華能新能源股份有限公司
Huaneng Renewables Corporation Limited *

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

(Stock Code: 0958)

A GREEN FUTURE

Interim Report 2019

* *For identification purpose only*

CONTENT

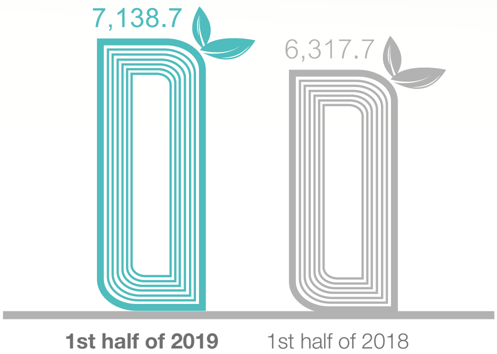
Interim Results

The board of directors (the "**Board**") of Huaneng Renewables Corporation Limited (the "**Company**") is pleased to announce the unaudited operating results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2019 (the "**Reporting Period**") and a comparison with the operating results for the corresponding period of 2018.

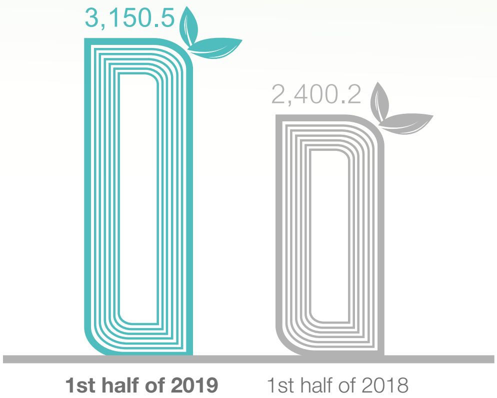
For the six months ended 30 June 2019, the Group recorded a revenue of RMB7,138.7 million, representing an increase of 13.0% over the corresponding period of last year; the Group's profit before taxation amounted to RMB3,696.4 million, representing an increase of 32.0% over the corresponding period of last year; the Group's net profit amounted to RMB3,150.5 million, representing an increase of 31.3% over the corresponding period of last year; net profit attributable to equity shareholders of the Company amounted to RMB3,093.6 million, representing an increase of 31.7% over the corresponding period of last year; earnings per share amounted to RMB0.2928, representing an increase of 31.7% over the corresponding period of last year.

Note: Certain figures in this report have been subject to rounding adjustments. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

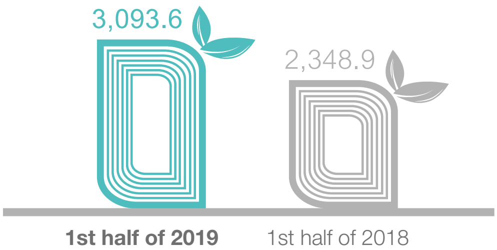
1. Revenue
(RMB in million)



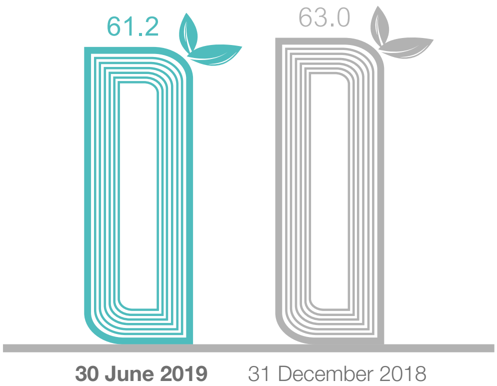
2. Net profit
(RMB in million)



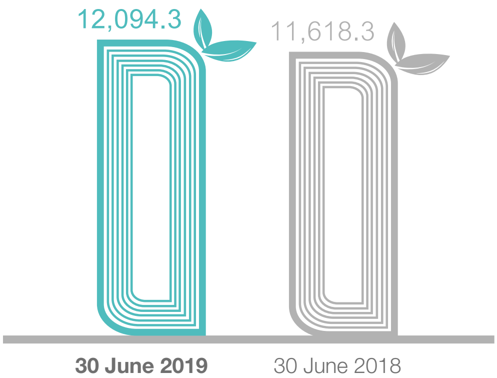
3. Net profit attributable to equity shareholders of the Company
(RMB in million)



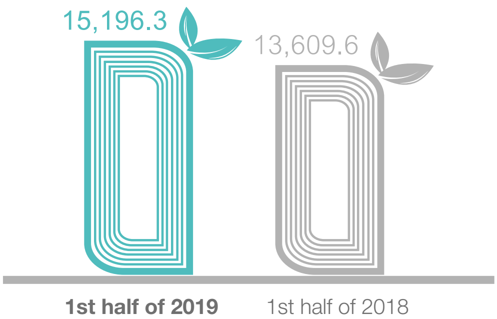
4. Net gearing ratio[1]
(%)



5. Installed capacity
(MW)



6. Gross power generation
(GWh)



Financial Highlights

	For the six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Revenue	**7,138,711**	6,317,712
Profit before tax	**3,696,350**	2,799,545
Income tax expense	**(545,859)**	(399,360)
Profit for the period	**3,150,491**	2,400,185
Attributable to:		
Owners of the Company	**3,093,567**	2,348,909
Non-controlling interests	**56,924**	51,276
Total comprehensive income for the period	**3,143,461**	2,337,960
Attributable to:		
Owners of the Company	**3,086,537**	2,286,684
Non-controlling interests	**56,924**	51,276
Basic and diluted earnings per share (RMB cents)	**29.28**	22.23

	30 June 2019 *RMB'000*	31 December 2018 *RMB'000*
Total non-current assets	**73,299,769**	74,089,240
Total current assets	**18,108,812**	14,582,235
TOTAL ASSETS	**91,408,581**	88,671,475
Total current liabilities	**30,683,263**	29,030,965
Total non-current liabilities	**29,833,241**	31,426,967
TOTAL LIABILITIES	**60,516,504**	60,457,932
NET ASSETS	**30,892,077**	28,213,543
Total equity attributable to owners of the Company	**30,029,988**	27,408,378
Non-controlling interests	**862,089**	805,165
TOTAL EQUITY	**30,892,077**	28,213,543

Business Review for the First Half of 2019

During the first half of 2019, the Company's management, together with all its staff, made joint efforts adhering to the "quality and efficiency-centric" principal, closely kept up with the industry policy and market trends, pre-emptively seized the market window prior to gird parity, promoted high-quality development in a constant and steadfast manner and maintained the momentum of sound operating performance.

1. POWER GENERATION

In the first half of 2019, the Company maintained a stable safe production situation on the whole, continuously consolidated its safety foundation and further improved equipment operating level. Concurrently, paying close attention to changes of industry policy, actively participating in power market trading and rationally formulating market trading strategies, the Company stabilized its market trading tariff and achieved a growth in utilization hours with further reduction in curtailment rate.

In the first half of 2019, the gross power generation of the Company reached 15,196,334.7 MWh, representing a year-on-year increase of 11.7%, of which 14,422,845.9 MWh was derived from wind power (representing a year-on-year increase of 11.7%) and 773,488.8 MWh was derived from solar power (representing a year-on-year increase of 10.0%). The weighted average utilization hours of the Company's wind power projects was 1,330 hours, representing a year-on-year increase of 101 hours, and the weighted average utilization hours of the Company's solar power projects was 851 hours, representing a year-on-year increase of 12 hours.

