and chemical products (excluding hazardous chemicals); machinery equipment, electronic products and hardware; contracting of overseas projects; import and export businesses; consulting services in relation to the above businesses. (For the projects subject to law and approval, operating activities of which shall commence in accordance with the approval of relevant departments.)

In the opinion of the Directors, the immediate holding company and ultimate holding company of the Company is China Datang Corporation (“**China Datang**”), a company established and domiciled in the PRC and wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council.

The interim condensed consolidated financial statements have not been audited.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these amendments apply for the first time in 2017, they do not have a material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each amendment is described below:

Amendments to IAS 7 Statement of Cash Flows Disclosure Initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (Continued)

Amendments to IAS 12 Income Taxes Recognition of Deferred Tax Assets for Unrecognised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Annual Improvements to IFRSs Cycle – 2014–2016

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12.

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The Group has adopted the amendments retrospectively. However, the amendments have no effect on the Group's financial position and performance as the Group has no interest in a subsidiary, a joint venture or an associate that is classified as held for sale.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.3 Accounting judgments and estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that are applied to the annual consolidated financial statements for the year ended 31 December 2016.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to their nature. Each of the Group's operating segment represents a strategic business unit that provides services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

(a) Environmental protection and energy conservation solutions

The environmental protection and energy conservation solutions business mainly includes flue gas desulfurization and denitrification facilities concession operation business for coal-fired power plants; the manufacture and sale of denitrification catalysts business; engineering business for coal-fired power plants, including the engineering of denitrification, desulfurization, dust removal, ash and slag handling and other environmental protection facilities and industrial site dust management related engineering; water treatment business; and energy conservation business including energy conservation engineering and energy management contract ("EMC").

(b) Renewable energy engineering

The renewable energy engineering business presently includes the engineering general contracting business for newly-built wind power plants, biomass power plants and photovoltaic power plants.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Thermal power plants engineering general contracting

The thermal power plants engineering general contracting business mainly includes the engineering procurement construction (“EPC”) services for thermal power plants.

(d) Other businesses

Other businesses currently mainly include various businesses such as fiberglass chimney anti-corrosion, air cooling system engineering general contracting and coal yard monitoring system upgrade.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that unallocated income and gains, finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

Segment assets and liabilities mainly comprise operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment assets exclude unallocated intangible assets, unallocated deferred tax assets, unallocated prepayments, deposits and other receivables, restricted cash, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings for daily operation purpose, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfer are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2017 (unaudited)	Environmental protection and energy conservation solutions RMB'000	Renewable energy engineering RMB'000	Thermal power plants engineering general contracting RMB'000	Other businesses RMB'000	Total RMB'000
Segment revenue					
Sales to external customers	2,169,294	717,114	–	107,610	2,994,018
Intersegment sales	–	–	–	5,948	5,948
	2,169,294	717,114	–	113,558	2,999,966
<i>Reconciliation:</i>					
Elimination of intersegment sales					(5,948)
Revenue					2,994,018
Segment results	531,754	41,552	–	(16,253)	557,053
<i>Reconciliation:</i>					
Other income and gains					26,195
Exchange gains/(loss), net					(35,005)
Corporate and other unallocated expenses					(89,876)
Finance costs					(90,668)
Profit before tax					367,699
As at 30 June 2017 (unaudited)					
Segment assets	14,881,873	1,751,065	67,589	597,652	17,298,179
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(755,153)
Corporate and other unallocated assets					722,186
Total assets					17,265,212
Segment liabilities	6,314,486	1,572,498	30,192	495,655	8,412,831
<i>Reconciliation:</i>					
Elimination of intersegment payables					(755,153)
Corporate and other unallocated liabilities					3,297,449
Total liabilities					10,955,127

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2016 (audited)	Environmental protection and energy conservation solutions RMB'000	Renewable energy engineering RMB'000	Thermal power plants engineering general contracting RMB'000	Other businesses RMB'000	Total RMB'000
Segment revenue					
Sales to external customers	2,212,891	888,653	–	40,544	3,142,088
Intersegment sales	–	–	–	3,531	3,531
	2,212,891	888,653	–	44,075	3,145,619
<i>Reconciliation:</i>					
Elimination of intersegment sales					(3,531)
Revenue					3,142,088
Segment results	629,269	58,227	–	(15,491)	672,005
<i>Reconciliation:</i>					
Other income and gains					23,049
Exchange gains/(loss), net					44
Corporate and other unallocated expenses					(82,720)
Finance costs					(99,415)
Profit before tax					512,963
As at 31 December 2016 (audited)					
Segment assets	14,163,731	1,740,823	92,779	624,281	16,621,614
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(432,182)
Corporate and other unallocated assets					1,746,108
Total assets					17,935,540
Segment liabilities	5,087,071	1,545,296	79,444	513,898	7,225,709
<i>Reconciliation:</i>					
Elimination of intersegment payables					(432,182)
Corporate and other unallocated liabilities					4,726,659
Total liabilities					11,520,186

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

The majority of the non-current assets are located in the PRC, and the majority of revenues are generated from Mainland China. Therefore, no geographical information is presented.

