



華電國際電力股份有限公司  
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED\*

Stock Code: 1071



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\* For identification purposes only

2018 Interim  
Report

The board of directors (the "**Board**") of Huadian Power International Corporation Limited\* (the "**Company**") hereby announces the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2018 (the "**Period**") prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting". The Group's interim financial report for the Period is unaudited, but has been reviewed by BDO Limited, the overseas auditor of the Company, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The unmodified review report addressed by the BDO Limited to the Board is set out on page 24. The audit committee of the Company has also reviewed the 2018 interim report and the relevant financial information of the Group.

## BUSINESS REVIEW

During the Period, the turnover of the Group amounted to approximately RMB41,242 million, representing an increase of approximately 13.23% over the corresponding period in 2017. The profit attributable to equity shareholders of the Company for the Period amounted to approximately RMB1,041 million, while the loss for the corresponding period in 2017 amounted to approximately RMB181 million; the basic earnings per share was approximately RMB0.106; the net asset value per share (excluding non-controlling interests) amounted to approximately RMB4.44.

## INTERIM DIVIDEND

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

## MAJOR ASSETS

The Group is one of the largest comprehensive energy companies in the People's Republic of China ("China" or the "**PRC**"), primarily engaged in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects. The Group's power generating assets are located in 14 provinces, autonomous regions and municipalities across China, mainly in the electricity and heat load centers or regions with abundant coal resources. As at the date of this report, the Group had 57 controlled power plants which have commenced operations involving a total of 49,284.9 MW controlled installed capacity, with a total of 39,000 MW attributable to coal-fired generating units, 4,426.5 MW attributable to gas-fired generating units and a total of 5,858.4 MW attributable to renewable energy generating units such as hydropower, wind power and solar power generating units.



## MAJOR ASSETS (CONTINUED)

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

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

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
1	Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
2	Shiliquan Plant	2,120	100%	2 x 660 MW + 2 x 330 MW + 1 x 140 MW
3	Laicheng Plant	1,200	100%	4 x 300 MW
4	Shuozhou Thermal Power Branch	700	100%	2 x 350 MW
5	Huadian Zouxian Power Generation Company Limited (" <b>Zouxian Company</b> ")	2,000	69%	2 x 1,000 MW
6	Huadian Laizhou Power Generation Company Limited (" <b>Laizhou Company</b> ")	2,000	75%	2 x 1,000 MW
7	Huadian Weifang Power Generation Company Limited (" <b>Weifang Company</b> ")	2,002.4	45%	2 x 670 MW + 2 x 330 MW + 2.4 MW
8	Huadian Qingdao Power Generation Company Limited (" <b>Qingdao Company</b> ")	1,220	55%	1 x 320 MW + 3 x 300 MW
9	Huadian Zibo Thermal Power Company Limited (" <b>Zibo Company</b> ")	950	100%	2 x 330 MW + 2 x 145 MW

## MAJOR ASSETS (CONTINUED)

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

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
10	Huadian Zhangqiu Power Generation Company Limited (" <b>Zhangqiu Company</b> ")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
11	Huadian Tengzhou Xinyuan Thermal Power Company Limited (" <b>Tengzhou Company</b> ")	930	93.257%	2 x 315 MW + 2 x 150 MW
12	Hudian Longkou Power Generation Company Limited (" <b>Longkou Company</b> ")	880	84.31%	4 x 220 MW
13	Huadian Ningxia Lingwu Power Generation Company Limited (" <b>Lingwu Company</b> ")	3,320	65%	2 x 1,060 MW + 2 x 600 MW
14	Sichuan Guang'an Power Generation Company Limited (" <b>Guang'an Company</b> ")	2,400	80%	2 x 600 MW + 4 x 300 MW
15	Huadian Xinxiang Power Generation Company Limited (" <b>Xinxiang Company</b> ")	1,320	90%	2 x 660 MW
16	Huadian Luohe Power Generation Company Limited (" <b>Luohe Company</b> ")	660	75%	2 x 330 MW
17	Huadian Qudong Power Generation Company Limited (" <b>Qudong Company</b> ")	660	90%	2 x 330 MW
18	Anhui Huadian Suzhou Power Generation Company Limited (" <b>Suzhou Company</b> ")	1,260	97%	2 x 630 MW

## MAJOR ASSETS (CONTINUED)

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

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
19	Anhui Huadian Wuhu Power Generation Company Limited (" <b>Wuhu Company</b> ")	1,320	65%	2 x 660 MW
20	Anhui Huadian Lu'an Power Generation Company Limited (" <b>Lu'an Company</b> ")	1,320	95%	2 x 660 MW
21	Hangzhou Huadian Banshan Power Generation Company Limited (" <b>Hangzhou Banshan Company</b> ")	2,415.7	64%	3 x 415 MW + 3 x 390 MW + 0.7 MW
22	Hangzhou Huadian Xiasha Thermal Power Company Limited (" <b>Xiasha Company</b> ")	246	56%	1 x 88 MW + 2 x 79 MW
23	Hangzhou Huadian Jiangdong Thermal Power Company Limited (" <b>Jiangdong Company</b> ")	960.5	70%	2 x 480.25 MW
24	Huadian Zhejiang Longyou Thermal Power Company Limited (" <b>Longyou Company</b> ")	406	100%	2 x 127.6 MW + 1 x 130.3 MW + 1 x 19.5 MW + 1 MW
25	Hebei Huadian Shijiazhuang Thermal Power Company Limited (" <b>Shijiazhuang Thermal Power Company</b> ")	475	82%	2 x 200 MW + 3 x 25 MW
26	Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited (" <b>Yuhua Company</b> ")	600	100%	2 x 300 MW

## MAJOR ASSETS (CONTINUED)

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

	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
27	Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited (" <b>Luhua Company</b> ")	660	90%	2 x 330 MW
28	Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) (" <b>Pingshi Power Company</b> ")	725	100%	2 x 300 MW + 1 x 125 MW
29	Tianjin Huadian Fuyuan Thermal Power Company Limited (" <b>Fuyuan Thermal Power Company</b> ")	400	100%	2 x 200 MW
30	Huadian Hubei Power Generation Company Limited (" <b>Hubei Company</b> ") (Note)	5,876.4	82.56%	2 x 680 MW + 1 x 660 MW + 2 x 640 MW + 6 x 330 MW + 1 x 300 MW + 40 x 2 MW + 216.4 MW
31	Fengjie Plant	1,200	100%	2 x 600 MW

## MAJOR ASSETS (CONTINUED)

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

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

Name of power plant/company	Installed capacity (MW)	Shareholding percentage of Hubei company	Generating units
Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Plant (" <b>Huangshi Thermal Power Plant</b> ")	330	100%	1 x 330 MW
Hubei Xisaishan Power Generation Company Limited (" <b>Xisaishan Company</b> ")	660	50%	2 x 330 MW
Hubei Huadian Xisaishan Power Generation Company Limited (" <b>Huadian Xisaishan Company</b> ")	1,360	50%	2 x 680 MW
Hubei Huadian Xiangyang Power Generation Company Limited (" <b>Xiangyang Company</b> ")	2,570	60.10%	2 x 640 MW + 3 x 330 MW + 1 x 300 MW
Hubei Huadian Jiangling Power Generation Company Limited (" <b>Jiangling Company</b> ")	660	100%	1 x 660 MW
Hubei Huadian Wuxue New Energy Company Limited (" <b>Wuxue New Energy Company</b> ")	120	100%	40 x 2 MW + 40 MW
Hubei Huadian Suixian Yindian Photovoltaic Power Generation Company Limited (" <b>Suixian Photovoltaic Power Generation Company</b> ")	70	100%	70 MW
Hubei Huadian Zaoyang Photovoltaic Power Generation Company Limited (" <b>Zaoyang Photovoltaic Power Generation Company</b> ")	100	100%	100 MW
Huadian Hubei Power Generation Company Limited Huangshi Photovoltaic Power Generation Branch Company (" <b>Huangshi Photovoltaic Power Branch Company</b> ")	6.4	100%	6.4 MW

Since 1 January 2018, Huangshi Thermal Power Plant has shut down a 200MW small generating unit.