The gross power generation of the Company by business sector and region in the first half of 2019 and 2018 are set out as follows:

	Gross power generation (MWh)		
Business sector and region	**In the first half of 2019**	In the first half of 2018	Change (%)
Wind power generation	**14,422,845.9**	12,906,457.0	11.7%
of which: Inner Mongolia	**3,143,917.8**	2,566,075.0	22.5%
Yunnan	**2,330,331.2**	2,112,363.6	10.3%
Liaoning	**1,892,426.2**	1,806,181.8	4.8%
Guizhou	**1,091,719.9**	791,831.8	37.9%
Sichuan	**1,079,788.3**	763,025.1	41.5%
Shandong	**1,023,601.3**	1,142,090.3	-10.4%
Shanxi	**772,964.5**	909,013.0	-15.0%
Jilin	**578,875.3**	463,054.6	25.0%
Xinjiang	**555,447.0**	524,956.7	5.8%
Shaanxi	**526,207.2**	517,317.7	1.7%
Hebei	**505,062.8**	466,978.7	8.2%
Guangdong	**490,137.4**	474,060.5	3.4%
Guangxi	**245,079.3**	189,873.4	29.1%
Zhejiang	**86,714.4**	74,568.0	16.3%
Shanghai	**85,915.2**	105,066.8	-18.2%
Hunan	**14,658.1**	–	–
Solar power generation	**773,488.8**	703,105.7	10.0%
Total	**15,196,334.7**	13,609,562.7	11.7%

The weighted average utilization hours of the Company by business sector and region in the first half of 2019 and 2018 are set out as follows:

	Weighted average utilization hours (hour)		
Business sector and region	**In the first half of 2019**	In the first half of 2018	Change (%)
Wind power generation	**1,330**	1,229	8.2%
Of which: Yunnan	**2,089**	1,893	10.4%
Guangxi	**1,836**	1,896	-3.2%
Sichuan	**1,810**	1,318	37.3%
Hunan	**1,784**	–	–
Jilin	**1,462**	1,169	25.1%
Liaoning	**1,345**	1,308	2.8%
Inner Mongolia	**1,274**	1,040	22.5%
Xinjiang	**1,241**	1,173	5.8%
Guizhou	**1,196**	1,006	18.9%
Hebei	**1,172**	1,254	-6.5%
Zhejiang	**1,164**	1,001	16.3%
Shaanxi	**1,124**	1,142	-1.6%
Shandong	**1,016**	1,171	-13.2%
Shanxi	**998**	1,223	-18.4%
Guangdong	**975**	943	3.4%
Shanghai	**796**	973	-18.2%
Weighted average utilization hours of solar power generation	**851**	839	1.4%

2. PROJECT CONSTRUCTION

The Company firmly carried out project construction and strengthened the boundary of project commissioning. For the purpose of securing the projects and tariff, the Company enhanced organizational support, refined goals in stages and promoted the overall project construction.

The newly installed capacity was 129.5 MW in the first half of 2019. As of 30 June 2019, the Company accumulated a total installed capacity of 12,094.3 MW, of which wind power capacity amounted to 11,162.8 MW and solar power capacity amounted to 931.5 MW.

The breakdown of the Company's installed capacity by business sector and region as at 30 June 2019 and 2018 are set out as follows:

		Installed capacity (MW)	
Business sector and region	**As at 30 June 2019**	As at 30 June 2018	Change (%)
Wind power generation	**11,162.8**	10,686.8	4.5%
Of which: Inner Mongolia	**2,467.2**	2,467.2	0.0%
Liaoning	**1,408.5**	1,408.5	0.0%
Yunnan	**1,116.5**	1,116.5	0.0%
Shandong	**1,024.5**	975.0	5.1%
Guizhou	**913.0**	787.0	16.0%
Shanxi	**805.5**	743.5	8.3%
Sichuan	**640.5**	591.0	8.4%
Shaanxi	**558.5**	458.5	21.8%
Guangdong	**502.6**	502.6	0.0%
Hebei	**459.5**	411.5	11.7%
Xinjiang	**447.5**	447.5	0.0%
Jilin	**396.0**	396.0	0.0%
Guangxi	**199.5**	199.5	0.0%
Shanghai	**108.0**	108.0	0.0%
Zhejiang	**74.5**	74.5	0.0%
Hunan	**41.0**	–	–
Solar power generation	**931.5**	931.5	0.0%
Of which: Qinghai	**255.0**	255.0	0.0%
Inner Mongolia	**220.0**	220.0	0.0%
Gansu	**150.0**	150.0	0.0%
Yunnan	**91.5**	91.5	0.0%
Liaoning	**56.0**	56.0	0.0%
Xinjiang	**50.0**	50.0	0.0%
Shanxi	**40.0**	40.0	0.0%
Ningxia	**30.0**	30.0	0.0%
Hebei	**20.0**	20.0	0.0%
Jilin	**10.0**	10.0	0.0%
Zhejiang	**8.0**	8.0	0.0%
Henan	**1.0**	1.0	0.0%
Total	**12,094.3**	11,618.3	4.1%

3. PRELIMINARY DEVELOPMENT

The Company actively carried out its preliminary development, orderly promoted the preliminary work of base-form projects and accelerated the acquisition of grid parity and distributed project quota.

In the first half of 2019, 200.0 MW capacity of wind power projects were approved, 10.0 MW capacity was included in the distributed development plan and a total of 2,000.0 MW capacity of wind power development agreements were signed. The Company obtained and filed 50.0 MW capacity of photovoltaic grid parity project quota and signed a total of 100.0 MW capacity of photovoltaic development agreements.

4. COST CONTROL

In the first half of 2019, the Company strengthened project cost control in the phases of design, tendering and construction, firmly seized the favourable opportunities in the monetary market and actively expanded the financing channels. Through measures including issuing super short-term debentures and replacing existing loans with low-interest loans, the Company has effectively reduced the cost of capital and achieved effective cost control.

5. SCIENCE AND TECHNOLOGY INNOVATION

The Company continuously deepened its scientific and technological innovation, promoted the implementation of a number of perspective scientific and technological projects such as *Research on Refined Assessment Technology of Wind Energy Resources and Map Development and Application*, and obtained 11 intellectual properties such as *Oil Cooling System Control Device for Wind Turbines*.

Business Prospect for the Second Half of 2019

The development environment of renewable energy industry maintained sustainable and healthy momentum. The announcement of safeguard mechanism for renewable power consumption has provided political support for the vigorous development of renewable energy. The market competition will become more fierce with the advent of the era of competitive allocation and gird parity. In this regard, the Company will continuously adhere to the "quality and efficiency-centric" principal, precisely study and assess policies and market changes, pre-emptively seize opportunities and overcome obstacles, so as to achieve effective, high-quality and sustainable development.

For the second half of 2019, the Company will focus on the following aspects of work:

1. The Company will consolidate the foundation for safe production, strengthen equipment management, carry out scientific maintenance and strive to reduce equipment failure rate;

2. The Company will innovate financing mode, optimize financing structure, strictly control capital risks and focus on cost reduction and efficiency enhancement;

3. The Company will promote project construction in full swing, continue to deepen the management and control of infrastructure construction, so as to achieve high-quality and profitable commissioning of projects;

4. The Company will actively conform to the policy orientation and market trends, enrich resource reservation and comprehensively promote grid parity project application and competitive allocation;

5. The Company will strengthen policy research and market competition awareness, actively organize corresponding measures, strive for a favorable policy environment and make every effort to increase power generation; and

6. The Company will comprehensively summarize and refine the scientific and technological innovation achievements in the fields of preliminary development, infrastructure construction and production and vigorously put technological achievements into operations.

Management Discussion and Analysis

OVERVIEW

In the first half of 2019, profit before taxation of the Group amounted to RMB3,696.4 million, representing an increase of RMB896.9 million or 32.0% as compared with RMB2,799.5 million for the corresponding period of last year. Net profit amounted to RMB3,150.5 million, representing an increase of RMB750.3 million or 31.3% as compared with RMB2,400.2 million for the corresponding period of last year. Net profit attributable to equity shareholders of the Company amounted to RMB3,093.6 million, representing an increase of RMB744.7 million or 31.7% as compared with RMB2,348.9 million for the corresponding period of last year.

REVENUE

In the first half of 2019, revenue of the Group amounted to RMB7,138.7 million, representing an increase of RMB821.0 million or 13.0% as compared with RMB6,317.7 million for the corresponding period of last year. The increase in revenue was primarily due to the fact that in the first half of 2019, the power sold of the Group amounted to 14,640.4 million kwh, representing an increase of 1,515.1 million kwh or 11.54% as compared with 13,125.3 million kwh for the corresponding period of last year. In the first half of 2019, the average tariff (tax inclusive) of the Group was RMB0.559/kwh, representing a decrease of 0.5% over the corresponding period of last year.

