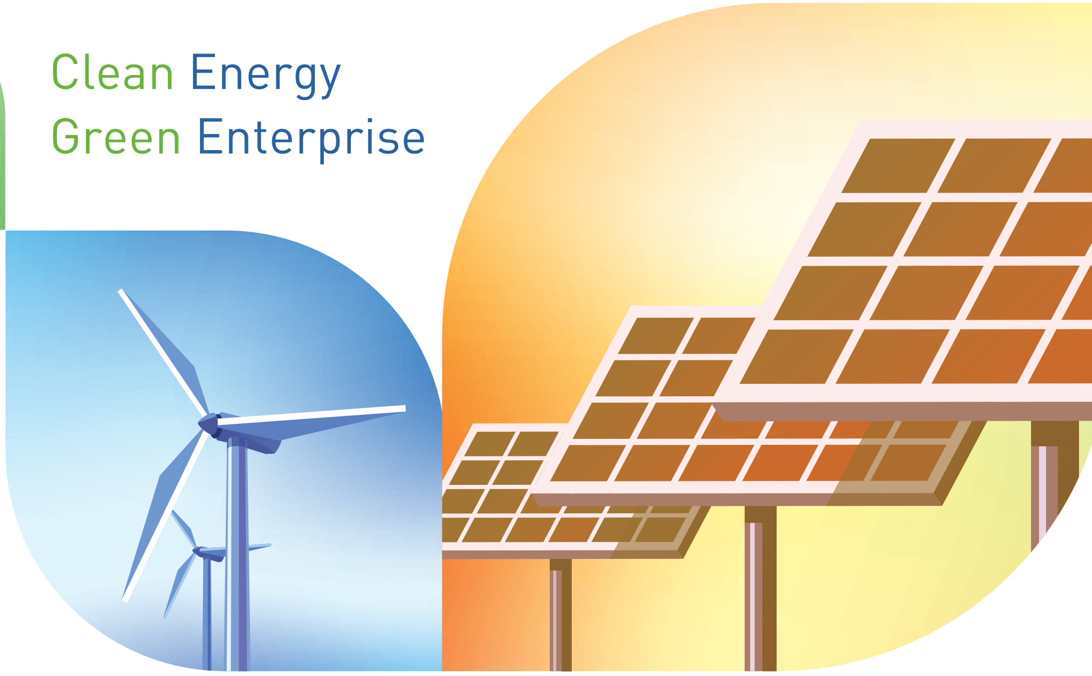
China Power International Development Limited
中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)
(Stock Code : 2380)

Clean Energy
Green Enterprise



Interim Report
2019

INFORMATION FOR OUR SHAREHOLDERS AND INVESTORS

LISTING INFORMATION

Shares of China Power are:

- listed on the Hong Kong Stock Exchange (Stock Code: 2380); and
- eligible for Southbound trading through Shanghai–Hong Kong Stock Connect and Shenzhen–Hong Kong Stock Connect.

INTERIM REPORT

The 2019 interim report will be sent to the shareholders of the Company who have selected to receive the printed version of corporate communication by 18 September 2019.

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6301, 63/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong
Tel.: (852) 2802 3861
Fax: (852) 2802 3922
Website: www.chinapower.hk

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel.: (852) 2862 8628
Fax: (852) 2865 0990

SHAREHOLDERS AND INVESTORS ENQUIRIES

Hotlines

- For Shareholders: (852) 2862 8688
- For Investors: (852) 2802 3861

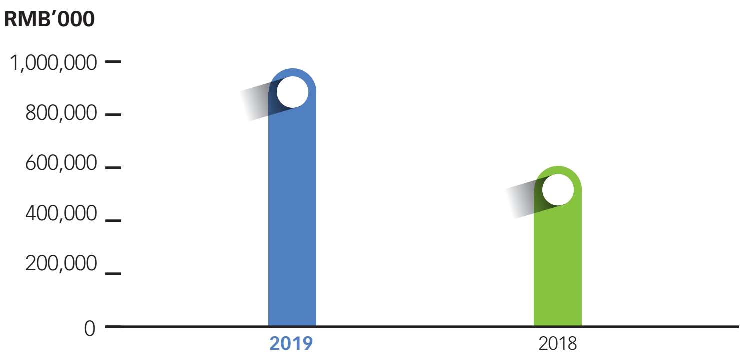
Emails

- For Shareholders:
  chinapower.ecom@computershare.com.hk
- For Investors:
  ir@chinapower.hk

Contents

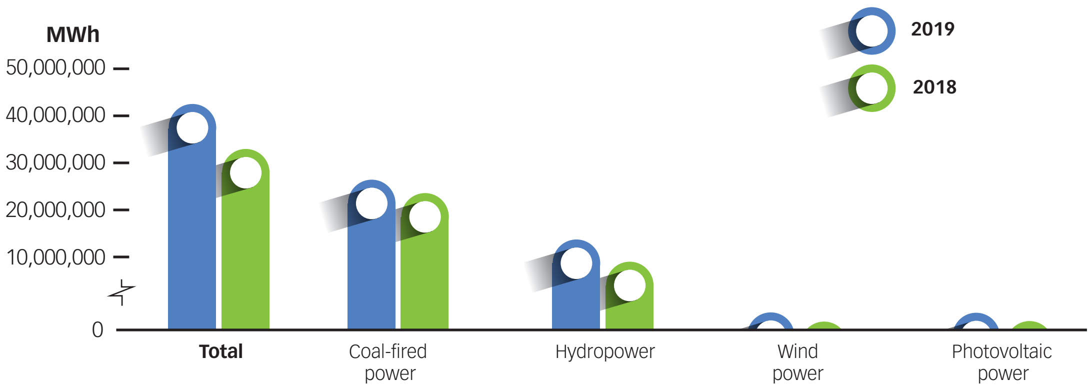
Interim Financial Highlights

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
for the six months ended 30 June



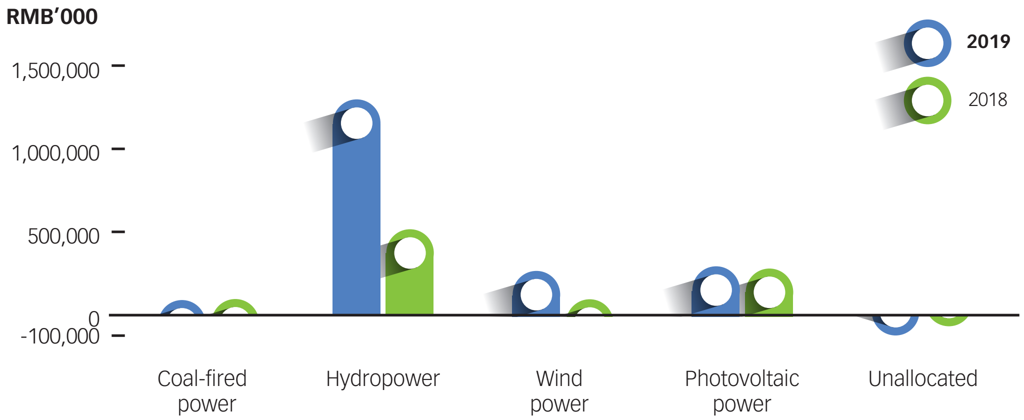
	Unaudited Six months ended 30 June 2019 RMB'000	2018 RMB'000	Change %
Profit attributable to owners of the Company	**976,735**	606,389	61.07

TOTAL ELECTRICITY SOLD
for the six months ended 30 June



	Six months ended 30 June 2019 MWh	2018 MWh	Change %
Total power generation of subsidiaries	**43,949,665**	34,511,594	27.35
Total electricity sold of subsidiaries	**42,261,760**	33,095,069	27.70
— Coal-fired power	**25,896,898**	23,257,792	11.35
— Hydropower	**13,204,537**	8,250,470	60.05
— Wind power	**1,627,093**	761,072	113.79
— Photovoltaic power	**1,533,232**	825,735	85.68
Total electricity sold of major associates and joint venture	**9,201,867**	8,835,965	4.14
Associates			
— Coal-fired power	**7,527,411**	7,028,985	7.09
— Photovoltaic power	**49,466**	47,571	3.98
Joint venture			
— Coal-fired power	**1,624,990**	1,759,409	–7.64

NET PROFIT
for the six months ended 30 June



	Unaudited Six months ended 30 June 2019 RMB'000	Proportion %	2018 RMB'000	Proportion %
Net profit/(loss)	**1,811,379**	**100**	908,370	100
— Coal-fired power	**88,024**	**4.86**	94,127*	10.36
— Hydropower	**1,297,861**	**71.65**	516,033	56.81
— Wind power	**263,154**	**14.53**	92,815	10.22
— Photovoltaic power	**290,844**	**16.06**	278,989	30.71
— Unallocated	**(128,504)**	**-7.10**	(73,594)*	-8.10

** Restated*

	Unaudited Six months ended 30 June 2019 RMB'000	2018 RMB'000	Change %
Revenue	**13,843,958**	10,824,171	27.90
Profit attributable to owners of the Company	**976,735**	606,389	61.07
	RMB	RMB	%
Earnings per share			
— Basic	**0.10**	0.06	66.67
— Diluted	**N/A**	0.06	N/A

	As at 30 June 2019 RMB'000 Unaudited	31 December 2018 RMB'000 Restated	Change %
Equity attributable to owners of the Company	**30,127,950**	29,949,918	0.59
Total assets	**132,091,261**	124,956,727	5.71
Cash and cash equivalents	**2,300,608**	1,853,044	24.15
Total debts	**68,775,078**	64,917,976	5.94

BUSINESS REVIEW

The Group is principally engaged in generation and sales of electricity in Mainland China, including investment, development, operation and management of coal-fired power, hydropower, wind power and photovoltaic power plants. Its businesses are located in the major power grid regions of China.

In the first half of 2019, the total national electricity consumption rose by 5.0%, while the growth rate decreased by 4.4 percentage points as compared with the corresponding period last year. The national power generation recorded an increase of 3.3%, while the growth rate decreased by 5.0 percentage points as compared with the corresponding period last year. Among which, hydropower increased by 11.8%, wind power increased by 11.5%, photovoltaic power increased by 29.1% and coal-fired power increased by 0.2%, reflecting an increasing proportion of power generated from non-fossil energy. According to China Electricity Council (中國電力企業聯合會), the national electricity production remained stable in the first half of the year and the supply and demand of electricity remained balanced in general.

In the first half of 2019, the Group recorded continuous growth in its operating results with its total electricity sold amounted to 42,261,760MWh, representing an increase of 27.70% as compared with the corresponding period last year. The profit attributable to owners of the Company was RMB976,735,000, representing an increase of 61.07% as compared with the corresponding period last year, which was mainly due to the significant increase in the electricity sales of hydropower during the period and the profits contributed by the new clean energy project companies through acquisitions and self-construction. Basic earnings per share was approximately RMB0.10. Net asset per share (excluding non-controlling interests) was approximately RMB3.07 as at 30 June 2019.