## MAJOR ASSETS (CONTINUED)

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

	Name of power plant/company	Installed Capacity (MW)	Equity interest held by the Company	Generating units
1	Sichuan Huadian Luding Hydropower Company Limited (" <b>Luding Hydropower Company</b> ")	920	100%	4 x 230 MW
2	Sichuan Huadian Za-gunao Hydroelectric Development Company Limited (" <b>Za-gunao Hydroelectric Company</b> ")	591	64%	3 x 65 MW + 3 x 56 MW + 3 x 46 MW + 3 x 30 MW
3	Lixian Xinghe Power Company Limited (" <b>Lixian Company</b> ")	67	100%	4 x 8.5 MW + 3 x 11 MW
4	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited (" <b>Shuiluohe Company</b> ")	370	57%	3 x 70 MW + 3 x 38 MW + 1 x 46 MW
5	Hebei Huadian Complex Pumpingstorage Hydropower Company Limited (" <b>Hebei Hydropower Company</b> ")	77	100%	1 x 16 MW + 2 x 15 MW + 1 x 11 MW + 20 MW
6	Inner Mongolia Huadian Mengdong Energy Company Limited (" <b>Mengdong Energy Company</b> ")	399	100%	262 x 1.5 MW + 2 x 3 MW
7	Huadian Kezuozhongqi Wind Power Company Limited (" <b>Kezuozhongqi Wind Power Company</b> ")	49.5	100%	33 x 1.5 MW
8	Huadian Power International Ningxia New Energy Power Company Limited (" <b>Ningxia New Energy Company</b> ")	1,311.5	100%	147 x 2 MW + 665 x 1.5 MW + 20 MW



## MAJOR ASSETS (CONTINUED)

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

	Name of power plant/company	Installed Capacity (MW)	Equity interest held by the Company	Generating units
9	Hebei Huadian Guyuan Wind Power Company Limited (“ <b>Guyuan Wind Power Company</b> ”)	290.5	100%	167 x 1.5 MW + 40 MW
10	Hebei Huadian Kangbao Wind Power Company Limited (“ <b>Kangbao Wind Power Company</b> ”)	330	100%	48 x 2 MW + 136 x 1.5 MW + 30 MW
11	Huadian Laizhou Wind Power Company Limited (“ <b>Laizhou Wind Power Company</b> ”)	40.5	55%	27 x 1.5 MW
12	Huadian Laizhou Wind Power Generation Company Limited (“ <b>Laizhou Wind Company</b> ”)	48	100%	24 x 2 MW
13	Huadian Laizhou Wind Energy Power Company Limited (“ <b>Laizhou Wind Energy Company</b> ”)	99.6	55%	48 x 2 MW + 2 x 1.8 MW
14	Huadian Changyi Wind Power Company Limited (“ <b>Changyi Wind Power Company</b> ”)	97.5	100%	24 x 2 MW + 33 x 1.5 MW
15	Huadian Longkou Wind Power Company Limited (“ <b>Longkou Wind Power Company</b> ”)	99.3	65%	23 x 1.5 MW + 6 x 2.5 MW + 24 x 2 MW + 1 x 1.8 MW

## MAJOR ASSETS (CONTINUED)

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

	Name of power plant/company	Installed Capacity (MW)	Equity interest held by the Company	Generating units
16	Huadian Zaozhuang New Energy Power Generation Company Limited (" <b>Zaozhuang New Energy Company</b> ")	60	100%	25 x 2 MW +10 MW
17	Longkou Dongyi Wind Power Company Limited (" <b>Longkou Dongyi Wind Power Company</b> ")	30	100%	20 x 1.5 MW
18	Huadian Shandong New Energy Company Limited (" <b>Shandong New Energy Company</b> ") (Note 1)	315.5	100%	144 x 2 MW + 3 x 1.9 MW + 1 x 1.8 MW +20 MW
19	Huadian Xuwen Wind Power Company Limited (" <b>Xuwen Wind Power Company</b> ")	99	100%	48 x 2 MW + 2 x 1.5 MW
20	Huadian Xiaxian Wind Power Company Limited (" <b>Xiaxian Wind Power Company</b> ")	100	100%	50 x 2 MW
21	Huadian Ningxia Ningdong Shangde Solar Power Company Limited (" <b>Shangde Solar Company</b> ")	10	60%	10 MW

## MAJOR ASSETS (CONTINUED)

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

	Name of power plant/company	Installed Capacity (MW)	Equity interest held by the Company	Generating units
22	Huadian Zhangjiakou Saibei New Energy Generation Company Limited ("Zhangjiakou Saibei New Energy Company")	4	100%	4 MW
23	Huadian Ningbo New Energy Generation Company Limited ("Ningbo New Energy Company")	10	100%	10 MW
24	Huadian Huzhou New Energy Power Generation Company Limited ("Huzhou New Energy Company")	15	100%	15 MW
25	Hebei Huarui Energy Group Corporation Limited ("Huarui Company") (Note 2)	99	100%	48 x 2 MW + 2 x 1.5 MW
26	Huadian Suzhou Biomass Energy Power Generation Company Limited ("Suzhou Biomass Energy Company")	25	78%	2 x 12.5 MW

Note 1: Shandong New Energy Company absorbed and merged Huadian Zibo Wind Power Company Limited, Huadian Feicheng New Energy Generation Company Limited and Huadian Laixi New Energy Generation Company Limited, former subsidiaries of the Company, in 2018.

Note 2: As at the date of this report, the installed capacity of wind power of Hebei Huadian Yuzhou Wind Power Company Limited ("Yuzhou Wind Power Company"), a wholly-owned subsidiary of Huarui Company, amounted to 99MW.

## ADDITIONAL INSTALLED CAPACITY

From 1 January 2018 up to the date of this report, the details of the Group's newly-installed power generating units are set out as follows:

<b>Projects</b>	<b>Category</b>	<b>Capacity (MW)</b>
Zaozhuang New Energy Company	Photovoltaic Power	10
Wuxue New Energy Company	Photovoltaic Power	40
Shandong New Energy Company	Photovoltaic Power	10
Suixian Photovoltaic Power Generation Company	Photovoltaic Power	40
Huangshi Photovoltaic Branch Company	Photovoltaic Power	6.4
Shuילוhe Company	Hydropower	46
Weifang Company	Photovoltaic Power	2.4
Total		154.8

## PROJECTS UNDER CONSTRUCTION

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

<b>Type of generating units</b>	<b>Planned installed capacity (MW)</b>
Coal-fired generating projects	4,360
Gas-fired and distributive energy	2,499
Wind power projects	587
Hydropower projects	492
Solar energy projects	119
Total	8,057

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### (1) Macroeconomic conditions and electricity demand

According to the relevant information and statistics, in the first half of 2018, the gross domestic product of the PRC amounted to RMB41,896.1 billion, representing an increase of 6.8% over the corresponding period in 2017 based on comparable prices. Power consumption of the entire society in the PRC totaled 3,229.1 million MWh, representing an increase of 9.4% over the corresponding period in 2017, with a year-on-year increase of approximately 3.1 percentage points in the growth rate. Specifically, consumption by the primary industry represented a year-on-year increase of 9.4%, consumption by the secondary industry represented a year-on-year increase of 6.6% and consumption by the tertiary industry represented a year-on-year increase of 13.2%, while the household consumption by urban and rural residents represented a year-on-year increase of 9.4%.

### (2) Power generation

During the Period, the power generated by the Group amounted to approximately 95.82 million MWh, representing an increase of approximately 8.18% over the corresponding period in 2017; the on-grid power sold amounted to approximately 89.47 million MWh, representing an increase of approximately 8.01% over the corresponding period in 2017. Such increases in the power generated and on-grid power sold were mainly attributable to strong power demand in the regions where the power plants of the Group are located, and the power contribution from the operation of the newly-added generating units of the Group. The average utilisation hours of the generating units were 1,947 hours, among which the average utilisation hours of coal-fired generating units were 2,208 hours and the coal consumption for power supply was 297.50 g/kWh that was remarkably lower than the national average.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (3) Turnover and profit

The turnover of the Group for the Period amounted to approximately RMB41,242 million, representing an increase of approximately 13.23% over the corresponding period in 2017, mainly due to the increases in the revenue generated from the sale of electricity. In particular, the revenue generated from the sale of electricity of the Group amounted to RMB31,535 million, representing an increase of approximately 12.07% over the corresponding period in 2017, mainly due to the year-on-year increase in power generation volume and on-grid power tariff. The revenue generated from the sale of heat amounted to approximately RMB2,811 million, representing an increase of approximately 25.21% over the corresponding period in 2017, mainly due to the increase in sale of heat arising from the increase in area of heat supply. The revenue generated from the sale of coal amounted to approximately RMB6,895 million, representing an increase of approximately 14.16%, mainly due to the rise in sale price of coal and increase in trading volume of coal.

The Group's operating profit for the Period amounted to approximately RMB3,488 million, representing an increase of approximately 97.18% over the corresponding period in 2017. The profit attributable to equity shareholders of the Company for the Period amounted to approximately RMB1,041 million, while the loss attributable to equity shareholders of the Company for the corresponding period in 2017 amounted to approximately RMB181 million. The basic earnings per share was approximately RMB0.106. Such increase in earnings was mainly due to the year-on-year increase in power generation volume and on-grid power tariff.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (4) Major operating expenses

Fuel cost is the major operating expense of the Group. Fuel cost of the Group for the Period amounted to approximately RMB20,549 million, representing an increase of approximately 10.89% over the corresponding period in 2017. This was mainly due to the increase in volume of power generation and the rise in coal price.

During the Period, the cost of coal sold of the Group amounted to approximately RMB6,511 million, representing an increase of approximately 11.84% over the corresponding period in 2017. This was mainly due to the increase in procurement price of coal and the increase in the trading volume of coal.

During the Period, the depreciation and amortization expenses of the Group amounted to approximately RMB5,140 million, representing a decrease of approximately 2.30% over the corresponding period in 2017. This was mainly due to the full depreciation of some generating units.

During the Period, the repairs, maintenance and inspection costs of the Group amounted to approximately RMB1,483 million, representing an increase of approximately 20.10% over the corresponding period in 2017. This was mainly due to the increase in volume of power generation and the arrangement for inspection and repairing generating units.