Information about major customers

Revenue of approximately RMB2,286 million for the six months ended 30 June 2017 was derived from sales of goods and the rendering of services to China Datang and its subsidiaries (excluding the Group) (“China Datang Group”) (for the six months ended 30 June 2016: RMB2,684 million), including sales to a group of entities which are known to be under common control.

4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; an appropriate proportion of contract revenue of construction contracts and the value of services rendered for desulfurization and denitrification and others during the period.

An analysis of revenue are as follows:

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
Revenue		
Revenue from sales of goods	189,944	217,435
Revenue from construction services	1,469,004	1,704,194
Revenue from desulfurization and denitrification services	1,310,019	1,176,491
Revenue from other services	25,051	43,968
	2,994,018	3,142,088

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
Other income		
Bank interest income	3,455	4,401
Government grants	22,767	18,650
	26,222	23,051
Gains		
Loss on disposal of items of property, plant and equipment	(27)	(2)
	26,195	23,049

6. FINANCE COSTS

An analysis of finance costs are as follows:

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
Interest expenses on bank borrowings and other loans	94,863	108,997
Less: interest capitalized	(4,195)	(9,582)
	90,668	99,415

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

7. INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
Current		
– PRC	74,545	75,393
– other country	955	428
Deferred	(5,539)	(1,335)
	69,961	74,486

8. DIVIDENDS

On 24 March 2017, the Board of Directors proposed to distribute the final dividend for the period from 1 April 2016 to 31 December 2016 of RMB0.125 per share (before tax) of the Company in cash to the shareholders, which was approved by the shareholders at the 2016 annual general meeting of the Company on 30 June 2017. As at 30 June 2017, the final dividend was not paid to its shareholders.

The board of directors did not recommend distribution of any interim dividend for the six months ended 30 June 2017 (for the six months ended 30 June 2016: the Company paid the dividend of RMB100 million for the year of 2015).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares for six months ended 2017 and 2016, respectively.

The Company did not have any potential dilutive shares in issue during the periods ended 30 June 2017 and 2016. Accordingly, the diluted earnings per share amounts are the same as the basic earnings per share amounts.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2017 Unaudited	2016 Audited
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic/diluted earnings per share calculations (RMB)	282,000,000	400,487,000
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic/diluted earnings per share calculations	2,967,542,000	2,400,000,000
Earnings per share		
Basic/diluted earnings per share (RMB)	0.10	0.17

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment with a cost of RMB506,122,000 (the six months ended 30 June 2016: RMB157,095,000).

Items of property, plant and equipment with a net book value of RMB268,000 were disposed of by the Group during the six months ended 30 June 2017 (the six months ended 30 June 2016: RMB2,000), resulting in a loss on disposal of RMB27,000 (the six months ended 30 June 2016: loss of RMB2,000), which is included in "other income and gains" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

11. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for EPC contracts, where payment in advance is normally required. The credit period is generally within one year.

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Trade receivables	6,016,630	5,879,063
Less: provision for impairment	(97,192)	(91,312)
	5,919,438	5,787,751
Bills receivable	614,682	587,949
	6,534,120	6,375,700

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

An aging analysis of the trade and bills receivables as at the end of the reporting period based on the invoice date (or date of revenue recognition, if earlier), is as follows:

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Within 1 year	3,758,559	4,427,993
Between 1 and 2 years	1,663,830	1,165,106
Between 2 and 3 years	762,993	686,358
Over 3 years	445,930	187,555
	6,631,312	6,467,012
Less: provision for impairment	(97,192)	(91,312)
	6,534,120	6,375,700

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Due from related parties	270,898	177,619
Prepayments	706,084	712,611
Other receivables	66,588	54,949
Other current assets	344,715	290,122
	1,388,285	1,235,301
Less: provision for impairment	(171)	(171)
	1,388,114	1,235,130

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

13. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Cash and bank balances	1,917,809	3,037,765
Less: restricted cash (<i>Note a</i>)	(17,669)	(25,151)
Cash and cash equivalents	<u>1,900,140</u>	<u>3,012,614</u>

Note a: As at 30 June 2017 and 31 December 2016, restricted cash mainly represented deposits held for issued notes payable and letters of credit.