During the period under review, the development of the Group's principal businesses was as follows:

The Group continued to implement its development strategy to transform towards clean energy with a focus on the development of quality clean energy projects and the optimization of its shareholding structure in coal-fired power enterprises. In the first half of 2019, the Company, through self-construction and acquisitions, recorded an aggregated increase in attributable installed capacity of 608.5MW in clean energy.

The Group completed the acquisitions of Guangxi Company and Shandong Company in May 2018, and successively completed the acquisitions of Anhui Company and Hubei Company in November 2018, all of which are principally engaged in the business of clean energy power generation. In the first half of 2019, the four companies contributed approximately RMB1,175 million and RMB294 million to the Group's revenue and profit for the period, respectively.

In April 2019, Wu Ling Power (a 63%-owned subsidiary of the Company) completed the acquisitions of 55% equity interests in each of Jiangling GCL, Xin'an GCL and Ruzhou GCL and obtained the control over the three companies, all of which are principally engaged in the business of photovoltaic power generation. From April to June 2019, the three companies contributed approximately RMB64 million and RMB16 million to the Group's revenue and profit for the period, respectively.

The Group gradually reduced the proportion of its shareholding in coal-fired power enterprises in an effort to actively promote the optimization of shareholding structure of its coal-fired power projects. In April 2019, the Group disposed of part of its interests in two coal-fired power plants, namely Pingwei I and Pingwei II, and introduced Huainan Mining as a strategic investor. The equity transfer was officially completed in May 2019. Huainan Mining is one of the main coal suppliers of the Group's coal-fired power plants. The transaction would help to deepen the cooperation between the Group's coal-fired power business and the coal enterprise, and promote the integration of upstream and downstream industries of coal mining and power generation. It would also facilitate the building of a collaboration mechanism for sharing benefits and risks and hence enhance the counter-risk ability of our coal-fired power segment.

As of 30 June 2019, the four "Top Runner" photovoltaic power projects of Datong Phase II with an installed capacity of 100MW each in Shanxi Province, the PRC, which were acquired by the Group through tendering process last year, have commenced commercial operation successively. It is expected the construction of the remaining power generating units of 55MW will also be completed and commence production within the year.

In January 2019, the National Development and Reform Commission and the National Energy Administration issued the "Notice on Active Promotion of the Work on Grid Parity of Wind Power and Photovoltaic Power without Subsidies (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》)". Capitalizing on the opportunities arising from the national policy of grid parity of photovoltaic power, the Group successfully obtained approval for the "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project", which is the first and single largest scale of photovoltaic grid parity demonstration project in China in terms of installed capacity. The project not only helped promoting the Group's development in the clean energy sector, but also guaranteed the Group's revenue in the long run as the policy ensured the project's priority in power generation and protective buyouts of all the power generated.

Power Generation and Electricity Sold

For the first half of 2019, the details of power generation and electricity sold of the Group are set out as follows:

	First half of 2019 MWh	First half of 2018 MWh	Changes %
Total power generation	**43,949,665**	34,511,594	27.35
— Coal-fired power	**27,370,320**	24,535,661	11.55
— Hydropower	**13,338,531**	8,352,102	59.70
— Wind power	**1,681,546**	784,469	114.35
— Photovoltaic power	**1,559,268**	839,362	85.77
Total electricity sold	**42,261,760**	33,095,069	27.70
— Coal-fired power	**25,896,898**	23,257,792	11.35
— Hydropower	**13,204,537**	8,250,470	60.05
— Wind power	**1,627,093**	761,072	113.79
— Photovoltaic power	**1,533,232**	825,735	85.68

In the first half of 2019, the total electricity sold of the Group amounted to 42,261,760MWh, representing an increase of 27.70% as compared with the corresponding period last year. The changes in electricity sold by each power segment as compared with the corresponding period last year are as follows:

- coal-fired power — the electricity sold increased by 11.35% as a result of the commencement of commercial operation of two new large-scale coal-fired power generating units in Pu'an Power Plant and Shangqiu Power Plant during the period.

- hydropower — a substantial increase of 59.70% in power generation due to the abundant rainfall in the river basins where most of the Group's hydropower plants are located during the period, coupled with the positive impact of the full consolidation of hydropower generation from Guangxi Company.

- wind power and photovoltaic power — benefiting from the consolidation of newly acquired project companies and the commencement of commercial operation of numerous new power generating units during the period, the electricity sales of wind power and photovoltaic power recorded a significant year-on-year increase of 113.79% and 85.68%, respectively.

For the first half of 2019, the Group also performed satisfactorily in gaining incentive electricity from local governments. In recognition of the fulfilment of certain specific targets of the government in respect of environmental protection, heat supply capacity and productivity of certain power generating units, the amount of various incentive electricity available for production accumulatively obtained by the Group during the period increased by 8.22% as compared with the corresponding period last year.

For the first half of 2019, the details of electricity sold of the Group's main associates and joint venture are set out as follows:

	First half of 2019 MWh	First half of 2018 MWh	Changes %
Total electricity sold	**9,201,867**	8,835,965	4.14
Associates			
— Coal-fired power	**7,527,411**	7,028,985	7.09
— Photovoltaic power	**49,466**	47,571	3.98
Joint venture			
— Coal-fired power	**1,624,990**	1,759,409	-7.64

Heat Sold

In order to strongly support the existing environmental policies promulgated by the PRC government, the Group has carried out in-depth exploration in the heat supply potentials in various regions, strengthened the development of heat user base and promoted the construction of centralized heating pipe networks in recent years, thereby achieving positive results in terms of energy efficiency upgrade and development of heat supply market. For the first half of 2019, the total heat sold by the Group (including an associate and two joint ventures) was 11,182,786GJ, representing an increase of 3,530,435GJ or 46.14% as compared with the corresponding period last year.

In the first half of 2019, in an effort to boost heat supply capacity, a subsidiary of the Group carried out technical upgrade for the heating system of two generating units, which were expected to be completed in 2021.

Direct Power Supply

The Group has actively participated in the market-oriented reform of national power system, analyzed the opportunities therein and participated in direct power supply transactions (including competitive bidding for on-grid electricity sales) with a view to securing market share. For the first half of 2019, a number of coal-fired power plants and clean energy power plants of the Group participated in direct power supply transactions, the electricity sold through direct power supply transactions amounted to 14,491,033MWh and 3,242,501MWh respectively, together accounting for approximately 41.96% of the Group's total electricity sold.

As direct power supply is a way of open market trading of electricity, the tariffs will therefore vary with supply and demand in the electricity market. In the first half of 2019, for those coal-fired power and hydropower plants of the Group which participated in direct power supply transactions, their average post-tax tariffs were at a discount of approximately 7.78% and 7.13% respectively compared with the respective average post-tax on-grid tariffs approved by the PRC government (including ultra-low emission tariff). The direct power supply tariff discount for coal-fired power further decreased as compared with corresponding period last year, hence narrowing the price spread against the on-grid benchmark tariff.

On-Grid Tariff

For the first half of 2019, the Group's average on-grid tariffs compared to the corresponding period last year were as follows:

- coal-fired power was RMB327.52/MWh, representing an increase of RMB4.22/MWh. It was mainly attributable to the increase in average post-tax tariff of coal-fired power due to the downward adjustment of value-added tax rate, as well as the decrease in tariff discount of direct power supply as compared with the corresponding period last year.

- hydropower was RMB278.34/MWh, representing a decrease of RMB7.32/MWh. It was mainly attributable to the reduction of on-grid tariff of hydropower in Hunan Province since 1 September 2018 as promulgated by the Development and Reform Commission of Hunan Province, as well as the decrease in average tariff of direct power supply as compared with the corresponding period last year.

- wind power was RMB468.95/MWh, representing a decrease of RMB10.54/MWh. Due to the impact of discounting the delayed government's subsidies for new energy to their present values, the average on-grid tariff of wind power recorded a slight year-on-year decrease despite the consolidation of new wind power project companies and some newly operating wind power plants of the Group with relatively higher average on-grid tariffs during the period.

- photovoltaic power was RMB602.46/MWh, representing a decrease of RMB103.75/MWh. It was mainly attributable to the impact of discounting the delayed government's subsidies for new energy to their present values, and the reduction of the on-grid tariff of photovoltaic power projects which commenced operation after 31 May 2018 as promulgated by the National Development and Reform Commission.

The Group will continue to closely monitor and strengthen the research on green energy tariff policies so as to actively seek for more green energy subsidies, and hence increase its revenue.

Unit Fuel Cost

For the first half of 2019, the average unit fuel cost of the Group's coal-fired power business was RMB211.51/MWh, representing a decrease of 2.28% from that of RMB216.45/MWh of the corresponding period last year.

Coal Consumption

For the first half of 2019, the net coal consumption rate of the Group was 301.47g/kWh, representing a slight increase of 0.02g/kWh as compared with the corresponding period last year. The existing coal-fired power generating units of the Group are mostly environmental friendly power generating units with large capacity and high parameter. These units have achieved substantial effect in energy saving and emission reduction, which have helped maintaining the net coal consumption rate at a relatively low level.

Utilization Hours of Power Generating Units

For the first half of 2019, the changes in utilization hours of power generating units of each of the Group's power segment are as follows:

- the average utilization hours of the coal-fired power generating units was 2,065 hours, representing a decrease of 32 hours as compared with the corresponding period last year, mainly attributable to the slowdown of growth rate of total national electricity consumption year-on-year and the relatively significant growth in the consumption of green energy, which squeezed the demand for coal-fired power.

- the average utilization hours of hydropower generating units was 2,445 hours, representing an increase of 781 hours as compared with the corresponding period last year, mainly attributable to the increase in power generation as a result of substantial increase in the amount of rainfall in the river basins where most of the Group's hydropower plants are located.
- the average utilization hours of wind power generating units was 1,072 hours, representing an increase of 12 hours as compared with the corresponding period last year.
- the average utilization hours of photovoltaic power stations was 696 hours, representing a decrease of 59 hours as compared with the corresponding period last year.

OPERATING RESULTS OF THE FIRST HALF OF 2019

For the first half of 2019, the net profit of the Group amounted to RMB1,811,379,000, representing an increase of RMB903,009,000 or 99.41% as compared with the corresponding period last year.

In the first half of 2019, the net profit and loss of each business segment and their respective ratio of contribution to the total net profit were as follows:

- net profit from hydropower was RMB1,297,861,000 (71.65%, 2018: 56.81%);
- net profit from wind power was RMB263,154,000 (14.53%, 2018: 10.22%);
- net profit from photovoltaic power was RMB290,844,000 (16.06%, 2018: 30.71%);
- net profit from coal-fired power was RMB88,024,000 (4.86%, 2018: 10.36% (restated)); and
- unallocated net loss was RMB128,504,000 (-7.10%, 2018: -8.10% (restated)).