OTHER INCOME

In the first half of 2019, other income of the Group amounted to RMB223.0 million, representing an increase of RMB31.9 million or 16.7% as compared with RMB191.1 million for the corresponding period of last year.

OPERATING EXPENSES

In the first half of 2019, operating expenses of the Group amounted to RMB2,710.3 million, representing an increase of RMB67.1 million or 2.5% from RMB2,643.2 million for the corresponding period of last year. The increase was primarily due to the increase in depreciation and amortisation expenses and staff costs arising from the newly-added installed capacity of operational projects.

Depreciation and amortisation expenses: In the first half of 2019, depreciation and amortisation expenses of the Group amounted to RMB2,035.9 million, representing an increase of RMB58.2 million or 2.9% as compared with RMB1,977.7 million for the corresponding period of last year. The increase was primarily due to the increase in the installed capacity of operational projects.

Staff costs and administrative expenses: In the first half of 2019, staff costs and administrative expenses of the Group amounted to RMB379.8 million, representing an increase of RMB34.5 million or 10.0% as compared with RMB345.3 million for the corresponding period of last year. The increase was primarily due to the continuous increase in headcount resulting from the Group's scale expansion.

Repairs and maintenance and other operating expenses: In the first half of 2019, the Group's repairs and maintenance and other operating expenses amounted to RMB294.6 million, representing a decrease of RMB25.7 million or 8.0% as compared with RMB320.3 million for the corresponding period of last year. The main reason for the decrease was the decrease in major repair of power equipment for operational projects during the first half of 2019.

OPERATING PROFIT

In the first half of 2019, operating profit of the Group amounted to RMB4,651.4 million, representing an increase of RMB785.8 million or 20.3% as compared with RMB3,865.6 million for the corresponding period of last year.

FINANCE COSTS

In the first half of 2019, finance costs of the Group amounted to RMB1,021.8 million, representing a decrease of RMB81.4 million or 7.4% as compared with RMB1,103.2 million for the corresponding period of last year. The decrease was primarily due to the decrease in average financing cost of short-term and long-term borrowings during the first half of 2019.

INCOME TAX

In the first half of 2019, income tax of the Group amounted to RMB545.9 million, representing an increase of RMB146.5 million or 36.7% as compared with RMB399.4 million for the corresponding period of last year. The increase was mainly due to the increase in profit before taxation.

LIQUIDITY AND SOURCE OF FUNDING

As at 30 June 2019, the current assets of the Group amounted to RMB18,108.8 million, including cash at banks and on hand and restricted deposits of RMB3,283.3 million, trade debtors and bills receivable of RMB13,751.3 million. Current liabilities of the Group amounted to RMB30,683.3 million, comprising RMB23,457.3 million of short-term borrowings (including short-term borrowings and long-term borrowings due within one year), other payables of RMB6,489.6 million (which primarily consist of payables for equipment purchased from suppliers, construction payables and retention payables). As at 30 June 2019, the current ratio (the current assets to current liabilities ratio) of the Group was 0.59, representing an increase of 0.09 as compared with 0.50 as at 31 December 2018.

As at 30 June 2019, the Group's outstanding borrowings (including bonds) amounted to RMB50,851.7 million, representing an increase of RMB626.5 million compared with RMB50,225.2 million as at 31 December 2018. As at 30 June 2019, the Group's outstanding borrowings comprised short-term borrowings (including short-term borrowings, super short-term debentures and long-term borrowings due within one year) of RMB23,457.3 million and long-term borrowings (including bonds) of RMB27,394.4 million, which were all denominated in RMB.

CAPITAL EXPENDITURE

In the first half of 2019, the capital expenditure of the Group amounted to approximately RMB1,561.5 million, representing an increase of RMB512.1 million compared with RMB1,049.4 million for the corresponding period of last year.

NET GEARING RATIO

As at 30 June 2019, the net gearing ratio of the Group, which was calculated by dividing net debt (total borrowings and obligations under finance lease minus cash and cash equivalents) by the sum of net debt and total equity, was 61.2%, representing a decrease of 1.8 percentage points as compared with 63.0% as at 31 December 2018.

MATERIAL INVESTMENTS

The Group did not make any material investments in the first half of 2019.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals in the first half of 2019.

PLEDGE OF ASSETS

As at 30 June 2019, certain property, plant and equipment of the Group were pledged for bank loans of Huaneng Ge’ermu Solar Power Co., Ltd..

CONTINGENT LIABILITIES

As of 30 June 2019, the Group had no material contingent liabilities.

Corporate Governance and Other Information

The Company is committed to maintaining and promoting stringent corporate governance. The guiding principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency of the Board and accountability of the Board to all shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2019, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules to govern securities transactions by its directors and supervisors. As per specific enquiry made to all directors and supervisors of the Company, all directors and supervisors have confirmed that they strictly complied with the required standard set out in the Model Code for the six months ended 30 June 2019.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the Listing Rules. The primary duties of the audit committee are to review and supervise the Company's risk management and internal control systems and financial reporting process and to maintain an appropriate relationship with the Company's independent auditors.

During the Reporting Period, the audit committee comprised three members, namely, Mr. ZHOU Shaopeng (independent non-executive director), Mr. WANG Kui (non-executive director) and Mr. WAN Kam To (independent non-executive director). Mr. ZHOU Shaopeng was the chairman of the audit committee. On 10 July 2019, the Board appointed Mr. WOO Kar Tung, Raymond (independent non-executive director), Mr. ZHAI Ji (non-executive director) and Mr. ZHU Xiao (independent non-executive director) as the members of the audit committee. Mr. WOO Kar Tung, Raymond is the chairman of the audit committee.

The audit committee has reviewed, discussed with senior management members of the Company and confirmed the announcement of interim results of the Group for the six months ended 30 June 2019, the interim report for the six months ended 30 June 2019 and the unaudited interim financial statements for the six months ended 30 June 2019. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with the senior management members of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company places emphasis on its risk management and internal control. It has established a prudent risk management and internal control systems to protect shareholders' investments and the Company's assets. During the Reporting Period, the Board assessed and conducted a review on the effectiveness of the risk management and internal control systems of the Company and its subsidiaries and was not aware of any material deficiencies nor any material defaults with respect to financial, operational and compliance controls and risk management. The Board considers that the current risk management and internal control systems of the Company and its subsidiaries are effective and believes that the Company is in an adequate position regarding the qualifications and experience of the staff in accounting and financial reporting functions, its staff training programs and relevant budget.

BOARD DIVERSITY POLICY

The Company fully understands the benefits of diversity of Board members to its development and has formulated a diversity policy with respect to Board members. It has further enriched the composition of the Board members at the election of a new session of the Board. The composition of the Board members of the current session reflects differentiation and diversity in many aspects such as expertise, industry experience, age, gender and qualification background. In the future, the Company will continue to explore and perfect the composition of the Board based on its business characteristics, and will review the board diversity policy periodically to ensure its continued effectiveness. The Company has formulated policies in relation to diversity for implementation.

CHANGE OF DIRECTORS

On 28 June 2019, the Company convened the 2018 annual general meeting to elect Mr. LIN Gang as an executive director, Mr. CAO Shiguang as an executive director and Mr. WEN Minggang as an executive director of the fourth session of the Board of the Company; Mr. WANG Kui as a non-executive director, Mr. DAI Xinmin as a non-executive director and Mr. ZHAI Ji as a non-executive director of the fourth session of the Board of the Company; and Mr. QI Hesheng as an independent non-executive director, Ms. ZHANG Lizi as an independent non-executive director, Mr. WOO Kar Tung, Raymond as an independent non-executive director and Mr. ZHU Xiao as an independent non-executive director of the fourth session of the Board of the Company, respectively.