14. TRADE AND BILLS PAYABLES

Trade and bills payables are non-interest-bearing and are normally settled within one year.

For retention money payables, included in trade payables, in respect of guarantees granted by the suppliers, the due dates usually range from six months to one year after the completion of the construction work or the preliminary acceptance of equipment.

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Bills payable	11,103	36,478
Trade payables	5,022,804	5,730,197
	<u>5,033,907</u>	<u>5,766,675</u>

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

14. TRADE AND BILLS PAYABLES (CONTINUED)

An aging analysis of trade and bills payables as at the end of the reporting period, based on the invoice date (or date of purchase recognition, if earlier), is as follows:

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Within 1 year	2,842,973	4,231,928
Between 1 year to 2 years	1,383,519	850,803
Between 2 years to 3 years	375,237	297,885
Over 3 years	432,178	386,059
	5,033,907	5,766,675

15. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS

	Effective interest rate (%)	Maturity	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Current				
Bank borrowings:				
– unsecured	3.92%	2017–2018	400,000	468,450
Other loans:				
– unsecured	3.91%	2017	50,000	50,000
Current portion of long-term bank borrowings and other loans:				
Bank borrowings – unsecured	4.28%–4.41%	2017–2018	612,627	514,115
Bank borrowings – guaranteed	4.28%–4.41%	2017–2018	8,253	3,753
Other loans – secured	5.02%	2017	–	130,000
			620,880	647,868
			1,070,880	1,166,318

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

15. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS (CONTINUED)

	Effective interest rate (%)	Maturity	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Non-Current				
Long term bank borrowings and other loans:				
Bank borrowings – unsecured	4.28%–4.79%	2018–2027	2,862,425	3,292,831
Bank borrowings – guaranteed	4.28%–4.90%	2018–2026	97,873	44,926
Other loans – unsecured	4.79%	2021	128,080	128,080
			3,088,378	3,465,837
			4,159,258	4,632,155
Interest-bearing bank borrowings and other loans denominated in:				
– RMB			4,159,258	4,632,155

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

15. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS (CONTINUED)

The maturity profile of the interest-bearing bank borrowings and other loans is as follows:

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Analyzed into:		
Bank borrowings repayable:		
Within one year	1,020,880	986,318
In the second year	493,867	665,297
In the third to fifth years, inclusive	1,604,872	1,575,174
Beyond five years	861,559	1,097,286
	3,981,178	4,324,075
Other loans repayable:		
Within one year	50,000	180,000
In the second year	–	–
In the third to fifth years, inclusive	128,080	128,080
Beyond five years	–	–
	178,080	308,080
	4,159,258	4,632,155

16. CAPITAL COMMITMENTS

The Group had the following capital commitments for property, plant and equipment at the end of the reporting periods:

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Contracted, but not provided for	1,180,688	1,099,206

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

17. RELATED PARTY TRANSACTIONS

The Group is part of China Datang Group and has significant transactions with China Datang Group.

The following is a summary of significant related party transactions entered in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2016 and 2017. All transactions with related parties are conducted at prices and terms mutually agreed by the parties involved.

(a) Significant related party transactions

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
Sales of goods and rendering of services to China Datang Group		
Environmental protection and energy conservation solutions	2,031,977	1,937,878
Renewable energy engineering	151,813	614,634
Other businesses	101,887	131,491
	2,285,677	2,684,003
Purchases of goods and receiving of services from China Datang Group		
Water supply and electricity supply	276,890	198,059
Ancillary services under the concession operations	48,272	60,955
Logistics services	6,476	13,888
Property lease	17,180	25,752
Wind power electricity and other products	74,931	–
	423,749	298,654

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

17. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (Continued)

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
Payment of financial leasing to a subsidiary of China Datang Datang Financial lease Co., Ltd. ("Datang Financial Lease")	130,000	14,330
Purchase of assets from China Datang Group Purchase of assets (Note a)	157,961	–
Interest expense on a borrowing from a subsidiary of China Datang Datang Financial Lease	3,761	4,280

Note a: The Company signed an agreement with Datang Binzhou Power Generation Co., Ltd. to purchase desulfurization and denitrification facilities on 1 November 2016, and the transfer of these facilities was completed in current period.