As compared with the first half of 2018, the changes in net profit were mainly due to the following factors:

- revenue from hydropower increased by RMB1,318,602,000 as a result of the significant increase in electricity sales of hydropower;
- revenue from wind power and photovoltaic power increased by RMB738,668,000 in aggregate due to the commencement of commercial operation of numerous new power generating units and the consolidation of newly acquired project companies;
- revenue from coal-fired power increased by RMB962,517,000, which is attributable to the increase in electricity sold and rise of the average on-grid tariff of coal-fired power as compared with the corresponding period last year;
- fuel costs increased by RMB443,191,000 as a result of the increase in fuel consumption attributable to the growth in sales of coal-fired power;

- depreciation of property, plant and equipment and the right-of-use assets and staff cost increased by RMB775,676,000 in aggregate as a result of business expansion, newly acquired project companies and addition of power generating units;
- finance costs increased by RMB386,290,000 as a result of the increase in total debts level; and
- income tax expense increased by RMB359,874,000 due to increase in operating profit.

Revenue

The revenue of the Group was mainly derived from the sales of electricity to regional and provincial power grid companies and provision of power generation, while the Group recognized its revenue when its performance obligations have been satisfied. For the first half of 2019, the Group recorded a revenue of RMB13,843,958,000, representing an increase of 27.90% as compared with RMB10,824,171,000 of the corresponding period last year.

The significant increase in revenue was mainly attributable to the year-on-year increase of a total of RMB2,281,119,000 in revenue from hydropower and coal-fired power, with their electricity sold increased by 60.05% and 11.35% respectively. Meanwhile, the revenue from wind power and photovoltaic power also increased due to the commencement of commercial operation of numerous new power generating units and the consolidation of newly acquired project companies.

Segment Information

The reportable segments identified by the Group are now the "Generation and sales of coal-fired electricity", "Generation and sales of hydropower electricity", "Generation and sales of wind power electricity" and "Generation and sales of photovoltaic power electricity".

Operating Costs

Operating costs of the Group mainly consist of fuel costs for coal-fired power generation, repairs and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, consumables and other operating expenses.

For the first half of 2019, the operating costs of the Group amounted to RMB10,399,704,000, representing a rise of 16.82% as compared with RMB8,902,437,000 of the corresponding period last year. Operating costs increased mainly due to the rising fuel cost as a result of the increase in electricity sales of coal-fired power, and the increase in depreciation and staff costs resulting from the commencement of operation of numerous new power generating units and the consolidation of newly acquired project companies.

Operating Profit

For the first half of 2019, the Group's operating profit was RMB3,714,586,000, representing an increase of 74.19% as compared with the operating profit of RMB2,132,498,000 of the corresponding period last year. The increase in operating profit was mainly due to the substantial increase in gross profit of the hydropower business resulting from the substantial increase in electricity sales of hydropower, and the profit contribution from the continuous expansion of the wind power and photovoltaic power business segments.

Finance Costs

For the first half of 2019, the finance costs of the Group amounted to RMB1,543,906,000, representing an increase of 33.37% as compared with RMB1,157,616,000 of the corresponding period last year. The increase in interest expense was mainly due to the rise of debts level.

Share of Results of Associates

For the first half of 2019, the share of results of associates was profits of RMB125,335,000, representing an increase of RMB60,167,000 or 92.33% as compared with the share of profits of RMB65,168,000 of the corresponding period last year. The significant increase in profits was mainly attributable to the steady growth in both electricity sold and heat sold of Changshu Power Plant (the principal associate of the Group engaging in coal-fired power generation and heat supply) over the corresponding period last year as well as the decrease in unit fuel cost during the period.

Share of Results of Joint Ventures

For the first half of 2019, the share of results of joint ventures was losses of RMB1,683,000, representing a decrease in losses of RMB3,355,000 or 66.59% as compared with the share of losses of RMB5,038,000 of the corresponding period last year. The decrease in losses was mainly due to the increase in net profit as a result of the reduced unit fuel cost of Xintang Power Plant (the principal joint venture of the Group engaging in coal-fired power generation and heat supply).

Income Tax Expense

For the first half of 2019, income tax expense of the Group was RMB551,807,000, representing an increase of RMB359,874,000 as compared with RMB191,933,000 of the corresponding period last year. The increase was mainly due to the increase in operating profit.

Earnings per Share and Interim Dividend

For the first half of 2019, the basic earnings per share for profit attributable to owners of the Company were RMB0.10 (2018: RMB0.06).

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2019.

ATTRIBUTABLE INSTALLED CAPACITY

As at 30 June 2019, the attributable installed capacity of the Group's power plants reached 20,642.4MW, representing a year-on-year increase of 2,158.4MW. Among which, the attributable installed capacity of clean energy including hydropower, wind power, photovoltaic power and natural gas power was 7,117.7MW in total, accounting for approximately 34.48% of the total attributable installed capacity and representing an increase of 1.33 percentage points as compared with the corresponding period last year. The attributable installed capacity of the Group's existing natural gas power was wholly held by Shanghai Power.

During the period from 1 July 2018 to 30 June 2019, the Group's attributable installed capacity from new wind power plants and photovoltaic power stations that commenced commercial operation were 315.9MW and 474.4MW respectively.

The Group's new power generating units that commenced commercial operation during the period from 1 July 2018 to 30 June 2019 included:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest (%)	Attributable Installed Capacity (MW)	Timeline for Commercial Operation
Shangqiu Power Plant	Cogeneration of heat and power	700	100	700	November 2018 and January 2019
Pu'an Power Plant	Coal-fired power	1,320	95	1,254	December 2018 and January 2019
Mawo Power Plant	Hydropower	32	63	20.2	January 2019
Xing'an Wind Power	Wind power	129.5	95	123	July 2018
Anqiu Hengtai	Wind power	83.6	51	42.6	September 2018 and January 2019
Lianyuan Longshan Power Plant	Wind power	49.9	44.1	22	December 2018 and April 2019
Jingzhushan Power Plant	Wind power	50	63	31.5	December 2018
Ziyunshan Power Plant	Wind power	50	44.1	22.1	December 2018 and April 2019
Shangjiangxu Power Plant	Wind power	70	44.1	30.9	December 2018 and April 2019
Jiudingshan Power Plant	Wind power	62.5	70	43.8	March 2019
China Power Juxin Power Station	Photovoltaic power	5.8	51	3	August 2018
Hefei Airport Power Station	Photovoltaic power	1	100	1	September 2018
Wuhai Power Station	Photovoltaic power	50	63	31.5	November 2018
Hepu Power Station	Photovoltaic power	20	100	20	December 2018
Guangshui Chenxiang Power Station	Photovoltaic power	20.1	100	20.1	December 2018 to April 2019
Zuoyun Power Station	Photovoltaic power	100	100	100	January 2019
Datong CP	Photovoltaic power	145	100	145	January and June 2019
Xiaochang Power Station	Photovoltaic power	6.7	70	4.7	January to February 2019
Hanchuan Power Station	Photovoltaic power	17.3	100	17.3	January to April 2019
Small photovoltaic station under Anhui Company	Photovoltaic power	9	51	4.6	February 2019
Small photovoltaic station under Hubei Company	Photovoltaic power	0.8	100	0.8	March 2019
Small photovoltaic stations under Shandong Company	Photovoltaic power	33.4	~51-100	25.9	April to May 2019
Suizhou Jineng	Photovoltaic power	0.8	70	0.5	June 2019
Hunyuan Power Station	Photovoltaic power	100	100	100	June 2019
Total		**3,057.4**		**2,764.5**	

Note: Apart from the above new power generating units, as compared to the corresponding period last year, the Group recorded a net increase in attributable installed capacity of 2,158.4MW after taking into account the followings: (i) the acquisition of attributable installed capacity totaling 593.3MW from new project companies; (ii) the decrease in attributable installed capacity of 1,251.1MW due to changes in equity interests in certain power plants; (iii) the decrease in attributable installed capacity of 7.9MW due to the disposal of a hydropower plant of Wu Ling Power; and (iv) the changes in the installed capacity of Shanghai Power and Sichuan Energy Investment.

Projects under Construction

As at 30 June 2019, the attributable installed capacity of projects under construction was 4,382.4MW, among which, the attributable installed capacity of coal-fired power and clean energy segments were 2,673.2MW and 1,709.2MW respectively. The clean energy segments accounted for 39.00% in aggregate.

New Development Projects

In active response to the national supply-side reform in the power industry, the Group stepped up its efforts in developing clean energy projects, and made appropriate adjustments to the development and construction of coal-fired power projects and controlled the relevant capital expenditure. For coal-fired power projects under construction, the Group has obtained approval from the local governments in the PRC, progressed according to the government's stipulated construction schedule, and matched with the planning of electricity demand in places where the end-users are located.

The Group will continue to expedite the implementation and development of clean energy projects by seizing various development opportunities, making proper preparation and capturing quality resources. It will conduct research and development of clean energy projects, such as offshore wind power and photovoltaic power generation at parity rate, and closely monitor the development trend of natural gas power to identify and implement profitable projects steadily.

In May 2019, the Group obtained the official approval from the National Development and Reform Commission and the National Energy Administration for its "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project", which was listed as one of the first batch of national photovoltaic grid parity trial projects. Despite the lack of government subsidies, the project has received land lease incentives, and hence the operating costs is expected to be reduced significantly. Besides, pursuant to the "Notice on Active Promotion of the Work on Grid Parity of Wind Power and Photovoltaic Power without Subsidies (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》)", the power grid companies will prioritize the power generation, ensure protective buyouts of all the power generated, and guarantee a fixed tariff for the project for at least 20 years. It is expected that the project will bring stable income and sound economic benefits and play an exemplary and leading role in the market.

Currently, the total installed capacity of new projects of the Group at a preliminary development stage (including projects with applications submitted to the PRC government for approvals) is approximately 3,700MW, which are mainly clean energy projects (including natural gas power projects) primarily located in areas with development potential, including Liaoning, Shandong, Hunan and Guangxi.

EQUITY INSTRUMENTS AT FVTOCI

As at 30 June 2019, the carrying amount of equity instruments at fair value through other comprehensive income ("FVTOCI") was RMB3,281,934,000, accounting for 2.48% of total assets, including listed equity securities of RMB3,153,376,000 and unlisted equity investments of RMB128,558,000.

Listed equity securities represent the equity interests in Shanghai Power held by the Group. As at 30 June 2019, the Group held 13.88% equity interest in the issued share capital of Shanghai Power, the A shares of which are listed on Shanghai Stock Exchange. Fair value of such equity interests increased by 7.16% as compared with RMB2,942,667,000 as at 31 December 2018.