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

As at 30 June 2019, none of the directors, supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong (the "**SFO**")) which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") pursuant to Divisions 7 and 8 of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which have to be recorded under section 352 of the SFO in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

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

As at 5 September 2019 (the "**Latest Practicable Date**"), to the best knowledge of the directors, the following persons (other than the directors, chief executive or supervisors of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed by the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Class of shares	Capacity/ Nature of interests	Number of shares held (shares)	Approximate percentage in the relevant class of shares(2)	Approximate percentage in the total share capital(3)
Controlling shareholder					
China Huaneng Group Co., Ltd.(1)	Domestic shares	Beneficial owner/Interest of controlled corporation	5,535,311,200 (Long position)	100%	52.39%
	H shares	Beneficial owner/Interest of controlled corporation	33,268,000 (Long position)	0.66%	0.31%
Other substantial shareholders					
Citigroup Inc.	H shares	Interest of controlled corporation/Person having a security interest in share/ Approved lending agent	394,450,148 (Long position)	7.84%	3.73%
			552,626 (Short position)	0.01%	0.01%
			357,826,599 (Lending pool)	7.11%	3.39%
BlackRock, Inc.	H shares	Interest of controlled corporation	351,954,607 (Long position)	6.99%	3.33%
			834,000 (Short position)	0.02%	0.01%
JPMorgan Chase & Co.	H shares	Interest of controlled corporation/Investment manager/Person having a security interest in share/ Approved lending agent	350,840,656 (Long position)	6.97%	3.32%
			27,846,006 (Short position)	0.55%	0.26%
			300,942,005 (Lending pool)	5.98%	2.85%
Wellington Management Group LLP	H shares	Investment manager	292,996,237 (Long position)	5.82%	2.77%

Notes:

(1) China Huaneng Group Co., Ltd. is beneficially interested in 5,258,545,640 domestic shares, representing approximately 49.77% of the total share capital of the Company. Huaneng Capital Services Corporation Ltd. ("**Huaneng Capital**") is interested in 276,765,560 domestic shares, representing approximately 2.62% of the total share capital of the Company. Since Huaneng Capital is owned as to 61.22% by China Huaneng Group Co., Ltd., China Huaneng Group Co., Ltd. is therefore taken to be interested in the domestic shares held by Huaneng Capital, with a total interest of 52.39%. China Huaneng Group Co., Ltd. controls 33,268,000 H shares through such number of H shares held by Huaneng Structural Adjustment No. 1 Securities Investment Private Equity Fund through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, representing approximately 0.31% of the total share capital of the Company.

(2) It is calculated on the basis that the Company has issued 5,535,311,200 domestic shares or 5,031,220,992 H shares as at the Latest Practicable Date.

(3) It is calculated on the basis that the Company has issued 10,566,532,192 shares as at the Latest Practicable Date.

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

For the six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

MATERIAL LITIGATION

As of 30 June 2019, the Company was not involved in any material litigation or arbitration nor were the directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2019.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF HUANENG RENEWABLES CORPORATION LIMITED
(Established in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Huaneng Renewables Corporation Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 19 to 57, which comprise the condensed consolidated statement of financial position as of 30 June 2019 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board ("**IASB**"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

27 August 2019

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*5*	**7,138,711**	6,317,712
Other income	*6*	**222,963**	191,127
Operating expenses			
Depreciation and amortisation		**(2,035,895)**	(1,977,681)
Staff costs		**(275,682)**	(225,240)
Repairs and maintenance		**(96,825)**	(111,255)
Other administrative expenses		**(104,124)**	(120,022)
Other operating expenses		**(197,776)**	(209,009)
Operating profit		**4,651,372**	3,865,632
Finance income	*7*	**49,957**	44,804
Finance costs	*7*	**(1,021,765)**	(1,103,159)
Share of profit/(loss) of associates and a joint venture		**7,818**	(8,786)
Other gains and losses		**8,968**	1,054
Profit before tax	*8*	**3,696,350**	2,799,545
Income tax expense	*9*	**(545,859)**	(399,360)
Profit for the period		**3,150,491**	2,400,185

The notes on pages 25 to 57 form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	Note	Six months ended 30 June **2019** ***RMB'000*** **(unaudited)**	 2018 *RMB'000* (unaudited)
Other comprehensive (expense)/income for the period, net of tax:			
Items that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		**(7,741)**	(60,354)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of a foreign operation		**711**	(1,871)
Other comprehensive expense for the period, net of tax		**(7,030)**	(62,225)
Total comprehensive income for the period		**3,143,461**	2,337,960
Profit for the period attributable to:			
Owners of the Company		**3,093,567**	2,348,909
Non-controlling interests		**56,924**	51,276
		3,150,491	2,400,185
Total comprehensive income for the period attributable to:			
Owners of the Company		**3,086,537**	2,286,684
Non-controlling interests		**56,924**	51,276
		3,143,461	2,337,960
Basic and diluted earnings per share (RMB cents)	*10*	**29.28**	22.23

The notes on pages 25 to 57 form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

At 30 June 2019

	Notes	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	*11*	**68,240,358**	70,811,642
Right-of-use assets	*12*	**2,368,871**	–
Lease prepayments	*12*	**–**	269,022
Intangible assets	*13*	**568,308**	588,958
Interests in associates		**145,033**	135,194
Interest in a joint venture		**65,038**	66,109
Other non-current assets	*14*	**1,910,643**	2,216,668
Deferred tax assets		**1,518**	1,647
Total non-current assets		**73,299,769**	74,089,240
Current assets			
Inventories		**48,152**	44,070
Trade debtors and bills receivables	*15*	**13,751,293**	9,968,186
Prepayments and other current assets	*16*	**1,020,649**	1,069,311
Tax recoverable		**5,422**	18,425
Restricted deposits		**74,285**	67,571
Cash at bank and on hand	*17*	**3,209,011**	3,414,672
Total current assets		**18,108,812**	14,582,235

The notes on pages 25 to 57 form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

At 30 June 2019

	Notes	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Current liabilities			
Borrowings	*18*	**23,457,330**	21,614,339
Lease liabilities/Obligations under finance leases	*19*	**462,160**	471,916
Other payables	*20*	**6,489,588**	6,816,881
Tax payables		**274,185**	127,829
Total current liabilities		**30,683,263**	29,030,965
Net current liabilities		**(12,574,451)**	(14,448,730)
Total assets less current liabilities		**60,725,318**	59,640,510
Non-current liabilities			
Borrowings	*18*	**27,394,442**	28,610,898
Lease liabilities/Obligations under finance leases	*19*	**702,142**	730,306
Deferred income		**173,931**	180,900
Other non-current liabilities	*21*	**1,544,645**	1,886,705
Deferred tax liabilities		**18,081**	18,158
Total non-current liabilities		**29,833,241**	31,426,967
NET ASSETS		**30,892,077**	28,213,543
CAPITAL AND RESERVES			
Share capital		**10,566,532**	10,566,532
Reserves		**19,463,456**	16,841,846
Total equity attributable to owners of the Company		**30,029,988**	27,408,378
Non-controlling interests		**862,089**	805,165
TOTAL EQUITY		**30,892,077**	28,213,543

Approved and authorised for issue by the Board of Directors on 27 August 2019.

Name: Lin Gang
Position: *Chairman*

Name: Wen Minggang
Position: *Director*

The notes on pages 25 to 57 form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Attributable to owners of the Company								
	Share capital *RMB'000*	Capital reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Translation reserve *RMB'000*	FVTOCI reserve *RMB'000*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2018 (audited)	10,566,532	3,671,750	636,785	6,652	(10,461)	9,759,092	24,630,350	840,289	25,470,639
Changes in equity for the six months ended 30 June 2018:									
Profit for the period	–	–	–	–	–	2,348,909	2,348,909	51,276	2,400,185
Other comprehensive expense for the period	–	–	–	(1,871)	(60,354)	–	(62,225)	–	(62,225)
Total comprehensive (expense)/ income for the period	–	–	–	(1,871)	(60,354)	2,348,909	2,286,684	51,276	2,337,960
Dividends of subsidiaries to non-controlling interests	–	–	–	–	–	–	–	(16,872)	(16,872)
2017 final dividend	–	–	–	–	–	(454,361)	(454,361)	–	(454,361)
At 30 June 2018 (unaudited)	10,566,532	3,671,750	636,785	4,781	(70,815)	11,653,640	26,462,673	874,693	27,337,366
At 1 January 2019 (audited)	10,566,532	3,671,750	941,906	6,787	135,399	12,086,004	27,408,378	805,165	28,213,543
Changes in equity for the six months ended 30 June 2019:									
Profit for the period	–	–	–	–	–	3,093,567	3,093,567	56,924	3,150,491
Other comprehensive income/ (expense) for the period	–	–	–	711	(7,741)	–	(7,030)	–	(7,030)
Total comprehensive income/ (expense) for the period	–	–	–	711	(7,741)	3,093,567	3,086,537	56,924	3,143,461
2018 final dividend	–	–	–	–	–	(464,927)	(464,927)	–	(464,927)
At 30 June 2019 (unaudited)	10,566,532	3,671,750	941,906	7,498	127,658	14,714,644	30,029,988	862,089	30,892,077