Apart from above transactions, China Datang Finance Co., Ltd. ("Datang Finance") and the Company entered into a financial services agreement ("Agreement") on 24 April 2017. Financial services provided by Datang Finance to the Group under this Agreement include loan services and the deposit services, among which including financial and financing consultation and training services, transfer and settlement services, insurance agency services, finance leasing, entrustment loan and entrustment investment services, note financing services and underwriting services for issuing corporate bonds.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

17. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (Continued)

Pricing Policy: Datang Finance has undertaken to provide the aforementioned financial services to the Group based on the following pricing principles:

- (a) loan services – within the interval for the floating deposit and loan interests rates published by the People’s Bank of China (“PBOC”) and by reference to the benchmark interest rates published by the PBOC, the interest rate for loans granted to the Group by Datang Finance shall not be higher than the equivalent loan interest rate as charged by other financial institutions in the PRC;
- (b) deposit services – within the interval for the floating deposit and loan interests rates published by the PBOC and by reference to the benchmark interest rates published by the PBOC, the interest rate for the Group’s deposits with Datang Finance shall not be lower than the equivalent deposit interest rate as provided by other financial institutions in the PRC; and
- (c) other financial services – the fees charged by Datang Finance for the provision of the other financial services to the Group shall not be higher than the rate charged by the other financial institutions in the PRC for the same or similar type of services.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

17. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties

The outstanding balances with related parties at 30 June 2017 and 31 December 2016 are as follows:

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Cash and cash equivalents		
Datang Finance	269,547	–
Trade and bills receivables		
China Datang Group	4,812,556	4,670,781
Prepayments, deposits and other receivables		
China Datang Group		
Prepayments	64,534	6,497
Other receivables	206,364	171,122
	270,898	177,619
Other non-current assets		
China Datang Group	50	67,537
Construction contracts		
Due from contract customers included in construction contracts	110,920	209,244

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

17. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties (Continued)

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Borrowings and loans		
Datang Financial Lease	–	130,000
Trade and bills payables		
China Datang Group	382,573	752,617
Other payables and accruals		
China Datang Group	767,715	214,337

Except for the loans from Datang Financial Lease were secured by certain property, plant and equipment, the remaining balances were unsecured. The secure was released on 28 June 2017 at the date of repayment of borrowings and loans to Datang Financial Lease.

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

The Group operates in an economic regime currently dominated by entities directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government and numerous government authorities and agencies (collectively referred to as “government-related entities”). China Datang, the parent and ultimate holding company of the Company, is a PRC state-owned enterprise and these government-related entities are also considered as related parties of the Group in this respect.

Apart from transactions with China Datang Group mentioned above, the Group also conducts some business activities with other government-related entities in the ordinary course of business. These transactions are carried out at terms similar to those that would be entered into with non-government-related entities.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

17. RELATED PARTY TRANSACTIONS (CONTINUED)

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

The Group prices its services and products based on the commercial negotiations. The Group has also established its approval process for sales of goods, provision of services, purchase of products and receiving of services and its financing policy for borrowings. Such approval process and financing policy do not depend on whether the counterparties are government-related entities or not.

Having considered the potential for transactions to be impacted by related party relationships, the Group's approval processes and financing policy, and what information would be necessary for an understanding of the potential effect of the relationship on the Financial Information, the Directors are of the opinion that further information about the following transactions that are collectively significant is required for disclosure:

– Deposits and borrowings

Except for the cash and cash equivalents deposited in Datang Finance, the Group deposits most of its cash in government-related financial institutions, and also obtains 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.

(d) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2017 Unaudited RMB'000	2016 Audited RMB'000
Short term employee benefits	3,908	3,339
Post-employment benefits	206	140
Total compensation paid to key management personnel	4,114	3,479

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

17. RELATED PARTY TRANSACTIONS (CONTINUED)

- (e) As at 30 June 2017 and 31 December 2016, the Group entered into the lease agreements with China Datang Group. The commitments are as follows:

	30 June 2017 Unaudited RMB'000	31 December 2016 Audited RMB'000
Lease of properties	86,314	103,269

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016. There have been no changes in the risk management system or in any risk management policies since 31 December 2016.

Compared to the last year end, there was no material change in the status of market risk and credit risk.