Unlisted equity investments represent the Group's investment in equity of some unlisted companies principally engaged in financial services, coal production, water supply and electricity trading services respectively. As at 30 June 2019, the aggregate fair value of unlisted equity investments owned by the Group was RMB149,467,000 (including an unlisted equity investment in PRC as part of a disposal group classified as held for sale), representing a decrease of 6.41% from RMB159,706,000 as at 31 December 2018.

MATERIAL ACQUISITIONS AND DISPOSALS

In March 2019, Wu Ling Power entered into three share transfer agreements with two independent third party companies respectively to acquire 55% of the equity interest in each of the three clean energy project companies. For details, please refer to the announcement of the Company dated 28 March 2019.

In April 2019, the Company disposed of part of its interests in two coal-fired power subsidiaries held by the Company, i.e. 40% equity interest in Pingwei I and 15% equity interest in Pingwei II, through the Shanghai United Assets and Equity Exchange, pursuant to which the Company has agreed to sell and Huainan Mining has agreed to purchase the above equity interests. For details, please refer to the announcement of the Company dated 11 April 2019.

Save as disclosed above, the Group did not have any other material acquisition or disposal during the period under review.

LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

As at 30 June 2019, cash and cash equivalents of the Group were RMB2,300,608,000 (31 December 2018: RMB1,853,044,000). Current assets amounted to RMB9,681,417,000 (31 December 2018: RMB8,793,641,000), current liabilities amounted to RMB29,125,645,000 (31 December 2018: RMB26,012,138,000) and current ratio was 0.33 (31 December 2018: 0.34).

In April 2019, the Company renewed the Financial Services Framework Agreement with SPIC Financial for a term of three years, pursuant to which SPIC Financial has agreed to continue to provide the Group with deposit services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis upon expiry of the Previous Framework Agreement. The Annual Cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial shall not exceed RMB4.2 billion during the term of this Framework Agreement. For details, please refer to the announcement of the Company dated 30 April 2019. This Framework Agreement has officially come into effect on 7 June 2019. For the six months ended 30 June 2019, the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial was approximately RMB2.91 billion.

In order to ensure that the relevant business is in compliance with the terms of both of the above financial services framework agreements, the Company had designated personnel to monitor the funds deposited with SPIC Financial, performed daily real-time inquiries on the funds deposited with SPIC Financial, and collected deposit rates offered by major domestic commercial banks for comparison with the deposit rates offered by SPIC Financial on a monthly basis.

In addition to the deposit offers as agreed in the above agreements, SPIC Financial also provides internal fund management platform, cross-border fund allocation platform and other financial services to the Group through its own financial resources, such as the business information system and cross-border fund allocation channels. Such platforms enable the real-time monitoring of account balances as well as income and expenditure, thereby safeguarding against funding risks. At the same time, they facilitate flexible and efficient fund allocation across borders, which gives rise to more flexible capital flow at home and aboard, broadens financing channels for domestic subsidiaries and reduces uncertainties in inbound and outbound capital flows due to changes in foreign exchange regulatory policies.

During the period under review, the Group recorded a net increase in cash and cash equivalents (including cash and cash equivalents as part of a disposal group classified as held for sale) of RMB464,810,000 (2018: net decrease of RMB1,653,497,000). For the six months ended 30 June 2019,

- net cash generated from operating activities amounted to RMB3,173,432,000 (2018: RMB2,137,007,000).

- net cash used in investing activities amounted to RMB3,757,532,000 (2018: RMB7,401,567,000), which mainly represented the payment for the cash outflow of capital expenditure on the Group's property, plant and equipment and prepayments for construction of power plants. The significant decrease in cash outflow, as compared with the corresponding period last year, was mainly attributable to the significant decrease in net cash outflow in relation to the acquisition of subsidiaries.

- net cash generated from financing activities amounted to RMB1,048,910,000 (2018: RMB3,611,063,000). The significant decrease in net cash inflow, as compared with the corresponding period last year, was mainly attributable to the significant increase in cash outflow used in the repayment of borrowings and lease liabilities.

The financial resources of the Group were mainly derived from cash inflow from operating activities, borrowings from banks and related parties and project financing.

The net proceeds from the rights issue in 2017 in the amount of RMB3,734,047,000 was used in settling the consideration for the acquisition of Guangxi Company of RMB3,594,652,000 in 2018. The remaining proceeds from the rights issue of approximately RMB139 million will be used to settle the consideration payables for the designated acquisitions in 2019. For the relevant details of the designated acquisitions, please refer to the announcement of the Company dated 9 October 2017.

DEBTS

As at 30 June 2019, total debts of the Group amounted to RMB68,775,078,000 (31 December 2018: RMB64,917,976,000). All debts of the Group are denominated in RMB, Japanese Yen ("JPY") or United States Dollars ("USD").

As at 30 June 2019, the Group's gearing ratio, calculated as net debt (being total debts less cash and cash equivalents) divided by total capital (being total equity plus net debt), was approximately 60% (31 December 2018: approximately 60%). The Group's gearing ratio remained stable.

As at 30 June 2019, the amount of borrowings granted by SPIC Financial was approximately RMB3.87 billion (31 December 2018: approximately RMB2.15 billion).

CAPITAL EXPENDITURE

During the six months ended 30 June 2019, the capital expenditure of the Group was RMB5,193,147,000 (2018: RMB3,275,272,000). In particular, the capital expenditure for clean energy segments (hydropower, wind power and photovoltaic power) was RMB2,360,691,000 (2018: RMB1,748,038,000), which was mainly applied for the engineering construction of new power plants and power stations; whereas the capital expenditure for coal-fired power segment was RMB2,776,051,000 (2018: RMB1,456,318,000), which was mainly applied for the engineering construction of new coal-fired power generating units and technical upgrade for the existing power generating units. These expenditures were mainly funded by project financing, funds generated from business operation and borrowings from related parties.

PLEDGE OF ASSETS

As at 30 June 2019, the Group pledged certain property, plant and equipment and the right-of-use assets (31 December 2018: property, plant and equipment and prepaid lease payments) with a net book value totaling RMB514,722,000 (31 December 2018: RMB533,096,000) to certain related parties to secure borrowings from related parties in the amount of RMB212,370,000 (31 December 2018: RMB227,820,000). In addition, certain bank borrowings, borrowings from related parties and lease liabilities (31 December 2018: bank borrowings, borrowings from related parties and obligations under finance leases) totaling RMB18,823,638,000 (including bank borrowings as part of a disposal group classified as held for sale) (31 December 2018: RMB20,301,015,000) were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings amounted to RMB1,815,486,000 (including accounts receivable as part of a disposal group classified as held for sale) (31 December 2018: RMB1,580,203,000).

CONTINGENT LIABILITES

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

RISK MANAGEMENT

The Group has implemented all-rounded risk management and has established a systematic and comprehensive risk management mechanism and internal control system. It also has a Risk Management Committee which is accountable to the Board and assists the Board in providing leadership, direction and oversight with regard to the overall risk appetite and tolerance and risk management framework of the Group, including risk policies, process and controls. The Group also has an internal audit department in place for execution and implementation of risk management measures.

Foreign Exchange Rate Risks

The Group principally operates its businesses in Mainland China with most of its transactions settled in RMB. Apart from certain bank borrowings as well as cash and cash equivalents, the Group's assets and liabilities are mainly denominated in RMB. The Group held borrowings denominated in JPY and USD during the period. Higher volatility of RMB exchange rate against USD and JPY increases the exchange rate risks of the Group, thus affecting its financial position and operating results.

As at 30 June 2019, the Group's borrowings denominated in foreign currencies amounted to RMB3,410,366,000 (31 December 2018: RMB3,322,940,000). The Group will continue to keep track on the exchange rate movements and, if necessary, take responsive measures to avoid excessive foreign exchange rate risks.

Funding Risks

With the Group's efforts to strengthen its development of all kinds of new power projects, funding adequacy will have an increasing impact on the Group's operations and development. The financing market is affected by a number of factors such as the liquidity of the lending market and the economic environment, which in turn may also affect the effectiveness and costs of the Group's borrowing.

As at 30 June 2019, the Group had sufficient available unutilized financing facilities amounting to RMB32,285,829,000.

ENERGY SAVING AND EMISSION REDUCTION

The Group has always been placing a great emphasis on environmental protection from the perspective of sustainable corporate development, vigorously promoting energy saving and emission reduction, conscientiously fulfilling its social responsibilities and actively responding to global climate change.

In active response to the policy of "Action Plan of the Upgrade and Renovation of Energy Saving and Emission Reduction of Coal-fired Units (2014-2020) (煤電節能減排升級與改造行動計劃 (2014-2020年))" promulgated by the PRC government, the Group has strengthened the environmental control and rectification measures for its coal-fired power generating units. Currently, more than 90% of the operating coal-fired power generating units have met the standards of ultra-low-emission.

For the first half of 2019, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2018: 100%), and the efficiency ratio of desulphurization was 99.34% (2018: 98.35%); the operational ratio of denitration facilities reached 99.99% (2018: 100%) and the efficiency ratio of denitration reached 89.79% (2018: 90.76%).

During the period under review, the environmental protection indicators for coal-fired power generating units were as follows:

- the emission rate of sulphur dioxide (SO_2) at 0.068g/kWh, representing an increase of 0.018g/kWh as compared with the corresponding period last year;

- the emission rate of nitrogen oxide (NO_x) at 0.121g/kWh, representing an increase of 0.034g/kWh as compared with the corresponding period last year; and

- the emission rate of flue gas and dusts at 0.007g/kWh, which remained at the same level as compared with the corresponding period last year.

The emission rate of both sulphur dioxide and nitrogen oxide increased as compared with the corresponding period last year, which was mainly attributable to the higher average emission rate resulting from the commencement of commercial operation of two 660MW generating units that have not yet met the ultra-low emission standard. The Group will continue to enhance the environmental standards of its power generating units and implement its development directions for clean coal-fired power.

To prevent pollutants from exceeding the emission standards at source, the Group has also incorporated concepts and requirements of social responsibilities in the management of suppliers, and clearly stipulated that the materials must meet the standards of the relevant national environmental protection laws while signing material purchase contracts.

During the period under review, all the power plants over which the Group has operational control complied with the relevant PRC environmental protection regulations. No fines or charges were imposed due to violation of regulations.

OPERATIONAL SAFETY

During the period under review, the Group has begun to implement an action plan for quality enhancement to strengthen the quality control over construction in progress, inspection and maintenance of generating units in operation and major technical upgrade projects. The Group also encouraged all departments to engage in risk management in their daily operation by identifying potential risks in construction and operation. Dedicated groups have been formed to conduct research on enhancement of management with an aim to curb major risks and potential safety threats at an early stage.

For the first half of 2019, no material accident in the aspects of employees, facilities and environmental protection occurred in the Group.

During the period under review, all operating power plants over which the Group has operational control complied with the relevant PRC production safety regulations. No fines or charges were imposed due to violation of regulations.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group had a total of 10,230 (2018: 9,940) full-time employees. The increase in the number of employees was due to the consolidation of newly-acquired project companies.