During the Period, the staff costs of the Group amounted to approximately RMB2,157 million, representing an increase of approximately 2.52% over the corresponding period in 2017. This was mainly due to the commencement of operation of new generating units.

During the Period, the administration expenses of the Group amounted to approximately RMB802 million, representing an increase of approximately 8.97% over the corresponding period in 2017. This was mainly due to the effect of the compensation for relocation by a coal mining enterprise.

During the Period, tax and surcharges of the Group amounted to approximately RMB521 million, representing an increase of approximately 16.85% over the corresponding period in 2017. This was mainly due to the changes in tax for charges of projects such as sewage charges and water treatment fees.

During the Period, other operating expenses of the Group amounted to approximately RMB590 million, representing an increase of approximately 13.44% over the corresponding period in 2017. This was mainly due to the increases in heat purchase charges as a result of the Group's robust expansion of heat market.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (5) Other revenue and net income

During the Period, the other revenue and net income of the Group amounted to approximately RMB379 million, representing an increase of approximately 26.72% over the corresponding period in 2017. This was mainly due to the increase in subsidies of heat supply and revenue from by-products of power generation.

### (6) Finance costs

During the Period, finance costs of the Group amounted to approximately RMB2,702 million, representing an increase of approximately 9.56% over the corresponding period in 2017. This was mainly due to the increase in the cost of funds and the commencement of operation of new generating units.

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

During the Period, the share of results of associates and joint ventures of the Group amounted to approximately RMB448 million, representing an increase of approximately 36.15% over the corresponding period in 2017. This was mainly due to the increase in income of coal mining enterprises invested by the Group.

### (8) Income tax

Income tax of the Group for the Period amounted to approximately RMB427 million, representing an increase of approximately 175.42% over the corresponding period in 2017. This was mainly due to the increase in the Group's profit.

### (9) Pledge and mortgage of assets

As at 30 June 2018, the Company and its subsidiaries have pledged their income stream in respect of the sale of electricity to secure loans amounting to approximately RMB17,647 million.

As at 30 June 2018, some subsidiaries of the Company have mortgaged their generating units and relevant equipment, land use rights and mining rights to secure loans amounting to RMB3,285 million.





## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (10) Indebtedness

As at 30 June 2018, the total borrowings of the Group amounted to approximately RMB105,574 million, of which borrowings denominated in US dollars and Euro amounted to approximately US\$64 million and approximately EUR13 million, respectively. The liabilities to assets ratio was approximately 73.32%, representing a decrease of 0.56 percentage points compared to the end of 2017. Borrowings of the Group were mainly of floating rates. In addition, the closing balance of super short-term debentures payable, medium-term notes payable (including the portion due within one year), debt financing instruments issued through non-public offering to target subscribers (including the portion due within one year) and obligations payable under finance lease amounted to approximately RMB8,883 million, RMB10,067 million, RMB6,993 million and RMB2,847 million, respectively.

### (11) Contingent liabilities

As at 30 June 2018, Guang'an Company, a subsidiary of the Group, has provided guarantees to banks for loans amounting to approximately RMB43.65 million which were granted to Sichuan Huayingshan Longtan Coal Company Limited.

### (12) Cash and cash equivalents

As at 30 June 2018, the Group had cash and cash equivalents of approximately RMB6,564 million.

Save as disclosed herein, information with respect to the Group's other matters as set out in paragraph 32 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") (The Stock Exchange of Hong Kong Limited is referred as the "**Hong Kong Stock Exchange**") has not changed materially from that included in the Company's 2017 annual report.



## BUSINESS OUTLOOK

In the first half of the year, the power consumption volume in the entire society in the PRC recorded a year-on-year increase of 9.4%. In the second half of the year, affected by intensified international trade disputes, entry of crucial period for domestic supply side structural reform, as well as relatively high of basis points in the previous year and other factors, the growth rate of power consumption will be exposed to risks of decline. According to the estimation of the CEC, the growth rate of power consumption volume in the entire society throughout the year is better than expected at the beginning of the year, exceeding the growth level in 2017. Following the in-depth advancement of market reform and the year-on-year decrease in power volume as scheduled, the proportion of power volume for trading in the market will gradually increase.

Encountering various risks in the power market, the Company will take the chance of the power system reform in various policies, strengthen the development of marketing system, make use of the growth rate and slowdown of power generating installed units and favourable timing of rebound in utilisation hours of power generating units, reinforce the realisation of planned power volume, scientific establishment of market power volume competition strategies, enhance management of key regions, and adequately leverage the advantages to strive for efficient power volume to ensure that the planned power volume will reach or exceed the “three equivalence” level and that the on-grid power price of the power volume for trading in the market will reach or exceed the average level in the market.

Following the “looking back” by environmental protection inspectors from the central government, limitation of production in local government as well as changes in policies for import of coal and other factors, there existed regional and progressive intensity in the coal market, leading to significant fluctuation of coal price, thereby bringing about certain pressure to the control of fuel costs by the Company. In the second half of the year, along with the influence of stable supply of coal, coal price return to a reasonable level and other policies guaranteed by the State, the supply of electricity-coal will basically remain balanced. It is expected that the coal price will not present substantial increase, but will gradually return to the reasonable interval. The Company will pay close attention to the changes in policies as well as domestic and overseas conditions in coal market, highlight the management and control of fuel costs, endeavor to explore new channels for coal supply, spare no efforts to ensure the safety of coal power in summer peak, plan for the heat supply and coal storage strategies in winter in advance, optimise timely procurement, retain reasonable inventories, and maximise the cost control of coal procurement.



## BUSINESS OUTLOOK (CONTINUED)

The State has stringent requirements in respect of the standards for pollutant emission of coal-fired power generation enterprises, and has explicit requirements on places of emission, concentration of emission, annual emission volume and other indicators for pollutants. Coal-fired power generation enterprises throughout the State shall entirely realise transformation of ultra-low emission of flue gas by 2020, and at the same time, further treatment and protection of water environment shall also be put forward to the agenda. The Company will firmly adhere to the mission of national ecological and environmental protection, implement pollution prevention and implementation plan, actively promote ultra-low emission transformation, implement closure of coal sites in Beijing-Tianjin-Hebei and surrounding area, and upgrade the wastewater treatment facilities of power plants. The Company will also optimise environmental protection and regulation system, strengthen online monitoring for environmental protection, and supervise the maintenance of environmental protection facilities and standardised emission of pollutants in various regions and units.

## SIGNIFICANT EVENTS

### (1) Amendments to articles of association

As China Huadian Corporation has changed its name to China Huadian Corporation Limited (“**China Huadian**”), it is necessary for the Company to amend relevant articles set out in the Articles of Association accordingly. Furthermore, pursuant to the Company Law of People’s Republic of China and the Guidelines on Articles of Association of Listed Companies (Revised in 2016) (《上市公司章程指引(2016年修訂)》) issued by the China Securities Regulatory Commission, shareholders who individually or jointly hold more than 3% of the Company’s shares should be entitled to propose resolutions at the general meeting. Such amendments were considered and approved at the 2017 annual general meeting of the Company (the “**2017 AGM**”) convened on 26 June 2018.

For details, please refer to the announcements of the Company dated 26 March 2018 and 26 June 2018.

### (2) Change of auditors

On 26 June 2018, the Company convened the 2017 AGM to appoint BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) and BDO Limited as domestic auditor and overseas auditor of the Company, respectively, for the financial year ending 31 December 2018. Deloitte Touche Tohmatsu (Special General Partnership) and Deloitte Touche Tohmatsu Certified Public Accountants LLP retired as the domestic and international auditors of the Company, respectively, and have confirmed in writing that there are no matters in relation to their retirement which should be brought to the attention of the shareholders. The Company would like to express its sincere gratitude to Deloitte Touche Tohmatsu (Special General Partnership) and Deloitte Touche Tohmatsu Certified Public Accountants LLP for their professional services in prior years.

For details, please refer to the announcements of the Company dated 26 March 2018 and 26 June 2018.

## SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, each of the following persons, not being a director, supervisor, chief executive or member of the senior management of the Company, had an interest or short position as at 30 June 2018 in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or was otherwise interested in 5% or more of any class of issued share capital of the Company as at 30 June 2018, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company as at 30 June 2018:

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue
China Huadian	A Shares	4,534,199,224 (L)	45.97%	55.66%	–
	H Shares	85,862,000 (L) <i>(Note)</i>	0.87%	–	5.00%
Shandong International Trust Co., Ltd.	A Shares	800,766,729 (L)	8.12%	9.83%	
BlackRock, Inc.	H Shares	135,181,917(L)	1.37%		7.87%
		846,000 (S)	0.01%		0.05%

(L) = Long position

(S) = Short position

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

Save as disclosed above and so far as the directors of the Company are aware, as at 30 June 2018, no other person (other than the directors, supervisors, chief executives or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

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

As at 30 June 2018, the interests or short positions of the directors, supervisors, chief executives or members of the senior management of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules adopted by the Company (the “**Model Code**”), to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

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

*Note:* Accounted for approximately 0.0001% of the total issued A shares of the Company on 30 June 2018.