The notes on pages 25 to 57 form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Note	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Operating activities			
Cash generated from operations		**3,221,397**	3,258,546
PRC Corporate Income Tax paid		**(386,448)**	(355,492)
PRC Corporate Income Tax refunded		**–**	3,625
Net cash generated from operating activities		**2,834,949**	2,906,679
Investing activities			
Payments for acquisition of property, plant and equipment, right-of-use assets and intangible assets		**(2,359,389)**	(1,865,404)
Other cash flows arising from investing activities		**2,816**	(73,427)
Net cash used in investing activities		**(2,356,573)**	(1,938,831)
Financing activities			
Proceeds from borrowings		**22,910,000**	12,399,122
Repayment of borrowings		**(22,281,944)**	(11,391,866)
Others		**(1,325,164)**	(1,377,569)
Net cash used in financing activities		**(697,108)**	(370,313)
Net (decrease)/increase in cash and cash equivalents		**(218,732)**	597,535
Cash and cash equivalents at 1 January	*17*	**3,380,622**	2,502,663
Effect of foreign exchanges rate changes		**121**	(2,082)
Cash and cash equivalents at 30 June	*17*	**3,162,011**	3,098,116

The notes on pages 25 to 57 form part of these condensed consolidated financial statements.

1 PRINCIPAL ACTIVITIES AND ORGANISATION

Huaneng Renewables Corporation Limited (the "**Company**") was established in the People's Republic of China (the "**PRC**") on 5 August 2010 as a joint stock company with limited liability. The Company and its subsidiaries (the "**Group**") are mainly engaged in wind power and solar power generation and sales in the PRC.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") *Interim Financial Reporting* issued by the International Accounting Standards Board ("**IASB**") 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**").

As at and for the six months ended 30 June 2019, a portion of the Group's funding requirements for capital expenditures were partially satisfied by short-term financing. Consequently, as at 30 June 2019, the Group has net current liabilities of approximately RMB12.6 billion. Taking into consideration of the expected operating cash flows of the Group and the undrawn available banking facilities, the Group expects to refinance certain short-term borrowings and also consider alternative sources of financing, where applicable and when needed. Therefore, the directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared the condensed consolidated financial statements on a going concern basis.

3 PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2018.

(Expressed in RMB otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB, which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

IFRS 16	Leases
IFRIC-Int 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

The Group has not applied any new and amendments to IFRSs that is not yet effective for the current accounting period.

Except as described below, the application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Impacts and changes in accounting policies of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current interim period. IFRS 16 superseded IAS 17 *Leases*, and the related interpretations.

i. Key changes in accounting policies resulting from application of IFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of IFRS 16.

a. Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

i. Key changes in accounting policies resulting from application of IFRS 16 (continued)

b. As a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain office buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

i. Key changes in accounting policies resulting from application of IFRS 16 (continued)

b. As a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

i. Key changes in accounting policies resulting from application of IFRS 16 (continued)

b. As a lessee (continued)

Lease liabilities (continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

i. Key changes in accounting policies resulting from application of IFRS 16 (continued)

b. *As a lessee (continued)*

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

ii. Transition and summary of effects arising from initial application of IFRS 16

a. *Definition of a lease*

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

b. *As a lessee*

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease by lease basis, to the extent relevant to the respective lease contracts:

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

ii. Transition and summary of effects arising from initial application of IFRS 16 (continued)

b. As a lessee (continued)

(i). relied on the assessment of whether leases are onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

(ii). elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

(iii). excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

(iv). applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment; and

(v). used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of IFRS 16:

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying IFRS 16.C8(b)(ii) transition.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.02%.

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

ii. Transition and summary of effects arising from initial application of IFRS 16 (continued)

b. As a lessee (continued)

	Note	**At 1 January 2019** ***RMB'000***
Operating lease commitments disclosed as at 31 December 2018		**26,043**
Lease liabilities discounted at relevant incremental borrowing rates		**24,682**
Less: Recognition exemption – short-term leases		**(4,741)**
Lease liabilities relating to operating leases recognised upon application of IFRS 16		**19,941**
Add: Obligations under finance leases recognised at 31 December 2018	*(b)*	**1,202,222**
Lease liabilities as at 1 January 2019		**1,222,163**
Analysed as		
Current		**488,690**
Non-current		**733,473**
		1,222,163

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

ii. Transition and summary of effects arising from initial application of IFRS 16 (continued)

b. As a lessee (continued)

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Notes	Right-of-use assets *RMB'000*
Right-of-use assets relating to operating leases recognised upon application of IFRS 16		19,941
Reclassified from lease prepayments	*(a)*	269,022
Amounts included in property, plant and equipment under IAS 17		
– Assets previously under finance leases	*(b)*	1,919,187
		2,208,150
By class:		
Land use rights		269,022
Generators and related equipment		1,919,187
Office buildings		19,941
		2,208,150

(a) Upfront payments for land use rights in the PRC were classified as lease prepayments as at 31 December 2018. Upon application of IFRS 16, the carrying amounts of lease prepayments were reclassified to right-of-use assets.

(b) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to RMB1,919,187,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of RMB471,916,000 and RMB730,306,000 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

ii. Transition and summary of effects arising from initial application of IFRS 16 (continued)

b. As a lessee (continued)

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Notes	Carrying amounts previously reported at 31 December 2018 RMB'000	Adjustments RMB'000	**Carrying amounts under IFRS 16 at 1 January 2019 RMB'000**
Non-current Assets				
Property, plant and equipment	*(b)*	70,811,642	(1,919,187)	**68,892,455**
Right-of-use assets		–	2,208,150	**2,208,150**
Lease prepayments	*(a)*	269,022	(269,022)	**–**
Current Liabilities				
Lease liabilities/Obligations under finance leases	*(b)*	(471,916)	(16,774)	**(488,690)**
Non-current liabilities				
Lease liabilities/Obligations under finance leases	*(b)*	(730,306)	(3,167)	**(733,473)**

Note: For the purpose of reporting cash flows for the six months ended 30 June 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

4 SEASONALITY OF OPERATIONS

The Group's main business is wind power business which generates more revenue in certain period in the year, depending on different wind conditions of the wind farms such as wind speed. Generally the wind speed is more favourable for power generation in spring and winter. As a result, the revenue and profit of the Group fluctuate during the year.

5 REVENUE AND SEGMENT INFORMATION

(a) Revenue

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

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sales of electricity	**7,136,538**	6,315,623
Others	**2,173**	2,089
	7,138,711	6,317,712

Sales of electricity were mainly generated by the wind power plants of the Group. Revenue from the sales of electricity is recognised at a point in time upon transmission of electricity to the power grid companies when the control of the electricity is transferred at the same time.

(b) Segment information

The Group has determined the operating segments based on the financial information reviewed by the Group's chief operating decision maker ("**CODM**") when making decisions regarding allocating resources and assessing performance.

The CODM considers the performance of all businesses on a consolidated basis as revenue from other sources except power generation is relatively insignificant for the six months ended 30 June 2019 and 2018. Therefore, the Group has identified one single reportable operating segment which is the power generation and sales segment.

The Company is domiciled in the PRC. For the six months ended 30 June 2019, as the Group does not have material operations outside the PRC, no geographical segment information is presented.

The Group's major customers are regional and provincial power grid companies.