The Group has put great emphasis on the establishment of the performance evaluation as well as rewarding and punishment mechanism for all employees. It determines the emoluments of its directors and employees based on their respective performance, working experience, duties and market rates. The Group has also implemented an incentive policy linking emoluments with performance.

The Group has also attached importance to the learning and training of employees and to the communication between employees of different positions. It has improved the professional and technical capabilities and overall competence of its employees on an on-going basis, so as to satisfy the needs of its expanding businesses.

During the period under review, all business units over which the Group has operational control complied with the local labor laws. No fines or charges were imposed due to violation of regulations.

OUTLOOK FOR THE SECOND HALF OF 2019

As predicted by China Electricity Council (中國電力企業聯合會), the electricity consumption will continue to grow steadily in the second half of 2019, and the total national electricity consumption will grow by approximately 5.5% in 2019, a slowdown in growth rate as compared with the last year. The Group will be facing both challenges and opportunities.

In June 2019, the National Development and Reform Commission issued the "Notice on Full Liberalization of Power Generation and Utilization Plan of Operating Electricity Users (《關於全面放開經營性電力用戶發用電計劃的通知》)", which stated that, apart from electricity users such as residents, agriculture, major public utilities and charitable service sectors, all other electricity users are operating electricity users. With the further opening up and accelerated development of the electricity spot market in China, it is expected that the number of market-oriented electricity transactions will increase rapidly in the future.

Under the price competition in the free market for electricity, electricity users may directly negotiate and enter into contracts with power generation enterprises, through which they can flexibly determine the actual price for the electricity transaction at variable rate. Thus the tariff will be determined based on the cost of power generation and the supply and demand of electricity.

Meanwhile, this plan aims to actively promote work on grid parity of wind power and photovoltaic power without subsidies, and all power generated under these grid parity projects will be under protection as they will be included in prioritized power generation plans. Going forward, we expect that wind power and photovoltaic power will be entering into the "grid parity" era in full swing, signifying higher requirements on the cost control and operation efficiencies of power generation enterprises.

The priorities of the Group for the second half of the year mainly include the following:

Comprehensively improve the operating results — Firstly, the Group will continue to increase its marketing efforts in the electricity market under the new environment. It will adjust and optimize its marketing management and special reward schemes with a view to enhancing the efficiencies of its marketing management and increasing power generation. It will also actively seek to secure quality customers by capitalizing the opportunities brought by the liberalization of operating electricity utilization plan. Secondly, the Group will continue to strengthen its cost control to ensure effective control over fuel cost, capital cost and various operating costs. Thirdly, the Group will continue to implement refined management in a bid to optimize production and operation efficiency, reasonably control its capital expenditure and improve cash flows.

Push forward the development of quality projects — The Group will press ahead with the "Liaoning Chaoyang 500MW Photovoltaic Grid Parity Project" with an aim to establish a quality grid parity demonstration project and strive to realize on-grid power generation by the end of the year. The Group will also review the development conditions of its new energy project in pipeline, making every effort to lower the construction cost of new projects and strengthen the management and control over construction cost and operation cost of projects, thereby enhancing its core competitiveness.

Enhance the development of clean energy — With the efforts made in the development of clean energy projects through acquisition and self-construction over the last two years, the Group has currently established bases in regions such as Guangxi, Anhui, Hubei, Shandong and Shanxi for expansion of its electricity business, complementing its existing dominating position in the power generation market in Hunan Province, China. It has also taken the initiatives to enter into power development agreements with local governments to secure resources and deepen the cooperation with strategic partners so as to build up the reserves of quality new energy projects.

Deepen the reform of system and mechanism — Leveraging the opportunities arising from the deepening reform of state-owned enterprises, the Group will implement the management system of "Plan-Budget-Assessment-Incentives" to formulate standards for company plans and budgets and conduct in-depth study on the problems and deviations arising in the course of implementation with emphases on profit attributable to owners and free cash flow targets. Moreover, the Group will effectively facilitate the completion of various planned goals by implementing the system of responsibility, assessment and incentives.

The Company believes that good corporate governance is an essential element in enhancing and safeguarding the interests of shareholders and other stakeholders, and is vital to the healthy and sustainable development of the Group. The Company commits to maintaining a high level of corporate governance by adopting and applying good corporate governance principles and practices. The Company has formed a standardized governance structure and has in place an effective risk management and internal control system.

The Group's corporate governance has been fully disclosed in the "Corporate Governance Report" of the Company's 2018 annual report. Save for the code provisions of A.2.1 and E.1.2 (as specified below), the Company has complied with all the provisions of Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in the Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2019.

Under the CG Code provision A.2.1, the role of both the chairman and chief executive should be separated and should not be performed by the same individual. Under the CG Code provision E.1.2, the chairman of the board should attend the annual general meeting.

On 27 July 2018, the Company announced the resignation of Mr. YU Bing as the chairman of the Board. Since then, the Company has not yet nominated any individual as the chairman of the Board. We would emphasize that the other Directors of the Board have been taking up the role of chairman of the meeting for different occasions from time to time (including the annual general meeting). The Group is running as effectively as usual so far with the assistance of the Board Committees and a professional team of management. The Board would consider both CG Code provisions A.2.1 and E.1.2 are not applicable to the Company and should not be regarded as any deviation from the CG Code at the moment.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors (the "Code of Conduct"), the terms of which are no less than the requirements of Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific inquiries to each of the Directors, all Directors confirmed that they have fully complied with the Code of Conduct throughout the six months ended 30 June 2019.

CHANGE IN DIRECTORATE AND UPDATED DIRECTORS' INFORMATION

During the reported period and up to the date of this Report, the composition of the Board and the Board Committees remained the same as set out in the 2018 annual report, and there was no material change to the information of Directors as disclosed in the 2018 annual report.

FINANCIAL REPORTING

The Audit Committee has reviewed the accounting principles adopted by the Group and the unaudited condensed consolidated financial statements for the six months ended 30 June 2019.

The Company has engaged Deloitte Touche Tohmatsu to provide a "Report on Review of Condensed Consolidated Financial Statements from Independent Auditor", which is set out on page 23.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company's Internal Audit Department has provided separate internal control and risk assessment reports to the Audit Committee and the Risk Management Committee respectively on the efficiency of internal control system of the Group in aspects such as financial controls, operational controls, regulatory compliance and risk management for the six months ended 30 June 2019. The Directors believe that the risk management and internal control systems at present are efficient and adequate, and control effectively the risks that may have impacts on the Group.

In addition, the Internal Audit Department has also taken appropriate measures to review the implementation of the Group's existing continuing connected transactions on a quarterly basis. For the six months ended 30 June 2019, the relevant companies of the Group have strictly monitored continuing connected transactions pursuant to the agreed terms and pricing policies during the actual course of business, and have not exceeded those relevant annual caps as disclosed.

INVESTOR RELATIONS

The shareholders and investors are informed of the latest business performance and development of the Group by means of various communication channels, including the Company's website at www.chinapower.hk, the annual and interim reports, the quarterly announcement on the Group's electricity sold and other announcements on the Group's key business development.

In the first half of 2019, the Company organized the results press conference right after the publication of its 2018 annual results. At the same time, we also launched roadshows in Hong Kong, Shanghai, Shenzhen, Singapore and United States respectively to coordinate with the announcement of the annual results, promote the Company's strategies and development prospects to the market.

In addition, the Company participated in six investment forums in Hong Kong, Beijing, Shanghai, Hangzhou and Shenzhen in the first half of the year. Through the participation in investment forums, the reception of investors' visits and conference calls and various investor activities, the investor relations team interviewed over 100 staff from investment institutions and answered the inquiries from individual investors.

SHARE OPTION SCHEME

All share options previously granted under the share option scheme approved and adopted by the Company in August 2004 were entirely lapsed upon expiry pursuant to the terms of the said scheme by 1 July 2018. At present, the Company has no other share option scheme.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2019, none of the Directors or the 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 within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO") which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2019, save as disclosed below, no person, not being a Director nor chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which should be recorded in the register kept under Section 336 of the SFO.

Name	Capacity	Number of shares in which interested other than under equity derivatives[4]	Percentage of issued share capital of the Company (%)	Long/short position
China Power Development Limited ("CPDL")	Beneficial owner	2,662,000,000	27.14	Long
Seth Holdings Corporation Limited ("Seth Holdings") [1]	Interest of a controlled corporation	2,662,000,000	27.14	Long
CPI Holding [2]	Interest of a controlled corporation	2,662,000,000	27.14	Long
	Beneficial owner	2,833,518,060	28.89	Long
SPIC[3]	Interest of a controlled corporation	5,495,518,060	56.04	Long

Notes:

(1) On 28 December 2017, CPDL had made an issue of non-voting convertible preferred shares to Seth Holdings pursuant to an agreement entered into between Seth Holdings, CPI Holding and CPDL. If those non-voting convertible preferred shares were fully converted into ordinary shares, Seth Holdings would hold approximately 33.48% of the voting rights in CPDL. As a result of the agreement, Seth Holdings became a beneficial owner of CPDL and therefore Seth Holdings is deemed to be interested in the shares of the Company owned by CPDL for the purposes of the SFO.

(2) CPI Holding is the beneficial owner of CPDL and therefore CPI Holding is deemed to be interested in the shares of the Company owned by CPDL for the purposes of the SFO.

(3) SPIC is the beneficial owner of CPI Holding and therefore SPIC is deemed to be interested in the shares of the Company owned by CPI Holding for the purposes of the SFO.

(4) Save as disclosed above, SPIC, CPI Holding, Seth Holdings and CPDL do not have any interest in the equity derivatives of the Company.

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

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

PUBLIC FLOAT

As at the date of this report, based on public information available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float, being no less than 25% of the Company's number of shares in issue as required under the Listing Rules.