Save as disclosed above, as at 30 June 2018, none of the directors, supervisors, chief executives or members of the senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was (i) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such director, supervisor, chief executive or members of senior management of the Company was taken or deemed to have under such provisions of the SFO) or was (ii) required to be entered in the register of interests required to be kept by the Company pursuant to Section 352 of the SFO, or which was otherwise (iii) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (which for this purpose shall be deemed to apply to the supervisors of the Company to the extent as it applies to the directors of the Company).

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

## **DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS**

As at 30 June 2018, the Group's deposits placed with financial institutions or other parties did not include any designated or trust deposits, or any material time deposits which could not be collected by the Group upon maturity.

## **MATERIAL LITIGATION**

As of 30 June 2018, certain members of the Group were party to certain litigations arising from the Group's ordinary course of business or acquisition of assets. However, the management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid cases will not have any material adverse effect on the financial position and operating results of the Group.

## **AUDIT COMMITTEE**

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

## **EMPLOYEE REMUNERATION POLICY FOR THE GROUP**

As at 30 June 2018, the total number of employees of the Group amounted to 27,241. The Group has consistently adhered to the relevant requirements of the PRC and taken into account its own economic situation to determine the level of remuneration for each type of employees. The Group has upheld the talent concept of "identifying talents through performance, selecting talents through competition and awarding talents through remuneration", in order to establish an objective, impartial, scientific and effective remuneration distribution mechanism and performance appraisal mechanism for its employees.



## CORPORATE GOVERNANCE

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

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

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

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



## CORPORATE GOVERNANCE (CONTINUED)

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

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

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

Beijing, the PRC  
28 August 2018

\* For identification purposes only





# Report on Review of Condensed Consolidated Financial Statements



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**TO THE BOARD OF DIRECTORS OF  
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED**  
*(Incorporated in the People's Republic of China with limited liability)*

## INTRODUCTION

We have reviewed the condensed consolidated financial statements set out on pages 25 to 66 which comprise the condensed consolidated statement of financial position of Huadian Power International Corporation Limited and its subsidiaries (collectively referred to as the "Group") as of 30 June 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "condensed consolidated financial statements"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on the condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

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

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**BDO Limited**  
*Certified Public Accountants*  
**Amy Yau Shuk Yuen**  
Practising Certificate no. P06095

28 August 2018

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

For the six months ended 30 June 2018

	Notes	Six months ended 30 June	
		2018	2017
		RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Turnover</b>	4	<b>41,241,534</b>	36,423,499
<b>Operating expenses</b>			
Fuel costs		(20,548,786)	(18,530,363)
Cost of coal sold		(6,510,572)	(5,821,164)
Depreciation and amortisation		(5,140,312)	(5,261,548)
Repairs, maintenance and inspection		(1,483,490)	(1,235,228)
Personnel costs		(2,156,927)	(2,103,904)
Administration expenses		(802,393)	(736,346)
Tax and surcharges		(520,916)	(445,792)
Other operating expenses		(590,275)	(520,321)
		<b>(37,753,671)</b>	(34,654,666)
<b>Operating profit</b>		<b>3,487,863</b>	1,768,833
Investment income	5	15,285	14,419
Other revenue and net income		378,822	298,953
Interest income from bank deposits		42,443	46,182
Fair value gain on financial assets at fair value through profit or loss		47,276	–
Fair value loss on financial liabilities at fair value through profit or loss		(69,972)	–
Finance costs	6	(2,702,055)	(2,466,304)
Share of results of associates and joint ventures		447,864	328,960
<b>Profit/(loss) before taxation</b>	7	<b>1,647,526</b>	(8,957)
Income tax	8	(427,482)	(155,213)
<b>Profit/(loss) for the period</b>		<b>1,220,044</b>	(164,170)

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

For the six months ended 30 June 2018

	Notes	Six months ended 30 June	
		2018	2017
		RMB '000 (unaudited)	RMB '000 (unaudited)
<b>Other comprehensive income for the period (net of tax):</b>			
	9	(8,578)	(1,791)
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Net fair value gain on available-for-sale investments		–	2,307
Share of net fair value loss on available-for-sale investments of associates		–	(4,098)
Share of other comprehensive income of investees accounted for under the equity method		(8,578)	–
<b>Total comprehensive income for the period</b>		<b>1,211,466</b>	<b>(165,961)</b>
<b>Profit/(loss) for the period attributable to:</b>			
Equity shareholders of the Company		1,041,312	(180,842)
Non-controlling interests		178,732	16,672
		<b>1,220,044</b>	<b>(164,170)</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity shareholders of the Company		1,033,021	(182,496)
Non-controlling interests		178,445	16,535
		<b>1,211,466</b>	<b>(165,961)</b>
<b>Basic earnings/(loss) per share</b>	10	<b>RMB0.106</b>	<b>RMB(0.018)</b>

# Condensed Consolidated Statement of Financial Position

At 30 June 2018

	<i>Notes</i>	<b>At 30 June 2018</b>	<b>At 31 December 2017</b>
		<b>RMB'000 (unaudited)</b>	<b>RMB'000 (audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>142,751,108</b>	145,694,565
Construction in progress	12	<b>26,673,934</b>	23,648,651
Lease prepayments		<b>2,969,072</b>	3,013,047
Intangible assets		<b>5,839,737</b>	5,940,446
Goodwill		<b>1,432,780</b>	1,432,780
Interests in associates and joint ventures		<b>11,272,954</b>	10,836,925
Available-for-sale investments		–	241,867
Financial assets at fair value through profit or loss		<b>280,643</b>	–
Other non-current assets	13	<b>2,739,296</b>	2,738,336
Deferred tax assets		<b>292,496</b>	270,487
		<b>194,252,020</b>	193,817,104
<b>Current assets</b>			
Inventories		<b>3,334,688</b>	2,871,233
Trade debtors and bills receivable	14	<b>10,105,317</b>	10,511,497
Deposits, other receivables and prepayments	15	<b>4,270,872</b>	4,092,172
Tax recoverable		<b>113,790</b>	94,506
Restricted deposits	16	<b>213,144</b>	65,361
Lease prepayments		<b>109,032</b>	109,032
Cash and cash equivalents	17	<b>6,563,712</b>	7,416,801
		<b>24,710,555</b>	25,160,602

## Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2018

	<i>Notes</i>	<b>At 30 June 2018</b>	At 31 December 2017
		<b>RMB'000 (unaudited)</b>	<i>RMB'000 (audited)</i>
<b>Current liabilities</b>			
Bank loans		<b>30,509,065</b>	36,100,608
State loans		<b>5,843</b>	8,944
Other loans	18(a)	<b>4,127,720</b>	4,954,220
Short-term debentures payable	18(b)	<b>8,882,741</b>	6,059,239
Long-term debentures payable-current portion	18(c)	<b>6,093,285</b>	6,493,146
Amount due to the parent company		<b>142,033</b>	64,295
Obligations under finance leases	19	<b>851,961</b>	791,590
Trade creditors and bills payable	20	<b>15,969,264</b>	18,042,924
Other payables	21	<b>6,552,731</b>	7,580,928
Financial liabilities at fair value through profit or loss		<b>69,972</b>	–
Tax payable		<b>204,429</b>	221,431
		<b>73,409,044</b>	80,317,325
<b>Net current liabilities</b>		<b>(48,698,489)</b>	(55,156,723)
<b>Total assets less current liabilities</b>		<b>145,553,531</b>	138,660,381

# Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2018

	Notes	At 30 June 2018	At 31 December 2017
		RMB'000 (unaudited)	RMB'000 (audited)
<b>Non-current liabilities</b>			
Bank loans		62,006,124	53,513,930
Loans from shareholders		1,778,666	1,778,666
State loans		59,262	61,373
Other loans	18(a)	7,087,092	6,855,191
Long-term debentures payable	18(c)	7,472,758	10,058,115
Obligations under finance leases	19	1,994,549	2,209,517
Long-term payables		355,676	414,852
Provisions		113,269	108,912
Deferred government grants		1,181,703	1,246,431
Deferred income	22	2,688,396	2,732,905
Deferred tax liabilities		2,381,345	2,457,838
Retirement benefit obligations		19,835	20,858
		<b>87,138,675</b>	<b>81,458,588</b>
<b>Net assets</b>			
		<b>58,414,856</b>	<b>57,201,793</b>
<b>Capital and reserves</b>			
Share capital		9,862,977	9,862,977
Reserves		33,914,633	33,046,182
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>43,777,610</b>	<b>42,909,159</b>
<b>Non-controlling interests</b>			
		<b>14,637,246</b>	<b>14,292,634</b>
<b>Total equity</b>			
		<b>58,414,856</b>	<b>57,201,793</b>

The condensed consolidated financial statements on pages 25 to 66 were approved and authorised for issue by the board of directors on 28 August 2018 and are signed on its behalf by:

**Chen Bin**  
Director

**Tian Hongbao**  
Director

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2018

	Attributable to equity shareholders of the Company									
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
<b>Balance at 31 December 2017 (audited)</b>	9,862,977	14,876,958	3,227,884	68,089	44,726	(25,675)	14,854,200	42,909,159	14,292,634	57,201,793
Profit for the period	-	-	-	-	-	-	1,041,312	1,041,312	178,732	1,220,044
Other comprehensive income (Note 9)	-	-	-	-	-	(8,291)	-	(8,291)	(287)	(8,578)
Total comprehensive income for the period	-	-	-	-	-	(8,291)	1,041,312	1,033,021	178,445	1,211,466
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	247,738	247,738
Appropriation of specific reserve	-	-	102,924	-	-	-	(102,924)	-	-	-
Utilisation of specific reserve	-	-	(25,009)	-	-	-	25,009	-	-	-
Dividends recognised as distribution (Note 23)	-	-	-	-	-	-	(177,533)	(177,533)	-	(177,533)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	(81,779)	(81,779)
Others	-	12,963	-	-	-	-	-	12,963	208	13,171
<b>Balance at 30 June 2018 (unaudited)</b>	<b>9,862,977</b>	<b>14,889,921</b>	<b>3,305,799</b>	<b>68,089</b>	<b>44,726</b>	<b>(33,966)</b>	<b>15,640,064</b>	<b>43,777,610</b>	<b>14,637,246</b>	<b>58,414,856</b>

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

For the six months ended 30 June 2018

	Attributable to equity shareholders of the Company									
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2017 (audited)</b>	9,862,977	14,878,228	3,006,351	68,089	44,726	(3,687)	15,981,633	43,838,317	14,532,607	58,370,924
(Loss)/profit for the period	-	-	-	-	-	-	(180,842)	(180,842)	16,672	(164,170)
Other comprehensive income (Note 9)	-	-	-	-	-	(1,654)	-	(1,654)	(137)	(1,791)
Total comprehensive income for the period	-	-	-	-	-	(1,654)	(180,842)	(182,496)	16,535	(165,961)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	145,965	145,965
Acquisition of non-controlling interests	-	272	-	-	-	-	-	272	(7,115)	(6,843)
Loss of control of a subsidiary	-	-	12,646	-	-	-	(12,646)	-	(353,696)	(353,696)
Dividends recognised as distribution (Note 23)	-	-	-	-	-	-	(1,341,365)	(1,341,365)	-	(1,341,365)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	(340,057)	(340,057)
Appropriation of specific reserve	-	-	77,309	-	-	-	(77,309)	-	-	-
Utilisation of specific reserve	-	-	(13,571)	-	-	-	13,571	-	-	-
Others	-	(1,542)	-	-	-	-	(440)	(1,982)	(651)	(2,633)
<b>Balance at 30 June 2017 (unaudited)</b>	<b>9,862,977</b>	<b>14,876,958</b>	<b>3,082,735</b>	<b>68,089</b>	<b>44,726</b>	<b>(5,341)</b>	<b>14,382,602</b>	<b>42,312,746</b>	<b>13,993,588</b>	<b>56,306,334</b>



## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

	Notes	Six months ended 30 June	
		2018	2017
		RMB'000 (unaudited)	RMB'000 (unaudited)
Cash generated from operations		<b>4,785,764</b>	3,466,813
PRC enterprise income tax paid		<b>(535,938)</b>	(387,356)
Net cash generated from operating activities		<b>4,249,826</b>	3,079,457
Net cash used in investing activities	25	<b>(7,119,171)</b>	(6,677,474)
Net cash generated from financing activities	25	<b>2,016,256</b>	3,541,167
Decrease in cash and cash equivalents		<b>(853,089)</b>	(56,850)
Cash and cash equivalents at 1 January		<b>7,416,801</b>	6,358,618
Cash and cash equivalents at 30 June	17	<b>6,563,712</b>	6,301,768

# Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 June 2018

## 1. GENERAL

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

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

## 2. BASIS OF PREPARATION

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

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

## 3. CHANGES IN ACCOUNTING POLICIES

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 statement for the year ended 31 December 2017, except for the adoption of new standards as following, which effective as of 1 January 2018. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Adoption of new or revised IFRSs – effective 1 January 2018

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRIC-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRS Standards 2014–2016 Cycle

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Except as describe the impact of IFRS 9 and IFRS 15 adoption in below, the application of the new or revised IFRS in this period has had no material impact on the Group's financial performance and positions.

### IFRS 9 Financial Instruments

The Group has adopted IFRS 9 "Financial Instruments" from 1 January 2018. As allowed in the transitional provisions in IFRS 9, comparative figures have not been restated. The accounting policies were changed to comply with IFRS 9. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

#### (a) Classification

##### *Debts instruments*

IFRS 9 has three financial asset classification categories for investments in debt instruments:

- those to be measured at amortised cost;
- those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and
- those to be measured subsequently at fair value through profit or loss ("FVPL").

Classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### IFRS 9 Financial Instruments (Continued)

#### (a) Classification (Continued)

##### *Debts instruments (Continued)*

A debt instrument is measured at FVOCI only if both of the following criteria are met:

- the objective of the business model is to hold the asset to collect the contractual cash flows and to sell financial assets; and
- the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

*Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL*

All the debts instruments of the Group are classified as at amortised cost.

##### *Equity instruments*

Investment in equity instruments are always measured at fair value. Equity instruments that are held for trading are measured at fair value through profit and loss.

For equity instruments which are not held for trading, the Group has made an irrevocable election at initial recognition to recognise changes in fair value through profit or loss rather than other comprehensive income.

#### (b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

For the Six Months Ended 30 June 2018

### 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### IFRS 9 Financial Instruments (Continued)

##### (b) *Measurement (Continued)*

###### *Financial assets measured at amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

###### *Equity instruments classified as fair value through profit or loss*

The Group subsequently measures all equity instruments at fair value. Since the Group's management has elected to present fair value gains and losses on equity instruments in profit or loss, there is no subsequent reclassification of fair value gains and losses to other comprehensive income. Equity investments that are elected by the Group's management to be classified as FVPL are not subject to impairment. Dividends from such instruments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

###### *Financial assets at fair value through profit or loss*

Changes in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss as net other gains as applicable.

##### (c) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instrument assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

For the Six Months Ended 30 June 2018

### 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### IFRS 9 Financial Instruments (Continued)

##### (c) *Impairment (Continued)*

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information. Especially the following indicators are incorporated:

- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty.

Restricted deposits and cash and cash equivalents placed in high credit-rated financial institutions are considered to be of low credit risk. Thus the impairment provision recognised during the period was limited to 12 months expected losses.

For trade receivables related to sale of electricity, heat and coal, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected losses provision for all debtors. The management performed a detailed assessment of expected credit losses on the date of initial application of IFRS 9. But the identifiable impairment loss was immaterial.

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### IFRS 9 Financial Instruments (Continued)

#### (d) Transition

The Group has applied the transitional provision in IFRS 9 such that IFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new expected credit loss rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the statement of financial position on 1 January 2018. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 but rather those of IAS 39.

### IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings at the date of initial application (that is, 1 January 2018). As a result, the financial information presented for 2017 has not been restated.

The revenue recognition of the principal activities of the Group's contracts with customers are shown net of value-added tax, returns, claims and discounts and after eliminating sales within the Group as follows:

- (i) Electricity income is recognised at a point in time when electricity is supplied to the power grid companies;
- (ii) Heat income is recognised at a point in time when heat is supplied to customers; and
- (iii) Sales of coal is recognised at a point in time when control of the coal is transferred to the customer, generally on delivery of products to the customers and the customer has accepted the goods in accordance with the sales contract.

A contract liability is also recognised when the customers pay deposits before the Group transfers control of the goods to the customers.

Apart from providing more extensive disclosures on the Group's revenue transactions, the application of IFRS 15 has had no significant impact on the financial position and/or financial performance of the Group.

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

For the Six Months Ended 30 June 2018

### 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### The impact of the adoption of IFRS 9 and IFRS 15 for each individual line item

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

	31 December 2017	IFRS 9	IFRS 15	1 January 2018 Restated
Statement of financial position (extract)	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-current assets</b>				
Available-for-sale investments	241,867	(241,867)	–	–
Financial assets at fair value through profit or loss (Note a)	–	241,867	–	241,867
	<u>–</u>	<u>241,867</u>	<u>–</u>	<u>241,867</u>
<b>Current liabilities</b>				
Other payables:				
– Receipts in advance	(1,358,617)	–	1,358,617	–
Other payables:				
– Contract liabilities (Note b)	–	–	(1,358,617)	(1,358,617)
	<u>–</u>	<u>–</u>	<u>(1,358,617)</u>	<u>(1,358,617)</u>

Notes:

- (a) Financial assets at fair value through profit or loss in relation to the equity investments were previously classified as available-for-sale financial assets. The fair values of these financial assets are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- (b) Contract liabilities in relation to the advance consideration received from customers for contracts were previously included in other payables.