6 OTHER INCOME

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants	**222,937**	185,336
Others	**26**	5,791
	222,963	191,127

7 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**16,319**	16,402
Dividend income	**33,638**	28,402
Finance income	**49,957**	44,804
Interest on borrowings and other financial liabilities	**1,090,469**	1,157,778
Less: interest expenses capitalised into property, plant and equipment *(note (i))*	**(68,704)**	(54,619)
Finance costs	**1,021,765**	1,103,159
Net finance costs recognised in profit or loss	**(971,808)**	(1,058,355)

Note:

(i) The borrowing costs have been capitalised at rates of 4.31% to 4.90% per annum for the six months ended 30 June 2019 (six months ended 30 June 2018: 4.34% to 4.44% per annum).

8 PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation and amortisation		
– Property, plant and equipment	**1,942,115**	1,950,608
– Right-of-use assets/ lease prepayments	**69,919**	6,944
– Intangible assets	**23,861**	20,129
	2,035,895	1,977,681
Cost of spare parts held for operating usage	**47,004**	59,469

9 INCOME TAX EXPENSE

Income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax		
Provision for the period	**532,136**	388,895
Under-provision in respect of prior periods	**13,671**	10,391
	545,807	399,286
Deferred tax		
Reversal of temporary differences	**52**	74
	545,859	399,360

9 INCOME TAX EXPENSE (CONTINUED)

The provision for income tax of the Group is calculated based on a statutory rate of 25% of the assessable profit of the Group, except for certain subsidiaries of the Group, which are tax exempted or taxed at preferential rates, as determined in accordance with the relevant PRC Corporate Income Tax rules and regulations for the six months ended 30 June 2019 and 2018, and except for a subsidiary of the Group incorporated in Hong Kong which is subject to Hong Kong Profits Tax calculated at 16.5% (six months ended 30 June 2018: 16.5%) of its estimated assessable profit for the period. The subsidiary incorporated in Hong Kong had no assessable profit for six months ended 30 June 2019 and 2018.

10 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the six months ended 30 June 2019 of RMB3,093,567,000 (six months ended 30 June 2018: RMB2,348,909,000) and the weighted average number of shares in issue during the six months ended 30 June 2019 of 10,566,532,000 shares (six months ended 30 June 2018: 10,566,532,000 shares).

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

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired items of property, plant and equipment of approximately RMB1,560,341,000 (six months ended 30 June 2018: approximately RMB849,597,000). Items of property, plant and equipment with an aggregated carrying amount of approximately RMB877,000 were disposed of during the six months ended 30 June 2019 (six months ended 30 June 2018: RMB127,000).

12 RIGHT-OF-USE ASSETS/LEASE PREPAYMENTS

During the six months ended 30 June 2019, the Group entered into a new lease agreement for the use of generators and related equipment for 12 years. On lease commencement, the Group recognised RMB161,504,000 (six months ended 30 June 2018: Nil) of right-of-use asset and lease liability respectively.

The Group did not dispose of any right of use assets during the current period (six months ended 30 June 2018: the Group disposed land use right with a net book value of approximately RMB132,407,000, resulting in a loss on disposal of RMB1,410,000).

13 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of approximately RMB547,801,000 (31 December 2018: approximately RMB563,698,000), software and other intangible assets of approximately RMB20,507,000 (31 December 2018: approximately RMB25,260,000).

14 OTHER NON-CURRENT ASSETS

	At 30 June 2019 *RMB'000* **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
Deductible value added tax ("**VAT**") *(note(i))*	**753,146**	968,656
Unquoted equity investments in non-listed companies *(note 23(a))*	**833,021**	833,021
Investment in equity securities listed in Hong Kong *(note 23(a))*	**203,673**	211,414
Deposits and advances to third parties *(note(ii))*	**44,846**	44,947
Other long-term assets	**75,957**	158,630
	1,910,643	2,216,668

Notes:

(i) Deductible VAT mainly represents the input VAT relating to purchase of property, plant and equipment, which is deductible from output VAT. Those expected to be deducted within one year is presented in prepayments and other current assets (see note 16).

(ii) The deposits and advances to third parties are unsecured and interest-free.

15 TRADE DEBTORS AND BILLS RECEIVABLES

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Amounts due from third parties	**13,751,293**	9,968,186
Less: allowance for credit losses	**–**	–
	13,751,293	9,968,186

The ageing analysis of trade debtors and bills receivables of the Group based on revenue recognition date is as follows:

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Current	**13,751,293**	9,968,186
Past due	**–**	–
	13,751,293	9,968,186
Less: allowance for doubtful debts	**–**	–
	13,751,293	9,968,186

15 TRADE DEBTORS AND BILLS RECEIVABLES (CONTINUED)

The Group's trade receivables are mainly wind power electricity sales receivables from local grid companies. Generally, the receivables are due within 15-30 days from the date of billing, except for the tariff premium, representing from 20% to 80% (2018: 31% to 96%) of total electricity sales, collected by certain power projects. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid companies.

Pursuant to CaiJian [2012] No 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, a set of standardised procedures for the settlement of the tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies. As at 30 June 2019, most of the operating projects have been approved for the tariff premium and certain projects are in the process of applying for the approval. The directors of the Company are of the opinion that the approvals will be obtained in due course and the tariff premium receivables are fully recoverable considering that there are no credit losses experiences with the grid companies in the past and the tariff premium is funded by the PRC government.

Trade receivables that were neither past due nor impaired mainly represented the electricity sales receivable from local grid companies for whom there was no recent history of default.

16 PREPAYMENTS AND OTHER CURRENT ASSETS

	At 30 June 2019 RMB'000 (unaudited)	At 31 December 2018 RMB'000 (audited)
Government grant receivable	**42,105**	29,132
Amounts due from fellow subsidiaries *(note (i))*	**24,569**	15,876
Dividends receivable		
– A fellow subsidiary	**18,087**	–
– A third party	**6,714**	–
Staff advance	**7,728**	4,994
Deposits *(note (ii))*	**29,818**	27,173
Prepayments to		
– A fellow subsidiary	**712**	463
– A third party	**16,398**	8,791
Deductible VAT *(note 14(i))*	**768,887**	856,486
Others	**106,449**	127,214
	1,021,467	1,070,129
Less: allowance for credit losses	**(818)**	(818)
	1,020,649	1,069,311

Notes:

(i) Amounts due from fellow subsidiaries mainly represented premium for property insurance services provided by Alltrust Insurance Company of China Limited which is a fellow subsidiary of Huangneng Group Co., Ltd. ("**Huaneng Group**").

(ii) Deposits mainly represented deposits placed with local authorities for developing wind power and construction. The deposits will be released to the Group during certain development stage or by the completion of the power plants construction.

17 CASH AT BANK AND ON HAND

	At 30 June 2019 **RMB'000** **(unaudited)**	At 31 December 2018 RMB'000 (audited)
Cash on hand	**94**	80
Cash at bank and other financial institutions	**3,208,917**	3,414,592
	3,209,011	3,414,672
Representing:		
– Cash and cash equivalents	**3,162,011**	3,380,622
– Time deposits with original maturity over three months	**47,000**	34,050
	3,209,011	3,414,672

18 BORROWINGS

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

	At 30 June 2019 **RMB'000** **(unaudited)**	At 31 December 2018 RMB'000 (audited)
Bank loans		
– Secured	**5,540,382**	6,147,151
– Unsecured	**23,982,084**	24,692,259
Loan from a fellow subsidiary (unsecured)	**485,000**	490,000
Other borrowings *(note 18(e))*		
– Unsecured	**1,139,620**	1,139,317
	31,147,086	32,468,727
Less: Current portion of long-term borrowings		
– Bank loans	**(3,702,644)**	(3,857,829)
– Other borrowings *(note 18(e))*	**(50,000)**	–
	27,394,442	28,610,898

18 BORROWINGS (CONTINUED)

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

	At 30 June 2019 RMB'000 (unaudited)	At 31 December 2018 RMB'000 (audited)
Bank loans (unsecured)	**13,710,000**	12,760,000
Other borrowings *(note 18(e))*		
– Unsecured	**5,994,686**	4,996,510
Current portion of long-term borrowings	**3,752,644**	3,857,829
	23,457,330	21,614,339