Deloitte. 德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Power International Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 78, which comprises the condensed consolidated statement of financial position as of 30 June 2019 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing 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 Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 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 HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 August 2019

Condensed Consolidated Income Statement

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Note	**RMB'000**	RMB'000
		(unaudited)	(unaudited)
Revenue — Goods	3	**13,843,958**	10,824,171
Other income	4	**177,872**	149,706
Fuel costs		**(5,477,394)**	(5,034,203)
Depreciation		**(2,367,208)**	(1,891,553)
Staff costs		**(1,135,567)**	(835,546)
Repairs and maintenance		**(320,970)**	(298,372)
Consumables		**(151,110)**	(139,532)
Other gains and losses, net	5	**92,460**	61,058
Other operating expenses		**(947,455)**	(703,231)
Operating profit	6	**3,714,586**	2,132,498
Finance income	7	**68,854**	65,291
Finance costs	7	**(1,543,906)**	(1,157,616)
Share of results of associates		**125,335**	65,168
Share of results of joint ventures		**(1,683)**	(5,038)
Profit before taxation		**2,363,186**	1,100,303
Income tax expense	8	**(551,807)**	(191,933)
Profit for the period		**1,811,379**	908,370
Attributable to:			
Owners of the Company		**976,735**	606,389
Non-controlling interests		**834,644**	301,981
		1,811,379	908,370
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
— Basic	9	**0.10**	0.06
— Diluted	9	**N/A**	0.06

The notes on pages 31 to 78 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	**1,811,379**	908,370
Other comprehensive income/(expense):		
Item that will not be reclassified to profit or loss:		
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income, net of tax	**150,353**	(699,983)
Item that may be reclassified subsequently to profit or loss:		
Fair value loss on debt instruments at fair value through other comprehensive income, net of tax	**(1,615)**	(840)
Other comprehensive income/(expense) for the period, net of tax	**148,738**	(700,823)
Total comprehensive income for the period	**1,960,117**	207,547
Attributable to:		
Owners of the Company	**1,129,440**	(77,904)
Non-controlling interests	**830,677**	285,451
Total comprehensive income for the period	**1,960,117**	207,547

The notes on pages 31 to 78 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2019

	Note	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	11	92,993,831	95,539,610
Right-of-use assets	11	7,388,070	–
Prepayments for construction of power plants	11	2,800,417	2,388,715
Prepaid lease payments	11	–	1,106,126
Goodwill		997,422	951,231
Other intangible assets		874,335	897,014
Interests in associates		2,653,771	2,661,367
Interests in joint ventures		464,977	467,792
Equity instruments at fair value through other comprehensive income	12	3,281,934	3,083,174
Deferred income tax assets		391,514	376,672
Other non-current assets	13	5,393,083	4,252,263
		117,239,354	111,723,964
Current assets			
Inventories		798,611	712,551
Prepaid lease payments	11	–	23,916
Accounts receivable	14	3,356,266	2,784,743
Prepayments, deposits and other receivables		1,940,023	2,035,965
Amounts due from related parties	29	883,025	1,061,935
Tax recoverable		16,047	60,496
Debt instruments at fair value through other comprehensive income	15	372,776	237,299
Restricted deposits		14,061	23,692
Cash and cash equivalents		2,300,608	1,853,044
		9,681,417	8,793,641
Assets classified as held for sale	17	5,170,490	4,439,122
Total assets		132,091,261	124,956,727
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	18	17,268,192	17,268,192
Reserves	19	12,859,758	12,681,726
		30,127,950	29,949,918
Non-controlling interests		14,109,539	12,899,114
Total equity		44,237,489	42,849,032

	Note	**30 June 2019 RMB'000 (unaudited)**	31 December 2018 RMB'000 (restated)
LIABILITIES			
Non-current liabilities			
Deferred income		**73,363**	75,341
Bank borrowings	20	**22,288,425**	24,551,579
Borrowings from related parties	21	**23,836,393**	19,044,910
Other borrowings	22	**2,000,000**	2,000,000
Lease liabilities/obligations under finance leases	23	**4,047,918**	3,986,005
Deferred income tax liabilities		**1,764,121**	1,674,188
Provisions for other long-term liabilities	24	**1,044,447**	1,054,538
		55,054,667	52,386,561
Current liabilities			
Accounts and bills payables	25	**842,044**	776,577
Construction costs payable		**7,161,667**	5,996,791
Other payables and accrued charges		**1,938,605**	1,202,118
Amounts due to related parties	29	**2,202,060**	2,535,264
Bank borrowings	20	**8,034,462**	6,557,141
Borrowings from related parties	21	**7,504,073**	6,547,385
Other borrowings	22	**28,000**	1,024,959
Lease liabilities/obligations under finance leases	23	**1,035,807**	1,205,997
Tax payable		**378,927**	165,906
		29,125,645	26,012,138
Liabilities associated with disposal group classified as held for sale	17	**3,673,460**	3,708,996
Total liabilities		**87,853,772**	82,107,695
Total equity and liabilities		**132,091,261**	124,956,727
Net current liabilities		**17,947,198**	16,488,371
Total assets less current liabilities		**99,292,156**	95,235,593

The notes on pages 31 to 78 are an integral 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 (Note 18) RMB'000	Other reserves (Note 19) RMB'000	Retained earnings (Note 19) RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2018 (audited)	17,268,192	5,254,065	7,427,661	29,949,918	12,901,244	42,851,162
Adjustment (Note 28(c))	–	–	–	–	(2,130)	(2,130)
At 1 January 2019 (restated)	17,268,192	5,254,065	7,427,661	29,949,918	12,899,114	42,849,032
Profit for the period	–	–	976,735	976,735	834,644	1,811,379
Other comprehensive income/(expense):						
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income	–	204,549	–	204,549	(4,079)	200,470
Fair value loss on debt instruments at fair value through other comprehensive income	–	(3,808)	–	(3,808)	(1,864)	(5,672)
Release on derecognition of debt instruments at fair value through other comprehensive income	–	2,868	–	2,868	658	3,526
Deferred income tax on fair value gain on equity instruments at fair value through other comprehensive income	–	(51,137)	–	(51,137)	1,020	(50,117)
Deferred income tax on fair value loss on debt instruments at fair value through other comprehensive income	–	948	–	948	460	1,408
Release of deferred income tax on derecognition of debt instruments at fair value through other comprehensive income	–	(715)	–	(715)	(162)	(877)
Total comprehensive income for the period	–	152,705	976,735	1,129,440	830,677	1,960,117
Acquisition of subsidiaries (Note 28(a))	–	–	–	–	257,641	257,641
Contributions from non-controlling shareholders of subsidiaries	–	–	–	–	89,797	89,797
Disposal of interests in subsidiaries without loss of control (Note 19)	–	127,349	–	127,349	403,717	531,066
Dividends paid to non-controlling interests	–	–	–	–	(371,407)	(371,407)
2018 final dividend	–	–	(1,078,757)	(1,078,757)	–	(1,078,757)
Total transactions recognized directly in equity	–	127,349	(1,078,757)	(951,408)	379,748	(571,660)
At 30 June 2019 (unaudited)	17,268,192	5,534,119	7,325,639	30,127,950	14,109,539	44,237,489

	Attributable to owners of the Company					
	Share capital (Note 18) RMB'000	Other reserves (Note 19) RMB'000	Retained earnings (Note 19) RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2017 (audited)	17,268,192	5,346,485	7,187,203	29,801,880	7,392,579	37,194,459
Adjustments	–	27,410	–	27,410	16,197	43,607
At 1 January 2018 (restated)	17,268,192	5,373,895	7,187,203	29,829,290	7,408,776	37,238,066
Profit for the period	–	–	606,389	606,389	301,981	908,370
Other comprehensive (expense)/income:						
Fair value loss on equity instruments at fair value through other comprehensive income	–	(911,802)	–	(911,802)	(21,510)	(933,312)
Fair value loss on debt instruments at fair value through other comprehensive income	–	(2,022)	–	(2,022)	(837)	(2,859)
Release on derecognition of debt instruments at fair value through other comprehensive income	–	1,432	–	1,432	307	1,739
Deferred income tax on fair value loss on equity instruments at fair value through other comprehensive income	–	227,951	–	227,951	5,378	233,329
Deferred income tax on fair value loss on debt instruments at fair value through other comprehensive income	–	506	–	506	209	715
Release of deferred income tax on derecognition of debt instruments at fair value through other comprehensive income	–	(358)	–	(358)	(77)	(435)
Total comprehensive (expense)/income for the period	–	(684,293)	606,389	(77,904)	285,451	207,547
Lapse of share options	–	(280)	280	–	–	–
Transfer to statutory reserves	–	79	(79)	–	–	–
Contributions from non-controlling shareholders of subsidiaries	–	–	–	–	91,317	91,317
Acquisitions of subsidiaries (restated)	–	–	–	–	278,498	278,498
Others	–	(229)	–	(229)	(1,808)	(2,037)
2017 final dividend	–	–	(794,358)	(794,358)	–	(794,358)
Total transactions recognized directly in equity	–	(430)	(794,157)	(794,587)	368,007	(426,580)
At 30 June 2018 (restated)	17,268,192	4,689,172	6,999,435	28,956,799	8,062,234	37,019,033

The notes on pages 31 to 78 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	Note	Six months ended 30 June 2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Cash flows from operating activities			
Cash generated from operations		**5,030,405**	3,612,267
Interest paid		**(1,596,909)**	(1,196,901)
Income tax paid		**(260,064)**	(278,359)
Net cash generated from operating activities		**3,173,432**	2,137,007
Cash flows from investing activities			
Payments for property, plant and equipment and prepayments for construction of power plants		**(4,186,097)**	(4,341,604)
Payments for right-of-use assets/prepaid lease payments		**(61,407)**	(28,491)
Proceeds from disposal of property, plant and equipment		**8,595**	7,251
Net cash outflow on acquisitions of subsidiaries	28	**(115,574)**	(3,329,878)
Capital injection to an associate		**(10,000)**	–
Repayment from related parties		**449,650**	100,000
Advances to related parties		**(184,000)**	–
Dividends received		**262,816**	181,439
Interest received		**68,854**	65,291
Increase in restricted deposits		**(226)**	(56,645)
Decrease in restricted deposits		**9,857**	1,070
Net cash used in investing activities		**(3,757,532)**	(7,401,567)
Cash flows from financing activities			
Drawdown of bank borrowings		**7,575,604**	13,645,291
Drawdown of borrowings from related parties		**14,515,784**	6,121,813
Drawdown of other borrowings		**3,000**	800,000
Drawdown of obligations under finance leases		**–**	200,000
Contributions from non-controlling shareholders of subsidiaries		**89,797**	91,317
Proceeds from disposal of interests in subsidiaries without loss of control		**531,066**	–
Repayment of bank borrowings		**(8,479,895)**	(11,553,993)
Repayment of borrowings from related parties		**(9,261,188)**	(4,522,156)
Repayment of other borrowings		**(1,000,000)**	–
Payments for leases liabilities/obligations under finance leases		**(1,607,456)**	(359,297)
Dividend paid		**(1,079,241)**	(811,912)
Dividends paid to non-controlling shareholders of subsidiaries		**(238,561)**	–
Net cash generated from financing activities		**1,048,910**	3,611,063
Net increase/(decrease) in cash and cash equivalents		**464,810**	(1,653,497)
Cash and cash equivalents at the beginning of the period		**1,855,235**	4,577,786
Exchange (losses)/gains, net		**(17,191)**	137
Cash and cash equivalents at the end of the period		**2,302,854**	2,924,426

The notes on pages 31 to 78 are an integral part of these condensed consolidated financial statements.

1. BASIS OF PREPARATION

(a) The condensed consolidated financial statements of China Power International Development Limited (the "Company") and its subsidiaries (together referred to as the "Group") for the six months ended 30 June 2019 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018 as well as with the applicable disclosure requirements of the Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

(b) The financial information relating to the year ended 31 December 2018 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements except those comparative figures restated as set out in Note 28(c). Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

- The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

(c) These condensed consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and have been approved by the board of Directors (the "Board") on 22 August 2019.