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

For the Six Months Ended 30 June 2018

### 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### The impact of the adoption of IFRS 9 and IFRS 15 for each individual line item (Continued)

The amount by each financial statements line items affected in the current period and period to date by the application of IFRS 15 as compared to IAS 18 that were previously in effect before the adoption of IFRS 15 is as follows:

Statement of financial position (extract)	As at 30 June 2018		Amounts as reported
	Amounts without the adoption of IFRS 15	Effects of adoption of IFRS 15	
	RMB'000	RMB'000	RMB'000
<b>Current liabilities</b>			
Other payables:			
– Receipts in advance	(255,119)	255,119	–
Other payables:			
– Contract liabilities	–	(255,119)	(255,119)
	<u>                    </u>	<u>                    </u>	<u>                    </u>

### 4. TURNOVER

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

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Sale of electricity	<b>31,534,768</b>	28,138,106
Sale of heat	<b>2,811,439</b>	2,245,451
Sale of coal	<b>6,895,327</b>	6,039,942
	<u><b>41,241,534</b></u>	<u>36,423,499</u>

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

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

For the Six Months Ended 30 June 2018

### 5. INVESTMENT INCOME

	Six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
Gain on loss of control of a subsidiary	–	6,304
Gain on disposal of financial assets measured at fair value through profit or loss	<b>2,230</b>	–
Dividend income from available-for-sale investments	–	926
Dividend income from financial assets measured at fair value through profit or loss	<b>1,961</b>	–
Interest income from other long-term receivables	<b>7,041</b>	7,189
Gain on deemed disposal of an associate	<b>4,053</b>	–
	<b>15,285</b>	14,419

### 6. FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on loans and other financial liabilities	<b>2,934,194</b>	2,658,395
Less: interest capitalised	<b>(364,026)</b>	(296,812)
	<b>2,570,168</b>	2,361,583
Net foreign exchange gain	<b>(1,484)</b>	(3,257)
Imputed interest	<b>90,498</b>	97,193
Other finance costs	<b>42,873</b>	10,785
	<b>2,702,055</b>	2,466,304

The borrowing costs have been capitalised at an average rate of 4.74% per annum (six months ended 30 June 2017: 4.70% per annum) for construction in progress.

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

For the Six Months Ended 30 June 2018

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

Profit/(loss) before taxation is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation		
– lease prepayments	<b>43,975</b>	52,465
– intangible assets	<b>124,609</b>	90,821
Depreciation of property, plant and equipment	<b>4,971,728</b>	5,118,262
Total depreciation and amortisation	<b>5,140,312</b>	5,261,548
Cost of inventories	<b>28,563,890</b>	25,408,174
Operating lease charges in respect of land and buildings	<b>41,064</b>	116,353
Government grants included in other revenue and net income	<b>(158,344)</b>	(74,361)
Research and development costs recognised as expense	<b>3,457</b>	3,580
Net loss/(gain) on disposal of property, plant and equipment	<b>23,771</b>	(8,242)
Net income from sale of materials	<b>(184,103)</b>	(137,549)

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

For the Six Months Ended 30 June 2018

### 8. INCOME TAX

	Six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
Charge for the PRC enterprise income tax for the period	<b>513,826</b>	329,349
Under provision in respect of prior years	<b>12,158</b>	22,151
	<b>525,984</b>	351,500
Deferred tax		
Origination and reversal of temporary differences and tax losses	<b>(98,502)</b>	(196,287)
	<b>427,482</b>	155,213

The charge for PRC enterprise income tax is calculated at the statutory rate of 25% (six months ended 30 June 2017: 25%) on the estimated assessable profits of the Group for the six months ended 30 June 2018 determined in accordance with relevant enterprise income tax rules and regulations, except for certain subsidiaries of the Company which are tax exempted or taxed at preferential rates of 7.5%, 12.5% or 15% (six months ended 30 June 2017: 7.5%, 12.5% or 15%).

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

For the Six Months Ended 30 June 2018

### 9. OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Net increase in fair value on available-for-sale investments	–	3,076
Net deferred tax charged to other comprehensive income	–	(769)
	–	2,307
Share of net fair value loss on available-for-sale investments of associates	–	(4,098)
Share of other comprehensive income of investees accounted for under the equity method	(8,578)	–
Other comprehensive income, net of income tax	(8,578)	(1,791)

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

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

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company for the six months ended 30 June 2018 of RMB1,041 million (six months ended 30 June 2017: loss of RMB181 million) and the 9,862,977,000 ordinary shares in issue during the period (six months ended 30 June 2017: 9,862,977,000 shares).

#### (b) Diluted earnings per share

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the six months ended 30 June 2018 and 2017.

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired items of property, plant and equipment with an aggregate cost of RMB2,113 million (six months ended 30 June 2017: RMB2,478 million), including RMB2,029 million (six months ended 30 June 2017: RMB2,462 million) through transfer from construction in progress.

During the current interim period, the Group disposed of certain plant and machine with an aggregate carrying amount of RMB29.74 million (six months ended 30 June 2017: RMB5 million) for cash proceeds of RMB5.97 million (six months ended 30 June 2017: RMB13 million), resulting in a loss on disposal of RMB23.77 million (six months ended 30 June 2017: gain on disposal of RMB8 million).

## 12. CONSTRUCTION IN PROGRESS

The acquisition and transfer of items of construction in progress during the six months ended 30 June 2018 and 2017 are as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Additions	5,218,233	3,334,813
Transfer to property, plant and equipment	(2,029,406)	(2,462,101)

## 13. OTHER NON-CURRENT ASSETS

	At 30 June	At 31 December
	2018	2017
	RMB'000	RMB'000
Financial assets – other long-term receivables with fixed-rate and non-current feature	252,885	252,893
Deductible VAT and other tax	2,138,720	2,053,787
Deferred differences arising from sale and leaseback arrangements ( <i>Note</i> )	445,552	529,517
	2,837,157	2,836,197
Less: impairment loss	(97,861)	(97,861)
	2,739,296	2,738,336

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

For the Six Months Ended 30 June 2018

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

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

### 14. TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Trade debtors and bills receivable for sale of electricity	<b>8,237,120</b>	8,789,891
Trade debtors and bills receivable for sale of heat	<b>654,204</b>	414,287
Trade debtors and bills receivable for sale of coal	<b>1,466,924</b>	1,560,250
	<b>10,358,248</b>	10,764,428
Less: allowance for doubtful debts	<b>(252,931)</b>	(252,931)
	<b>10,105,317</b>	10,511,497

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

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<b>9,215,829</b>	10,306,608
1 to 2 years	<b>756,848</b>	142,498
2 to 3 years	<b>80,189</b>	16,226
Over 3 years	<b>52,451</b>	46,165
	<b>10,105,317</b>	10,511,497

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

For the Six Months Ended 30 June 2018

### 15. DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
– Dividends receivable	564,231	750,848
– Deposits	187,135	129,071
– Other receivables	913,910	770,931
	<b>1,665,276</b>	1,650,850
Less: allowance for doubtful debts ( <i>Note</i> )	<b>(141,621)</b>	(142,128)
	<b>1,523,655</b>	1,508,722
Deductible VAT	2,217,435	2,203,182
Prepayments	371,924	222,389
Others	157,858	157,879
	<b>4,270,872</b>	4,092,172

*Note:* During the current interim period, RMB0.5 million of allowance for doubtful debts was recovered. As at 30 June 2018, specific allowance for doubtful debts of the Group amounted to RMB142 million (31 December 2017: RMB142 million), including bad debt allowance on receivables on Certified Emission Reductions of RMB85 million (31 December 2017: RMB85 million).

### 16. RESTRICTED DEPOSITS

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



# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 17. CASH AND CASH EQUIVALENTS

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at bank and in hand	1,217,436	1,423,898
Cash at other financial institutions	5,346,276	5,992,903
	<b>6,563,712</b>	7,416,801

## 18. BORROWINGS

### (a) Other loans

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Due:		
Within 1 year		
– short term other loans	3,036,000	3,754,000
– current portion of long term other loans	1,091,720	1,200,220
	<b>4,127,720</b>	4,954,220
After 1 year but within 2 years	2,702,529	2,550,830
After 2 years but within 5 years	3,967,713	3,801,022
After 5 years	416,850	503,339
	<b>7,087,092</b>	6,855,191
	<b>11,214,812</b>	11,809,411

Other loans are borrowed from China Huadian Finance Corporation Limited (“China Huadian Finance”), an associate of the Company, a fellow subsidiary of the Company, and other trust companies. Other loans bear interest rates ranging from 1.80% to 6.00% per annum as at 30 June 2018 (31 December 2017: 1.80% to 5.39% per annum), with maturities from 2018 to 2026 (31 December 2017: 2018 to 2026).

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 18. BORROWINGS (CONTINUED)

### (a) Other loans (Continued)

All of other loans are unsecured except for amounts totaling RMB203 million (31 December 2017: RMB219 million) in respect of certain subsidiaries, which are secured by the income stream in respect of the sale of electricity of these subsidiaries, and amounts totaling of RMB1,500 million (31 December 2017: RMB1,500 million) are secured by guarantee from China Huadian Corporation ("China Huadian").

### (b) Short-term debentures payable

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
First tranche of super short-term debentures for the year of 2017	–	3,049,647
Second tranche of super short-term debentures for the year of 2017	–	2,007,436
Third tranche of super short-term debentures for the year of 2017	–	1,002,156
First tranche of super short-term debentures for the year of 2018	<b>3,045,201</b>	–
Second tranche of super short-term debentures for the year of 2018	<b>1,813,837</b>	–
Third tranche of super short-term debentures for the year of 2018	<b>4,023,703</b>	–
	<b>8,882,741</b>	6,059,239

During the current interim period, the Group repaid three tranches of super short-term debentures with a total principal amount of RMB6,000 million (six months ended 30 June 2017: repaid one tranche of short-term debenture and four tranches of super short-term debentures with a total principal amount of RMB16,000 million) at par value.