(b) Liquidity risk

Compared to 31 December 2016, there was no material change in the contractual undiscounted cash outflows for financial liabilities, except for the net decrease in short-term interest-bearing bank borrowings and other loans amounting to RMB95.4 million and the net decrease in long-term interest-bearing bank borrowings and other loans amounting to RMB377.5 million, respectively.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair values

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values and those carried at fair value, are as follows:

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
	Carrying amounts RMB'000	Fair values RMB'000	Carrying amounts RMB'000	Fair values RMB'000
Financial liabilities				
Long term interest-bearing bank borrowings and other loans (<i>Note 15</i>)	3,088,378	3,043,143	3,465,837	3,412,106

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade and bill receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank borrowings and other loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value disclosure of financial instruments. The corporate finance team reports directly to management. As at 30 June 2017 and 31 December 2016, the corporate finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by management.

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair values (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the non-current portion of interest-bearing bank borrowings and other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risks for interest-bearing bank borrowings and other loans as at the end of each of the reporting periods were assessed to be insignificant.

The Group did not have any financial assets and liabilities measured at fair value as at 30 June 2017 and 31 December 2016.

Assets for which fair values are disclosed

There are no assets of the Group for which fair values are disclosed as at 30 June 2017 and 31 December 2016.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair values (Continued)

Liabilities for which fair values are disclosed

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 30 June 2017 (unaudited)				
Financial liabilities at amortised cost:				
Interest-bearing bank borrowings and other loans	–	3,043,143	–	3,043,143
As at 31 December 2016 (audited)				
Financial liabilities at amortised cost:				
Interest-bearing bank borrowings and other loans	–	3,412,106	–	3,412,106

During the six months ended 30 June 2017, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

19. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with current period's presentation and disclosures.

20. EVENTS AFTER THE REPORTING PERIOD

There are no significant reportable events or transactions incurred after the reporting period.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 21 August 2017.



Definition and Glossary of Terms

“2016 AGM”	the annual general meeting of the Company for the year of 2016, which was held at 2:00 p.m. on Friday, 30 June 2017 at No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC
“Board”	the board of Directors of the Company
“China Datang”	China Datang Corporation (中國大唐集團公司), a state-owned enterprise established on 9 April 2003 in accordance with the PRC laws and the Controlling Shareholder and a promoter of the Company
“China Datang Group”	China Datang and its subsidiaries (excluding the Group)
“Company”, “our Company” or “Datang Environment”	Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) was converted to a joint stock limited company on 26 June 2015, unless otherwise stated, including its predecessor China Datang Group Environment Technology Co., Ltd. (中國大唐集團環境技術有限公司) (a limited liability company established on 25 July 2011 pursuant to the PRC law and was renamed to Datang Technology Industry Co., Ltd. (大唐科技產業有限公司) in September 2013 and further to Datang Technology Industry Group Co., Ltd. (大唐科技產業集團有限公司) in December 2013)
“Controlling Shareholder”	has the meaning ascribed under the Listing Rules, and in this interim report, refers to the controlling shareholder of the Company, China Datang
“Datang Finance”	China Datang Finance Co., Ltd. (中國大唐集團財務有限公司), a company incorporated in the PRC with limited liability, and a non-wholly owned subsidiary of China Datang
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB

Definition and Glossary of Terms (Continued)

“EMC”	a business model that the energy conservation companies provide energy-conservation services to customers according to the energy-conservation service contracts entered into with customers, and recover the investment and gain profit from the energy efficiency achieved upon the completion of energy conservation facilities refurbishment
“EP”	engineering and procurement
“EPC”	engineering, procurement and construction, a common form of contracting arrangement whereby the contractor is commissioned by the customer to carry out works, such as design, procurement, construction and trial operations, either through the contractor’s own employees or by subcontracting part or all of the works, and be responsible for the quality, safety, timely delivery and cost of the project
“Group”, “our Group”, “we” or “us”	the Company and all or any of our subsidiaries (as the context so requires)
“H Share(s)”	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, subscribed for and traded in Hong Kong dollars and listed and traded on the Stock Exchange
“Latest Practicable Date”	22 September 2017, being the latest practicable date prior to the printing of this interim report for ascertaining certain information contained in this interim report
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“NSSF”	National Council for Social Security Fund of the PRC (中華人民共和國全國社會保障基金理事會), an organization authorized by the State Council of the PRC to be responsible for managing national social security fund
“PRC”	the People’s Republic of China, unless it has specifically specified, it excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan



Definition and Glossary of Terms (Continued)