(d) These condensed consolidated financial statements have not been audited.

2. PRINCIPAL ACCOUNTING POLICIES

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies applied are consistent with those used in the annual financial statements for the year ended 31 December 2018.

Application of new and amendments to HKFRSs

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

HKFRS 16	Leases
Hong Kong (International Financial Reporting Interpretations Committee) Interpretation ("HK(IFRIC)–Int") 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs 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.

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 superseded HKAS 17 "Leases" and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

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

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.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 *(Continued)*

As a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of building that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognizes 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;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 *(Continued)*

As a lessee *(Continued)*

Lease liabilities

At the commencement date of a lease, the Group recognizes 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 option to terminate.

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 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.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 *(Continued)*

As a lessee *(Continued)*

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 recognizes 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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 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.

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 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 HKFRS 16 in assessing whether a contract contains a lease.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" *(Continued)*

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 *(Continued)*

As a lessee

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

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

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

ii. elected not to recognize 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. Specifically, discount rate for certain leases of leasehold land and building in the People's Republic of China (the "PRC" or "China") was determined on a portfolio basis; 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 HKFRS 16:

The analysis below includes those classified as held for sale.

The Group recognized lease liabilities of RMB5,612,637,000 and right-of-use assets of RMB7,263,504,000 at 1 January 2019.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" *(Continued)*

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 *(Continued)*

As a lessee *(Continued)*

When recognizing 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 5.49%.

	Note	RMB'000
Operating lease commitments disclosed as at 31 December 2018		617,534
Lease liabilities discounted at relevant incremental borrowing rates		402,447
Add: Extension options reasonably certain to be exercised		18,236
Less: Recognition exemption — short-term leases		(48)
Lease liabilities relating to operating leases recognized upon application of HKFRS 16		420,635
Add: Obligations under finance leases recognized at 31 December 2018	(b)	5,192,002
Lease liabilities as at 1 January 2019		5,612,637
Analyzed for reporting purpose as:		
Non-current		4,347,809
Current		1,264,828
		5,612,637

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

	Note	Right-of-use assets RMB'000
Right-of-use assets relating to operating leases recognized upon application of HKFRS 16		420,635
Reclassified from prepaid lease payments	(a)	1,266,137
Reclassified from prepaid rent for leasehold land		128,526
Assets previously under finance leases included in property, plant and equipment under HKAS 17	(b)	5,448,206
		7,263,504
By class:		
Leasehold land		1,615,053
Buildings		200,245
Equipment		3,527,792
Construction in progress		1,920,414
		7,263,504

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" *(Continued)*

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 *(Continued)*

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's condensed consolidated statement of financial position at 1 January 2019. However, effective from 1 January 2019, lease payments relating to the revised lease term after modification are recognized as income on straight-line basis over the extended lease term.

Sales and leaseback transactions

The Group acts as a seller-lessee

In accordance with the transition provisions of HKFRS 16, sale and leaseback transactions entered into before the date of initial application were not reassessed. Upon application of HKFRS 16, the Group applies the requirements of HKFRS 15 "Revenue from Contracts with Customers" to assess whether sales and leaseback transaction constitutes a sale. During the six months ended 30 June 2019, the Group did not enter into any sale and leaseback transactions.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" *(Continued)*

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 *(Continued)*

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

	Note	Previously reported at 31 December 2018 RMB'000	Adjustments RMB'000	Under HKFRS 16 at 1 January 2019 RMB'000
Non-current Assets				
Property, plant and equipment (restated)	(b)	95,539,610	(5,448,206)	90,091,404
Prepaid lease payments	(a)	1,106,126	(1,106,126)	–
Right-of-use assets		–	7,127,409	7,127,409
Other non-current asset — Prepaid rent for leasehold land		127,735	(127,735)	–
Current Assets				
Prepayments, deposits and other receivables		2,035,965	(791)	2,035,174
Prepaid lease payments	(a)	23,916	(23,916)	–
Assets classified as held for sale				
Prepaid lease payments	(a)	136,095	(136,095)	–
Right-of-use assets		–	136,095	136,095
Current Liabilities				
Lease liabilities	(b)	–	1,264,828	1,264,828
Obligations under finance leases	(b)	1,205,997	(1,205,997)	–
Non-current Liabilities				
Lease liabilities	(b)	–	4,347,809	4,347,809
Obligations under finance leases	(b)	3,986,005	(3,986,005)	–

Notes:

(a) Upfront payments for leasehold land in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments and prepaid lease payments classified as held for sale amounting to RMB23,916,000, RMB1,106,126,000 and RMB136,095,000 respectively 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 RMB5,448,206,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of RMB3,986,005,000 and RMB1,205,997,000 to lease liabilities as non-current liabilities and current liabilities respectively at 1 January 2019.

3. TURNOVER, REVENUE AND SEGMENT INFORMATION

Revenue, representing turnover net of sales related taxes, recognized during the period is as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Types of goods:		
Sales of electricity to regional and provincial power grid companies (note (a))	**13,828,543**	10,809,125
Provision of power generation (note (b))	**15,415**	15,046
	13,843,958	10,824,171
Timing of revenue recognition:		
At a point in time	**13,843,958**	10,824,171

Notes:

(a) Pursuant to the power purchase agreements entered into between the Group and the respective regional and provincial power grid companies, the Group's sales of electricity were made to these power grid companies at the tariff rates agreed with the respective regional and provincial power grid companies as approved by the relevant government authorities in the PRC.

(b) Provision of power generation represents income from the provision of power generation to other companies in the PRC which are calculated based on mutually agreed terms.

Segment information

The chief operating decision maker has been identified as the executive Directors and certain senior management (collectively referred to as the "CODM") who make strategic decisions. The CODM reviews the internal reporting of the Company and its subsidiaries in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from equity instruments at fair value through other comprehensive income ("FVTOCI"). Other information provided to the CODM is measured in a manner consistent with that in these condensed consolidated financial statements.

Segment assets exclude equity instruments at FVTOCI, deferred income tax assets and corporate assets, which are managed on a central basis.

Segment liabilities exclude deferred income tax liabilities, tax payable and corporate liabilities, which are managed on a central basis.

Comparative figures on 31 December 2018 of certain assets included in the "Generation and sales of photovoltaic power electricity" segment have been restated in relation to the acquisition of a subsidiary stated in Note 28(c).

3. TURNOVER, REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

	Six months ended 30 June 2019 (unaudited)						
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue							
Sales of electricity	8,470,163	3,675,395	763,026	919,959	13,828,543	–	13,828,543
Provision of power generation	11,663	–	–	3,752	15,415	–	15,415
	8,481,826	3,675,395	763,026	923,711	13,843,958	–	13,843,958
Segment results	739,102	2,156,320	400,836	506,206	3,802,464	–	3,802,464
Unallocated income	–	–	–	–	–	154,793	154,793
Unallocated expenses	–	–	–	–	–	(242,671)	(242,671)
Operating profit/(loss)	739,102	2,156,320	400,836	506,206	3,802,464	(87,878)	3,714,586
Finance income	6,904	7,104	9,908	28,888	52,804	16,050	68,854
Finance costs	(579,370)	(496,767)	(141,855)	(253,514)	(1,471,506)	(72,400)	(1,543,906)
Share of results of associates	94,968	–	–	7,882	102,850	22,485	125,335
Share of results of joint ventures	(2,553)	–	–	(122)	(2,675)	992	(1,683)
Profit/(loss) before taxation	259,051	1,666,657	268,889	289,340	2,483,937	(120,751)	2,363,186
Income tax (expense)/credit	(171,027)	(368,796)	(5,735)	1,504	(544,054)	(7,753)	(551,807)
Profit/(loss) for the period	88,024	1,297,861	263,154	290,844	1,939,883	(128,504)	1,811,379
Other segment information							
Amounts included in the measure of segment profit or loss or segment assets:							
Capital expenditure							
— Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	2,776,051	111,863	1,550,314	698,514	5,136,742	56,405	5,193,147
Depreciation of property, plant and equipment	914,954	736,121	261,445	275,729	2,188,249	8,716	2,196,965
Depreciation of right-of-use assets	71,305	3,242	16,138	65,303	155,988	14,255	170,243
Amortization of other intangible assets	–	–	–	22,679	22,679	–	22,679
(Gain)/loss on disposal of property, plant and equipment, net	(9,740)	1,398	–	–	(8,342)	(4)	(8,346)
(Reverse)/impairment of other receivables	(5,016)	7,696	1,550	196	4,426	21,846	26,272
Impairment of property, plant and equipment	–	–	13,676	–	13,676	–	13,676
Impairment of assets classified as held for sale	–	80,920	–	–	80,920	–	80,920

3. TURNOVER, REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

	As at 30 June 2019 (unaudited)						
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets							
Other segment assets	39,171,939	39,181,205	17,569,479	20,600,800	116,523,423	–	116,523,423
Assets classified as held for sale	4,738,010	432,480	–	–	5,170,490	–	5,170,490
Goodwill	67,712	872,865	–	56,845	997,422	–	997,422
Interests in associates	2,102,884	12,000	–	131,798	2,246,682	407,089	2,653,771
Interests in joint ventures	392,517	–	–	–	392,517	72,460	464,977
	46,473,062	40,498,550	17,569,479	20,789,443	125,330,534	479,549	125,810,083
Equity instruments at FVTOCI	–	–	–	–	–	3,281,934	3,281,934
Deferred income tax assets	–	–	–	–	–	391,514	391,514
Other unallocated assets	–	–	–	–	–	2,607,730	2,607,730
Total assets per condensed consolidated statement of financial position	46,473,062	40,498,550	17,569,479	20,789,443	125,330,534	6,760,727	132,091,261
Segment liabilities							
Other segment liabilities	(6,249,200)	(2,858,638)	(3,683,664)	(4,469,470)	(17,260,972)	–	(17,260,972)
Liabilities associated with disposal group classified as held for sale	(3,673,460)	–	–	–	(3,673,460)	–	(3,673,460)
Borrowings	(21,930,542)	(21,274,594)	(8,396,667)	(7,683,922)	(59,285,725)	(4,405,628)	(63,691,353)
	(31,853,202)	(24,133,232)	(12,080,331)	(12,153,392)	(80,220,157)	(4,405,628)	(84,625,785)
Deferred income tax liabilities	–	–	–	–	–	(1,764,121)	(1,764,121)
Tax payable	–	–	–	–	–	(378,927)	(378,927)
Other unallocated liabilities	–	–	–	–	–	(1,084,939)	(1,084,939)
Total liabilities per condensed consolidated statement of financial position	(31,853,202)	(24,133,232)	(12,080,331)	(12,153,392)	(80,220,157)	(7,633,615)	(87,853,772)