The effective interest rate of the debenture is ranged from 4.39% to 4.80% per annum (31 December 2017: ranging from 4.35% to 4.55% per annum) after considering the effect of issue costs.

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

For the Six Months Ended 30 June 2018

### 18. BORROWINGS (CONTINUED)

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

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

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

During the current interim period, the Group repaid one tranche of non-public private placement bonds with principal amount of RMB3,000 million (six months ended 30 June 2017: repaid one tranche of medium term notes with principal amount of RMB1,500 million) at par value.

The effective interest rates of the long-term debentures are ranged from 3.47% to 6.29% (31 December 2017: from 3.47% to 6.29%) per annum after considering the effect of issue costs.

### 19. OBLIGATIONS UNDER FINANCE LEASES

The Group had obligations under finance leases payable as follows:

	At 30 June 2018		At 31 December 2017	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	851,961	905,974	791,590	926,037
After 1 year but within 2 years	472,439	505,343	546,933	644,656
After 2 years but within 5 years	982,001	1,060,899	1,351,379	1,464,414
After 5 years	540,109	560,825	311,205	337,095
	<b>1,994,549</b>	<b>2,127,067</b>	2,209,517	2,446,165
	<b>2,846,510</b>	<b>3,033,041</b>	<b>3,001,107</b>	<b>3,372,202</b>
Less: total future interest expenses		(186,531)		(371,095)
Present value of finance lease obligations		<b>2,846,510</b>		<b>3,001,107</b>

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

For the Six Months Ended 30 June 2018

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

As at 30 June 2018, the carrying amounts of the facilities held under finance lease included in property, plant and equipment amounted to RMB3,838 million (31 December 2017: RMB3,899 million).

### 20. TRADE CREDITORS AND BILLS PAYABLE

As at 30 June 2018, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<b>9,816,875</b>	12,706,878
1 to 2 years	<b>2,365,373</b>	2,258,506
Over 2 years	<b>3,787,016</b>	3,077,540
	<b>15,969,264</b>	18,042,924

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

For the Six Months Ended 30 June 2018

### 21. OTHER PAYABLES

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities		
– Construction deposits	<b>1,464,110</b>	1,442,957
– Consideration payables on acquisitions	<b>749,335</b>	749,335
– Interest payables	<b>465,078</b>	702,164
– Wages payable	<b>227,695</b>	199,206
– Payables for installed capacity quota	<b>273,530</b>	273,530
– Payables for sewage charges	<b>42,924</b>	37,629
– Dividend payables to non-controlling interests	<b>460,096</b>	364,560
– Current portion of long-term payables (Note (i))	<b>113,000</b>	65,350
– Others (Note (ii))	<b>1,654,810</b>	1,532,484
	<b>5,450,578</b>	5,367,215
Other tax payables	<b>847,034</b>	855,096
Receipts in advance	–	1,358,617
Contract liabilities	<b>255,119</b>	–
	<b>6,552,731</b>	7,580,928

*Notes:*

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

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 22. DEFERRED INCOME

Deferred income represents the unearned portion of upfront connection and installation fees received for connecting the customers' premises to the heat network of the Group. The amount is deferred and recognised in profit or loss in equal instalments over the expected service terms of the relevant services.

The upfront connection and installation fee recognised for the six months ended 30 June 2018 amounting to RMB90 million (six months ended 30 June 2017: RMB102 million) is included in "Other revenue and net income" in the condensed consolidated statement of profit or loss and other comprehensive income.

## 23. DIVIDENDS

- (a) A final dividend of RMB0.018 per share in respect of the year ended 31 December 2017 (six months ended 30 June 2017: RMB0.136 per share in respect of the year ended 31 December 2016) was declared to the equity shareholders of the Company and approved on 26 June 2018. The aggregate amount of the final dividend declared approximately amounted to RMB178 million (six months ended 30 June 2017: approximately RMB1,341 million).
- (b) The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil).

## 24. CAPITAL COMMITMENTS

The Group had capital commitments as at 30 June 2018 and 31 December 2017 as follows:

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted for but not provided in the condensed consolidated financial statements		
– Development of power plants	<b>11,329,534</b>	14,494,697
– Improvement projects and others	<b>1,353,746</b>	815,102
	<b>12,683,280</b>	15,309,799

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

For the Six Months Ended 30 June 2018

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

	Six months ended 30 June	
	2018	2017
	<b>RMB'000</b> <b>(unaudited)</b>	<i>RMB'000</i> <i>(unaudited)</i>
<b>Investing activities</b>		
Payment for the purchase of property, plant and equipment, construction in progress and intangible assets	<b>(7,378,235)</b>	(6,379,756)
Proceeds from sale of property, plant and equipment	<b>5,972</b>	80,010
Investment in available-for-sale equity investment	–	(5,000)
Investment in financial assets at fair value through profit or loss	<b>(300)</b>	–
Investment in associates	<b>(11,753)</b>	(445,500)
Interest received	<b>59,243</b>	53,788
Withdrawal of restricted deposits	<b>2,110</b>	18,468
Placement of restricted deposits	<b>(149,893)</b>	(144,390)
Dividends received	<b>222,198</b>	218,937
Cash received from disposal of a subsidiary in previous year	<b>108,764</b>	–
Cash received from disposal of associates	–	4,083
Cash received from disposal of financial assets at fair value through profit or loss	<b>11,030</b>	–
Other investing activities	<b>11,693</b>	(78,114)
Net cash used in investing activities	<b>(7,119,171)</b>	(6,677,474)
<b>Financing activities</b>		
Debentures		
– Net proceeds from debentures	<b>8,800,000</b>	5,500,000
– Repayment of debentures	<b>(9,000,000)</b>	(17,500,000)
Loans		
– Proceeds from loans	<b>32,936,976</b>	35,630,887
– Repayment of loans	<b>(29,488,749)</b>	(18,775,716)
Obligation under finance leases		
– Proceeds obtained under sale and leaseback arrangement	–	40,000
– Lease payment under sale and leaseback arrangements	<b>(274,473)</b>	(251,816)
Bills financing		
– Proceeds from bank acceptance bills discounted	<b>652,752</b>	513,000
– Repayment of bank acceptance bills	<b>(1,743,895)</b>	(1,357,000)
Capital injection from non-controlling interests	<b>207,032</b>	124,790
Dividends paid to non-controlling interests	<b>(36,577)</b>	(327,545)
Other financing activities	<b>(36,810)</b>	(55,433)
Net cash generated from financing activities	<b>2,016,256</b>	3,541,167

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the Six Months Ended 30 June 2018

## 26. MATERIAL RELATED PARTY TRANSACTIONS

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

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

Name of related parties	Nature of relationship
China Huadian	Parent company of the Company
China Huadian Engineering Corporation and its subsidiaries	Fellow subsidiaries of the Company
Huadian Shanxi Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Guodian Nanjing Automation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
CHD Power Plant Operation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Sichuan Power Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Materials Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Inner Mongolia Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Capital Holdings Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Advanced Training Centre	Fellow subsidiaries of the Company
Huadian Fuxin Energy Limited Company and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Electrical Construction Technical and Economic Consulting Centre	A fellow subsidiary of the Company
Huadian Shaanxi Energy Company Limited	A fellow subsidiary of the Company
Huadian Trading International (Beijing) Company Limited	A fellow subsidiary of the Company
Hubei Huadian Wuchang Thermal Power Company Limited	A fellow subsidiary of the Company
Anhui Huadian Lu'an Power Generation Company Limited	A fellow subsidiary of the Company
China Huadian Clean Energy Company Limited	A fellow subsidiary of the Company



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

For the Six Months Ended 30 June 2018

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

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

Name of related parties	Nature of relationship
Huadian Jiangsu Energy Limited Company and its subsidiaries	A fellow subsidiary of the Company
Hunan Huadian Changsha Power Generation Company Limited	A fellow subsidiary of the Company
Hunan Huadian Changde Power Company Limited	A fellow subsidiary of the Company
Huadian Sinkiang Power Company Limited	A fellow subsidiary of the Company
China Huadian Science And Technology Institute Company Limited	A fellow subsidiary of the Company
Guizhou Wujiang Hydropower Development Limited Liability Company	A fellow subsidiary of the Company
China Huadian HongKong Company Limited and its subsidiaries	A fellow subsidiary of the Company
China Huadian Finance	An associate of the Group
Sichuan Huayingshan Longtan Coal Company Limited ("Longtan Coal Company")	An associate of the Group
Huadian Coal Industry Group Company Limited	An associate of the Group
Ningxia Yinxing Coal Company Limited	An associate of the Group
Shanxi Huasheng Tongpei Coal Sales Company Limited	An associate of the Group
Inner Mongolia Fucheng Mining Company Limited	An associate of the Group
Shuo Zhou Tong-coal Wantongyuan Coal Transportation and Sales Company Limited	An associate of the Group
CNNP CHD Hebei Nuclear Power Company Limited	An associate of the Group
Otog Front Banner Changcheng Mine Company Limited	An associate of the Group
Otog Front Banner Changcheng No.3 Mining Company Limited	An associate of the Group
Otog Front Banner Changcheng No.5 Mining Company Limited	An associate of the Group