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

	At 30 June 2019 RMB'000 (unaudited)	At 31 December 2018 RMB'000 (audited)
Long-term (including current portion)		
Bank loans	**4.31%~4.90%**	4.31%~4.90%
Loan from a fellow subsidiary	**4.41%**	4.41%
Other borrowings *(note 18(e))*	**3.36%**	2.98%
Short-term (excluding current portion of long-term borrowings)		
Bank loans	**3.92%~4.35%**	3.92%~4.35%
Other borrowings *(note 18(e))*	**2.63%~3.62%**	3.06%~3.62%

18 BORROWINGS (CONTINUED)

(d) The long-term borrowings (including current portion) are repayable as follows:

	At 30 June 2019 *RMB'000* **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
Within 1 year or on demand	**3,752,644**	3,857,829
After 1 year but within 2 years	**3,697,979**	3,854,786
After 2 years but within 5 years	**11,624,282**	11,756,502
After 5 years	**12,072,181**	12,999,610
	31,147,086	32,468,727

(e) Significant terms of other borrowings:

	At 30 June 2019 *RMB'000* **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
Long-term		
Corporate bonds *(note (i))*	**1,089,620**	1,139,317
Short-term		
Corporate bonds *(note (i))*	**50,000**	–
Super short-term debentures *(note (ii))*	**5,994,686**	4,996,510

18 BORROWINGS (CONTINUED)

(e) Significant terms of other borrowings:(continued)

Notes:

(i) On 11 July 2016, the Company issued a five-year unsecured green corporate bond of RMB1,140 million at par with a coupon rate of 2.95% per annum. The Company shall have an option to increase the coupon rate at the end of the third year, irrespective of whether the adjustment will be made or not, the investors can exercise retractable option to sell back the bond.

On 11 June 2019, the Company made an announcement of the determination to increase the coupon rate by 95 basis points to 3.90% per annum for the remaining two year, and investors can register to sell back at par within seven days. As a result, RMB50,000,000 is repayable on 11 July 2019 which is the third anniversary of the issue date, and the effective interest rate changed to 3.36% per annum (six months ended 30 June 2018: 2.98% per annum).

(ii) On 12 October 2018, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 180 days with the issuing interest rate of 3.30% per annum. The effective interest rate is 3.62% per annum. As at 30 June 2019, the debenture has been repaid by the Company.

On 31 October 2018, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 270 days with the issuing interest rate of 3.45% per annum. The effective interest rate is 3.61% per annum.

On 31 October 2018, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 180 days with the issuing interest rate of 3.30% per annum. The effective interest rate is 3.62% per annum. As at 30 June 2019, the debenture has been repaid by the Company.

On 28 November 2018, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 90 days with the issuing interest rate of 2.90% per annum. The effective interest rate is 3.06% per annum. As at 30 June 2019, the debenture has been repaid by the Company.

On 18 December 2018, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 90 days with the issuing interest rate of 3.10% per annum. The effective interest rate is 3.32% per annum. As at 30 June 2019, the debenture has been repaid by the Company.

18 BORROWINGS (CONTINUED)

(e) Significant terms of other borrowings:(continued)

Notes:(continued)

(ii) (continued)

On 19 March 2019, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 90 days with the issuing interest rate of 2.60% per annum. The effective interest rate is 2.80% per annum. As at 30 June 2019, the debenture has been repaid by the Company.

On 27 March 2019, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 180 days with the issuing interest rate of 2.82% per annum. The effective interest rate is 2.99% per annum.

On 19 April 2019, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 180 days with the issuing interest rate of 2.90% per annum. The effective interest rate is 2.93% per annum.

On 23 April 2019, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 90 days with the issuing interest rate of 2.70% per annum. The effective interest rate is 2.84% per annum.

On 30 May 2019, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 180 days with the issuing interest rate of 2.99% per annum. The effective interest rate is 3.18% per annum.

On 19 June 2019, the Company issued an unsecured super short-term debenture of RMB1,000 million at par with a maturity period of 150 days with the issuing interest rate of 2.85% per annum. The effective interest rate is 2.87% per annum.

19 LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES

The Group has obligations under lease agreements repayable as follows:

	At 30 June 2019		At 31 December 2018	
	Present value of the minimum lease payments	**Total minimum lease payments**	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
	(unaudited)	**(unaudited)**	(audited)	(audited)
Within 1 year	**462,160**	**511,192**	471,916	522,784
After 1year but within 2 years	**243,172**	**272,433**	261,561	292,282
After 2 years but within 5 years	**362,513**	**404,334**	406,774	443,769
After 5 years	**96,457**	**113,877**	61,971	63,326
Non-current portion	**702,142**	**790,644**	730,306	799,377
Total lease liabilities	**1,164,302**	**1,301,836**	1,202,222	1,322,161
Less: total future interest expense		**(137,534)**		(119,939)
Present value of lease obligations		**1,164,302**		1,202,222

The period of these leases ranges from 3 months to 23 years. The principal and interest expenses are to be paid at least annually within the lease periods.

20 OTHER PAYABLES

	At 30 June 2019 RMB'000 (unaudited)	At 31 December 2018 RMB'000 (audited)
Payables for acquisition of property, plant and equipment and intangible assets	**3,439,942**	3,490,165
Retention payable *(note (i))*	**1,625,143**	2,154,214
Bills payable	**172,053**	548,712
Dividends payable	**570,840**	111,437
Amounts due to fellow subsidiaries *(note (ii))*	**169,607**	92,852
Payables for staff related cost	**70,572**	63,899
Payables for other taxes	**208,370**	139,339
Interest payable		
– Fellow subsidiaries	**594**	672
– Banks and other third party financial institutions	**59,284**	104,581
Other accruals and payables	**173,183**	111,010
	6,489,588	6,816,881

Notes:

(i) Retention payable represents the retention payables due to equipment suppliers and construction contractors which will be settled in accordance with contracted terms during or upon the expiry of the warranty period.

(ii) Amounts due to fellow subsidiaries are all unsecured and interest-free.

All of the other payables are expected to be settled within one year or are repayable on demand.

21 OTHER NON–CURRENT LIABILITIES

Other non-current liabilities primarily included retention payables due to equipment suppliers and construction contractors which is not expected to be settled within one year.

22 DIVIDENDS

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

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

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

On 21 June 2019, upon the approval at the annual general meeting, the Company declared final dividend in respect of the financial year ended 31 December 2018 of RMB0.044 per share, with total amount of RMB464,927,416 (2017: RMB454,360,884). The Company did not make any dividend payments during the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities that are measured at fair value on a recurring basis

The IFRS 13, Fair value measurement requires to disclose the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety. The level into which the fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 Fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities that are measured at fair value on a recurring basis (continued)

The following table presents the financial instruments of the Group that are measured at fair value as at 30 June 2019 and 31 December 2018:

	Fair value at 30 June 2019	**Fair value measurements as at 30 June 2019 categorised into**	
		Level 1	**Level 3**
	RMB'000	***RMB'000***	***RMB'000***
Financial assets:			
Unquoted equity investments in non-listed companies *(note 14)*	**833,021**	**–**	**833,021**
Investment in equity securities listed in Hong Kong *(note 14)*	**203,673**	**203,673**	**–**

	Fair value at 31 December 2018	Fair value measurements as at 31 December 2018 categorised into	
		Level 1	Level 3
	RMB'000	*RMB'000*	*RMB'000*
Financial assets:			
Unquoted equity investments in non-listed companies *(note 14)*	833,021	–	833,021
Investment in equity securities listed in Hong Kong *(note 14)*	211,414	211,414	–

As at 31 December 2018, the fair values of equity investments in non-listed companies are determined using the income approach with discounted cash flow method. The inputs of the valuation model mainly consist of the expected financial performance, forecast period and weighted average cost of capital. Discount rates ranging from 6.37% to 14.51% were used in the calculations of fair values under discounted cash flow model.

During the six months ended 30 June 2019, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's equity investments in non-listed companies.