“Prospectus”	the prospectus of the Company dated 3 November 2016 with respect to the listing of the Company on the Main Board of the Stock Exchange
“Reporting Period”	the six months ended 30 June 2017
“RMB”	Renminbi, the current lawful currency of the PRC
“Senior Management”	senior management of the Company
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company, composed of the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)” or “Supervisory Committee”	supervisor(s) or supervisory committee of the Company
“%”	per cent

Corporate Information

LEGAL NAME OF THE COMPANY

大唐環境產業集團股份有限公司

ENGLISH NAME OF THE COMPANY

Datang Environment Industry Group Co., Ltd.*

DIRECTORS

Non-executive Directors

Mr. Jin Yaohua (*Chairman*)
Mr. Liu Chuandong
Mr. Liu Guangming
Mr. Liang Yongpan

Executive Directors

Mr. Deng Xiandong (*General Manager*)
Mr. Lu Shengli

Independent non-executive Directors

Mr. Ye Xiang
Mr. Mao Zhuanjian
Mr. Gao Jiayang

SUPERVISORS

Mr. Wang Yuanchun (*Chairman*)
Mr. Liu Liming
Mr. Liu Jianxiang (*Appointed in January 2017*)
Mr. Wang Hongjin (*Resigned in January 2017*)

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Jin Yaohua

AUTHORIZED REPRESENTATIVES

Mr. Deng Xiandong
Mr. Zeng Bing (*Appointed in March 2017*)
Mr. Hu Xiaodong (*Resigned in March 2017*)

JOINT COMPANY SECRETARIES

Mr. Zeng Bing (*Appointed in March 2017*)
Ms. Wong Sau Ping (*ACIS; ACS*)
Mr. Hu Xiaodong (*Resigned in March 2017*)

COMMITTEES UNDER THE BOARD

Audit Committee

Mr. Gao Jiayang (*Chairman*)
Mr. Ye Xiang
Mr. Liu Chuandong

Nomination Committee

Mr. Jin Yaohua (*Chairman*)
Mr. Mao Zhuanjian
Mr. Gao Jiayang

Remuneration and Evaluation Committee

Mr. Ye Xiang (*Chairman*)
Mr. Mao Zhuanjian
Mr. Deng Xiandong

Strategy Committee

Mr. Deng Xiandong (*Chairman*)
Mr. Liu Guangming
Mr. Liang Yongpan

Investment Committee

Mr. Mao Zhuanjian (*Chairman*)
Mr. Ye Xiang
Mr. Deng Xiandong

REGISTERED OFFICE

No. 120 Zizhuyuan Road, Haidian District,
Beijing, the PRC

HEAD OFFICE IN THE PRC

No. 120 Zizhuyuan Road, Haidian District,
Beijing, the PRC



Corporate Information (Continued)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

AUDITORS

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

Ernst & Young Hua Ming LLP
16/F, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Ave., Dong Cheng District, Beijing, the PRC

LEGAL ADVISORS

As to Hong Kong law

Kirkland & Ellis
26/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong

As to the PRC law

Zhong Lun Law Firm
31, 33, 36, 37/F, SK Building, Jia-6 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC

PRINCIPAL BANKS

China Development Bank Corporation
No. 16 Taipingqiao Avenue, Xicheng District, Beijing, the PRC

China Construction Bank Corporation Beijing Xuanwu Sub-branch
No. 314 Guang'anmennei Street, Xicheng District, Beijing, the PRC

Industrial and Commercial Bank of China Limited
Beijing Haidian Sub-branch
No. 100 Zhongguancun East Road, Haidian District, Beijing, the PRC

Agricultural Bank of China Beijing Xuanwu Sub-branch
Tower D, Global Finance & News Center, No. 1A Xuanwumenwai Avenue, Xicheng District, Beijing, the PRC

Bank of Beijing Co., Ltd. Shangdi Sub-branch
International Science and Technology Innovation Park, No. 1 Shangdi Xinxu Road, Haidian District, Beijing, the PRC

China Merchants Bank Co., Ltd. Fengtai Science Park Sub-branch
2/F, Building No. 3, No. 1 Zhonghe Road, Fengtai Science Park, Fengtai District, Beijing, the PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

STOCK ABBREVIATION AND STOCK CODE

DATANG ENVIRO (1272)

COMPLIANCE ADVISOR

Haitong International Capital Limited
22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong

INVESTOR INQUIRIES

Investor Hotline: +86 10 5838 9858
Fax: +86 10 5838 9860
Website: www.dteg.com.cn
E-mail: ir@dteg.com.cn

* For identification purpose only