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

For the Six Months Ended 30 June 2018

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

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

Name of related parties	Nature of relationship
Huadian Jinshajiang Upstream Hydropower Development Company Limited	An associate of the Group
Ningxia Zhongning Power Generation Company Limited	An associate of the Group
Liu'an municipal thermoelectric Company Limited	An associate of the Group
Suzhou Huazheng Thermoelectric Energy Company Limited	An associate of the Group
Datang Xiangcheng Tangdian Hydropower Development Company Limited	An associate of the Group
Huadian Taiqian Photovoltaic Power Generation Company Limited	A joint venture of the Group
Beijing Huabin Investment Company Limited	A subsidiary of an associate of the Group
Beijing Huabin Property Management Company Limited	A subsidiary of an associate of the Group
Ningdong Railway Corporation Limited	A subsidiary of an associate of the Group
Yanzhou Coal Mining Company Limited ("Yanzhou Coal") (Note)	A connected person of the Group

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

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

For the Six Months Ended 30 June 2018

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

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

The Group had the following material transactions with shareholders, fellow subsidiaries and associates during the six months ended 30 June 2018 and 2017:

	Six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Sale of electricity to</i> A fellow subsidiary	<b>1,762</b>	–
<i>Purchase of electricity from</i> Fellow subsidiaries	<b>23,158</b>	16,335
<i>Sale of coal to</i> Fellow subsidiaries	<b>5,886,272</b>	4,947,419
An associate	<b>5,808</b>	205,680
<i>Purchase of coal from</i> Associates	<b>1,026,762</b>	1,692,731
Fellow subsidiaries	<b>413,286</b>	103,768
A connected person	<b>1,481,734</b>	1,686,233
<i>Sale of construction service and</i> <i>equipment to</i> Fellow subsidiaries	<b>254,629</b>	48,808
<i>Purchase of construction service and</i> <i>equipment from</i> Fellow subsidiaries	<b>1,271,251</b>	1,124,332

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

For the Six Months Ended 30 June 2018

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

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

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
<i>Loans obtained from</i>		
China Huadian	–	250,000
An associate	<b>4,960,000</b>	5,100,000
<i>Loans repaid to</i>		
An associate	<b>5,547,000</b>	4,522,500
A fellow subsidiary	–	385,000
<i>Bills receivable discounted to</i>		
An associate	<b>922,240</b>	498,000
<i>Derecognised bills receivable collected by</i>		
An associate	<b>852,240</b>	1,656,207
<i>Lease payment under sales and leaseback arrangement to</i>		
A fellow subsidiary	<b>45,796</b>	184,846

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

For the Six Months Ended 30 June 2018

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

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

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
<i>Financing received under sales and leaseback arrangement from</i>		
A fellow subsidiary	118,941	40,000
<i>Interest expenses paid to</i>		
China Huadian	40,291	45,084
An associate	199,805	154,242
A fellow subsidiary	–	1,268
<i>Interest income from</i>		
Associates	44,050	37,872
<i>Rental and property management service expenses paid to</i>		
Associates	28,185	31,098
Fellow subsidiaries	5,533	7,098
<i>Other services expenses paid to</i>		
China Huadian	51,297	26,746
Associates	11,267	44,201
Fellow subsidiaries	52,007	45,109
<i>Additional capital injection in</i>		
Associates	118,940	365,500
A joint venture	–	80,000

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

For the Six Months Ended 30 June 2018

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

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

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

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Prepayments for construction in progress-construction and construction material</i>		
Fellow subsidiaries	<b>801,055</b>	476,003
<i>Trade debtors and bills receivable</i>		
Fellow subsidiaries	<b>953,088</b>	879,944
An associate	<b>195,972</b>	148,281
<i>Deposits, other receivables and prepayments</i>		
Associates	<b>257,857</b>	247,779
Fellow subsidiaries	<b>7,863</b>	1,508
<i>Other long-term receivables</i>		
An associate	<b>155,024</b>	155,032
<i>Cash and cash equivalents and restricted deposits</i>		
An associate	<b>5,538,081</b>	6,069,189
<i>Loans from a shareholder</i>		
China Huadian	<b>(1,750,000)</b>	(1,750,000)
<i>Other loans</i>		
An associate	<b>(8,283,775)</b>	(8,870,775)

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

For the Six Months Ended 30 June 2018

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

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

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Trade creditors and bills payable</i>		
China Huadian	<b>(10,367)</b>	(34,923)
Associates	<b>(408,293)</b>	(524,392)
Fellow subsidiaries	<b>(2,241,771)</b>	(2,103,726)
A connected person	<b>(173,474)</b>	(321,406)
<i>Other payables</i>		
China Huadian	<b>(30,831)</b>	(29,372)
Associates	<b>(20,675)</b>	(18,591)
Fellow subsidiaries	<b>(680,844)</b>	(658,738)
<i>Receivable in advance</i>		
A fellow subsidiary	–	(60,000)
<i>Contract liabilities</i>		
A fellow subsidiary	<b>(15,379)</b>	–
<i>Obligation under finance leases</i>		
A fellow subsidiary	<b>(1,289,938)</b>	(1,190,997)

Notes:

- (i) At 30 June 2018, Sichuan Guang'an Power Generation Company Limited, a subsidiary of the Company, provided guarantees to banks for loans granted to Longtan Coal Company amounting to RMB43.65 million (31 December 2017: RMB43.65 million).
- (ii) At 30 June 2018, China Huadian provided guarantee to banks for loans granted to the Group amounting to RMB3,033 million (31 December 2017: RMB3,143 million).

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

For the Six Months Ended 30 June 2018

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

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

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

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Salaries and other emoluments	120	493
Retirement benefits	166	188
Bonuses	1,456	1,392
	1,742	2,073

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

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and China Huadian for its staff. As at 30 June 2018 and 31 December 2017, there was no material outstanding contribution to the post-employment benefit plans.

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

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

The transactions between the Group and other government-related entities are conducted in the ordinary course of the Group's business within normal business operations. The Group has established its approval process for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.



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

For the Six Months Ended 30 June 2018

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

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

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

- sale of electricity to the grid

The Group sells substantially all its electricity to local government-related power grid companies, and the tariff of electricity is regulated by relevant government. For the six months ended 30 June 2018, management estimates that the aggregate amount of the Group's significant transactions with other government-related entities are at least 97% of its sale of electricity.

- depositing and borrowing

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

- other transactions

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

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

For the Six Months Ended 30 June 2018

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

#### (e) Commitment with related parties

Commitment with related parties is as follows:

	At 30 June 2018	At 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
Capital commitment	<b>1,780,570</b>	1,809,968
Commitment on properties rental and management fees	<b>140,752</b>	167,043

### 27. CONTINGENT LIABILITIES

As at 30 June 2018, some subsidiaries of the Company were the defendant in certain lawsuits for events incurred before the acquisition date. At the end of reporting period, the lawsuits were in progress whose final outcomes cannot be determined at present. The directors of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Apart from these litigations and guarantees disclosed in note 26(a)(i), the Group has no other material contingent liabilities as at 30 June 2018 (31 December 2017: nil).

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

For the Six Months Ended 30 June 2018

### 28. LIQUIDITY RISK MANAGEMENT

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

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

At the end of reporting period, the Group had net current liabilities of RMB48,698 million (31 December 2017: RMB55,157 million). With regards to its future capital commitments and other financing requirements, the Group has unutilised banking facilities of RMB141.9 billion as at 30 June 2018 (31 December 2017: RMB141.0 billion) and an aggregate amount of debentures of RMB41.1 billion (31 December 2017: RMB33.9 billion) registered in the PRC interbank debenture market which has not been issued as at 30 June 2018.

### 29. EVENTS AFTER THE REPORTING PERIOD

On 17 July 2018, the Company issued the first tranche of renewable debentures of 2018 in public market. The face value is RMB100 per renewable debenture and it was issued at a total par value of RMB3 billion. The first type of renewable debentures ("18 Huadian Y1") was issued at a total par value of RMB1.5 billion with 3-year period and bears interest at 5.0% per annum. The second type of renewable debentures ("18 Huadian Y2") was issued at a total par value of RMB1.5 billion with interest at 5.2% per annum. The first tranche of renewable debentures are listed in Shanghai Stock Exchange market on 26 July 2018.

On 15 August 2018, the Company issued the second tranche of renewable debentures of 2018 in public market. The face value is RMB100 per renewable debenture and it was issued at a total par value of RMB2 billion. The first tranche of renewable debentures ("18 Huadian Y3") was issued at a total par value of RMB1.15 billion with 5-year period and bears interest at 4.87%. The second type of renewable debentures ("18 Huadian Y4") was issued at a total par value of RMB0.85 billion with interest at 5.05% per annum. The second tranche of renewable debentures are listed in Shanghai Stock Exchange market on 22 August 2018.