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities that are measured at fair value on a recurring basis (continued)

During the six months ended 30 June 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The movement during the period in the balance of the Level 3 fair value measurements is as follows:

Unquoted equity investment in non-listed companies *(RMB'000)*:	
Balance at 1 January 2019	833,021
Additional investments	–
Changes in fair value recognised in other comprehensive income	–
Balance at 30 June 2019	833,021

Any gains or losses arising from the remeasurement of the Group's unlisted equity investments held for strategic purposes are recognised in the FVTOCI reserve in other comprehensive income. Upon disposal of the equity investments, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

(b) Fair value of financial assets and liabilities that are not measured at fair value on a recurring basis

The carrying amounts of the Group's cash at bank and on hand, restricted deposit, trade debtors and receivables, short-term prepayments, short-term borrowings and other payables approximated to their fair values as at 30 June 2019 and 31 December 2018 due to the short maturity of these instruments.

The carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements primarily including long-term prepayments and long-term borrowings are not materially different from their fair values as at 30 June 2019 and 31 December 2018, which are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

24 COMMITMENTS

Commitments outstanding not provided for in the interim financial report were as follows:

	At 30 June 2019 *RMB'000* **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
Capital expenditure in respect of property, plant and equipment		
Contracted for	**5,752,613**	5,380,470
Investment commitment *(note (i))*	**338,232**	339,182
	6,090,845	5,719,652

Note:

(i) Details of investment commitment is set out in note 25 (d).

25 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

25 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (continued)

Apart from those disclosed elsewhere in the condensed consolidated financial statements, the principal related party transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sales of electricity to		
A fellow subsidiary	**2,365**	1,115
Purchase of product and equipment from		
Fellow subsidiaries	**17,410**	1,916
Purchase of power generation rights from		
Fellow subsidiaries	**–**	928
Office buildings lease from		
Fellow subsidiaries *(note (i))*	**17,441**	17,441
Services provided by		
Fellow subsidiaries	**113,456**	61,555
Net (withdrawal from)/ deposit in		
China Huaneng Finance Corporation Ltd. ("**Huaneng Finance**")	**(413,801)**	(226,460)
Increase/ (decrease) of investment in		
Huaneng Tiancheng Financial Leasing Co, Ltd ("**Huaneng Tiancheng**")	**–**	135,000
Taikang Equity Investment Fund Centre (Limited Partnership) ("**HIWLR-Taikang**")	**950**	–
Interest income		
Huaneng Finance	**11,131**	13,590
Loans received from		
Fellow subsidiaries	**9,400,000**	3,351,545
Loans repaid to		
Fellow subsidiaries	**9,405,000**	2,865,552
Lease obligation repaid to		
Huaneng Tiancheng *(note (ii))*	**27,000**	21,272
Interest expense		
Fellow subsidiaries	**37,479**	23,035
Net working capital provided to		
Fellow subsidiaries	**–**	4,982

25 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (continued)

Notes:

(i) During the current period and six months ended 30 June 2018, the lease terms of office buildings leasing with fellow subsidiaries are 12 months or less.

(ii) As at 30 June 2019, the balance of lease liability under a lease agreement for generators and related equipments with Huaneng Tiancheng was RMB160,931,000 (Obligations under finance leases at 31 December 2018: RMB187,931,000), the carrying amount of right-of-use asset recognised under the lease agreement was RMB321,389,000 (Property, plant and equipment under the finance lease agreement as at 31 December 2018: RMB323,872,000).

(b) Outstanding balances with related parties

The deposits placed with a fellow subsidiary, Huaneng Finance, amounted to RMB2,172,045,000 as at 30 June 2019 (31 December 2018: RMB2,485,018,000). As at 30 June 2019, the balances of original investment cost in Huaneng Finance, Huaneng Carbon Asset Management Co., Ltd. and Huaneng Tiancheng were RMB51,225,000, RMB25,000,000 and RMB411,000,000 respectively (31 December 2018: RMB51,225,000, RMB25,000,000 and RMB411,000,000). Details of the other outstanding balances with related parties are set out in notes 16, 18 and 20.

(c) Transactions with other state-controlled entities in the PRC

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

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

25 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with other state-controlled entities in the PRC (continued)

- Sales of electricity;
- Depositing and borrowing money;
- Purchase of materials and receiving construction work services; and
- Service concession arrangement.

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

For the six months ended 30 June 2019 and 2018, almost all revenue from the sales of electricity is made to the provincial power grid companies which are government-related entities. As at 30 June 2019 and 31 December 2018, substantially all the trade debtors and bills receivable are due from these power grid companies.

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

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

25 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Commitments with related parties

Commitments with related parties outstanding not provided for in the financial statements were as follows:

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Services to be provided by related parties	**4,359**	29,303
Product and equipment to be provided by related parties	**261**	23,838
Investment commitment to HIWLR – Taikang *(note (i))*	**338,232**	339,182

Note:

(i) HIWLR-Taikang is a partnership established by the Company, Taikang Life Insurance Co., Ltd., Tianjin Huaxu Renewables Technology Development Co., Ltd. and Tianjin HIWLR Ruichi Enterprise Management Consulting Partnership (Limited Partnership) in 2017. HIWLR- Taikang is the operating entity of the first tranche of HIWLR-Taikaing Renewables Development Fund amounting to RMB2,006,000,000. The Company subscribed for RMB400,000,000 as one of the limited partners, representing approximately 19.94% of the amount. As at 30 June 2019, the balance of investment cost in HIWLR-Taikang was RMB24,062,000 (31 December 2018: RMB23,112,000).

(e) Key management personnel

Remuneration for key management personnel, is as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Salaries and other emoluments	**2,048**	1,782
Bonus	**3,111**	2,794
Retirement scheme contributions	**518**	460
	5,677	5,036

Corporate Information

REGISTERED OFFICE

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HEAD OFFICE IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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COMPANY'S WEBSITE

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COMPANY SECRETARY

Ms. ZHU Tao

AUTHORIZED REPRESENTATIVES

Mr. CAO Shiguang
Mr. WEN Minggang

EXECUTIVE DIRECTORS

Mr. LIN Gang *(Chairman)*
Mr. CAO Shiguang *(President)*
Mr. WEN Minggang

NON-EXECUTIVE DIRECTORS

Mr. WANG Kui
Mr. DAI Xinmin
Mr. ZHAI JI

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. QI Hesheng
Ms. ZHANG Lizi
Mr. WOO Kar Tung, Raymond
Mr. ZHU Xiao

SUPERVISORS

Mr. HUANG Jian
Ms. ZHONG Suzhi
Ms. ZHANG Xinqin

AUDIT COMMITTEE

Mr. WOO Kar Tung, Raymond *(Chairman)*
Mr. ZHU Xiao
Mr. ZHAI JI

NOMINATION COMMITTEE

Mr. LIN Gang *(Chairman)*
Mr. QI Hesheng
Mr. ZHU Xiao

REMUNERATION COMMITTEE

Mr. QI Hesheng *(Chairman)*
Ms. ZHANG Lizi
Mr. CAO Shiguang

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PRINCIPAL BANKERS

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Xicheng District, Beijing
China

China Construction Bank Corporation
No. 25 Finance Street, Beijing
China

Industrial and Commercial Bank of China Limited
No. 55 Fuxingmennei Street
Xicheng District, Beijing
China

Glossary of Technical Terms

"gross power generation"	total power generated by a power plant in a specific period of time, including its electricity consumption and electricity generated during the construction and testing period
"installed capacity"	the capacity of power generation units or wind turbines that have been completely assembled or erected in the case of wind power. For wind power, installed capacity includes the capacity of wind turbines in testing period
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy typically used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"MW"	unit of power, megawatt. 1 MW = 1,000 kW, MW is typically used to measure installed capacity of power plants
"MWh"	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh
"renewable energy"	energy generated from sustainable energy sources that are regenerative or, for all practical purposes, cannot be depleted
"weighted average utilization hours"	the consolidated gross power generation less the electricity generated during the construction and testing period in a specified period divided by the weighted average consolidated operational capacity in the same period

華能新能源股份有限公司
Huaneng Renewables Corporation Limited *