3. TURNOVER, REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

	Six months ended 30 June 2018 (unaudited)						
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue							
Sales of electricity	7,509,076	2,356,793	364,932	578,324	10,809,125	–	10,809,125
Provision of power generation	10,233	–	–	4,813	15,046	–	15,046
	7,519,309	2,356,793	364,932	583,137	10,824,171	–	10,824,171
Segment results	467,187	1,205,059	178,920	334,210	2,185,376	–	2,185,376
Unallocated income	–	–	–	–	–	122,301	122,301
Unallocated expenses	–	–	–	–	–	(175,179)	(175,179)
Operating profit/(loss)	467,187	1,205,059	178,920	334,210	2,185,376	(52,878)	2,132,498
Finance income	732	1,892	319	675	3,618	61,673	65,291
Finance costs	(379,804)	(536,889)	(81,260)	(67,369)	(1,065,322)	(92,294)	(1,157,616)
Share of results of associates	37,039	–	–	9,864	46,903	18,265	65,168
Share of results of joint ventures	(2,163)	–	–	–	(2,163)	(2,875)	(5,038)
Profit/(loss) before taxation	122,991	670,062	97,979	277,380	1,168,412	(68,109)	1,100,303
Income tax (expense)/credit	(28,864)	(154,029)	(5,164)	1,609	(186,448)	(5,485)	(191,933)
Profit/(loss) for the period	94,127	516,033	92,815	278,989	981,964	(73,594)	908,370
Other segment information							
Amounts included in the measure of segment profit or loss or segment assets:							
Capital expenditure							
— Property, plant and equipment, prepayments for construction of power plants and prepaid lease payments	1,456,318	303,099	1,085,515	359,424	3,204,356	70,916	3,275,272
Depreciation of property, plant and equipment	843,660	688,667	157,658	196,342	1,886,327	5,226	1,891,553
Amortization of prepaid lease payments	7,085	3,109	511	1,043	11,748	832	12,580
Loss on disposal of property, plant and equipment, net	29	–	–	–	29	–	29

3. TURNOVER, REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

	As at 31 December 2018 (restated)						
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets							
Other segment assets	37,577,087	39,816,482	16,031,583	17,347,875	110,773,027	–	110,773,027
Assets associated with disposal group classified as held for sale	4,439,122	–	–	–	4,439,122	–	4,439,122
Goodwill	67,712	872,865	–	10,654	951,231	–	951,231
Interests in associates	2,117,915	2,000	–	140,675	2,260,590	400,777	2,661,367
Interests in joint ventures	395,070	–	–	1,254	396,324	71,468	467,792
	44,596,906	40,691,347	16,031,583	17,500,458	118,820,294	472,245	119,292,539
Equity instruments at FVTOCI	–	–	–	–	–	3,083,174	3,083,174
Deferred income tax assets	–	–	–	–	–	376,672	376,672
Other unallocated assets	–	–	–	–	–	2,204,342	2,204,342
Total assets per condensed consolidated statement of financial position	44,596,906	40,691,347	16,031,583	17,500,458	118,820,294	6,136,433	124,956,727
Segment liabilities							
Other segment liabilities	(4,882,605)	(2,452,959)	(3,702,247)	(4,906,376)	(15,944,187)	–	(15,944,187)
Liabilities associated with disposal group classified as held for sale	(3,708,996)	–	–	–	(3,708,996)	–	(3,708,996)
Borrowings	(20,771,233)	(21,188,207)	(7,116,410)	(6,818,620)	(55,894,470)	(3,831,504)	(59,725,974)
	(29,362,834)	(23,641,166)	(10,818,657)	(11,724,996)	(75,547,653)	(3,831,504)	(79,379,157)
Deferred income tax liabilities	–	–	–	–	–	(1,674,188)	(1,674,188)
Tax payable	–	–	–	–	–	(165,906)	(165,906)
Other unallocated liabilities	–	–	–	–	–	(888,444)	(888,444)
Total liabilities per condensed consolidated statement of financial position	(29,362,834)	(23,641,166)	(10,818,657)	(11,724,996)	(75,547,653)	(6,560,042)	(82,107,695)

4. OTHER INCOME

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Rental income	**1,697**	28,869
Hotel operations income	**10,739**	13,793
Income from provision of repairs and maintenance services	**30,507**	28,246
Dividend income (Note 29(a))	**119,885**	72,658
Income from provision of IT and other services	**15,044**	4,176
Value-added tax ("VAT") refund	**–**	1,964
	177,872	149,706

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortization of deferred income	**2,563**	2,005
Government subsidies	**4,033**	12,428
Gain/(loss) on disposal of property, plant and equipment, net	**8,346**	(29)
Sales of unused power production quota	**96,588**	28,128
Profits on sales of heat, trading of coal, coal by-products, spare parts and others	**69,971**	21,629
Impairment of property, plant and equipment	**(13,676)**	–
Impairment of assets classified as held for sale (Note 17(b))	**(80,920)**	–
Others	**5,555**	(3,103)
	92,460	61,058

6. OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortization of prepaid lease payments	**–**	12,580
Amortization of other intangible assets	**22,679**	–
Depreciation:		
— owned property, plant and equipment	**2,196,965**	1,858,744
— property, plant and equipment under finance leases	**–**	32,809
— right-of-use assets	**170,243**	–
Lease rental expenses:		
— equipment	**946**	1,307
— leasehold land and buildings	**14,376**	37,752
Impairment of other receivables	**26,272**	–

7. FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Finance income		
Interest income from bank deposits	**3,901**	61,558
Interest income from related parties (Note 29(a))	**16,577**	3,733
Interest income on discounting effect on clean energy power price premium receivable (Note 14(b))	**48,376**	–
	68,854	65,291
Finance costs		
Interest expense on		
— bank borrowings	**727,786**	996,070
— long-term borrowings from related parties (Note 29(b))	**580,029**	167,270
— short-term borrowings from related parties (Note 29(b))	**82,139**	54,807
— long-term other borrowings	**55,785**	23,255
— short-term other borrowings	**607**	8,218
— amounts due to related parties (Note 29(b))	**43,376**	1,504
— lease liabilities/obligations under finance leases	**173,423**	37,391
— provisions for other long-term liabilities (Note 24)	**44,696**	40,395
	1,707,841	1,328,910
Less: amounts capitalized	**(197,230)**	(212,277)
	1,510,611	1,116,633
Exchange losses, net	**33,295**	40,983
	1,543,906	1,157,616

The weighted average interest rate on capitalized borrowings is approximately 4.48% (2018: 4.72%) per annum.

8. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for as the Group did not have any estimated assessable profit in Hong Kong for the six months ended 30 June 2019 (2018: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (2018: 25%) on the estimated assessable profits for the six months ended 30 June 2019 except that certain subsidiaries were either exempted from PRC Enterprise Income Tax or entitled to the preferential tax rate of 7.5%, 10%, 12.5% or 15% (2018: 7.5%, 12.5% or 15%).

The amount of income tax recognized represents:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PRC current income tax		
Charge for the period	**504,787**	244,089
Under provision in prior years	**10,994**	5,652
	515,781	249,741
Deferred income tax		
Charged/(credit) for the period	**36,026**	(57,808)
	551,807	191,933

Share of income tax charge attributable to associates and joint ventures for the six months ended 30 June 2019 of RMB44,014,000 (2018: RMB20,459,000) and RMB2,326,000 (2018: RMB91,000) respectively were included in the Group's share of results of associates/joint ventures for the current period.

9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of shares in issue during the period.

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
Profit attributable to owners of the Company (RMB'000)	**976,735**	606,389
Weighted average number of shares in issue (shares in thousands)	**9,806,886**	9,806,886
Basic earnings per share (RMB)	**0.10**	0.06

9. EARNINGS PER SHARE *(Continued)*

(b) Diluted

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the six months ended 30 June 2019.

For the six months ended 30 June 2018, the computation of diluted earnings per share did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market share price of the Company's shares for the six months ended 30 June 2018.

10. DIVIDEND

During the six months ended 30 June 2019, a final dividend of RMB0.110 (equivalent to HK$0.1292) per ordinary share for the year ended 31 December 2018 (2018: final dividend of RMB0.081 (equivalent to HK$0.1006) per ordinary share for the year ended 31 December 2017) was declared and paid to the owners of the Company.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (2018: Nil).

11. CAPITAL EXPENDITURE

During the six months ended 30 June 2019, the Group acquired property, plant and equipment and made prepayments for construction of power plants which in aggregate amounted to RMB4,769,000,000 (2018: RMB 3,275,272,000).

During the six months ended 30 June 2019, the Group entered into new lease agreements for leasehold land and buildings from 2 to 29 years and certain equipment from 5 to 11 years. The Group is required to make fixed payments. On lease commencement, the Group recognized RMB424,147,000 of right-of-use assets and RMB362,740,000 lease liabilities.

As at 30 June 2019, certain property, plant and equipment and right-of-use assets (31 December 2018: prepaid lease payments) of the Group with carrying amounts of RMB484,742,000 (31 December 2018: RMB502,549,000) and RMB29,980,000 (31 December 2018: RMB30,547,000) respectively are pledged as security for certain long-term borrowings from related parties of the Group (Note 21(c)).

12. EQUITY INSTRUMENTS AT FVTOCI

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Equity instruments at FVTOCI		
— Unlisted equity investments in the PRC	**128,558**	140,507
— Listed equity securities in the PRC		
— Shanghai Electric Power Co., Ltd. ("Shanghai Power")	**3,153,376**	2,942,667
	3,281,934	3,083,174

13. OTHER NON-CURRENT ASSETS

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Deductible VAT and other taxes	2,182,890	1,903,417
Accounts receivable (Note 14)	3,018,924	2,036,907
Amounts due from related parties (Note 29(c))	100,000	100,000
Prepaid rent for leasehold land	–	127,735
Others	91,269	84,204
	5,393,083	4,252,263

14. ACCOUNTS RECEIVABLE

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Accounts receivable from regional and provincial power grid companies (notes (a) and (b))	6,341,241	4,798,696
Accounts receivable from other companies (note (a))	20,421	9,481
	6,361,662	4,808,177
Notes receivable (note (c))	13,528	13,473
	6,375,190	4,821,650
Analyzed for reporting purpose as:		
— Non-current (included in other non-current assets) (Note 13) (note (b))	3,018,924	2,036,907
— Current	3,356,266	2,784,743
	6,375,190	4,821,650

14. ACCOUNTS RECEIVABLE *(Continued)*

Notes:

The analysis below includes those classified as part of the disposal group classified as held for sale.

(a) The ageing analysis of the accounts receivable presented based on invoice date is as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Unbilled (note (b))	**3,409,921**	2,335,601
1 to 3 months	**3,142,034**	2,618,585
	6,551,955	4,954,186

The accounts receivable that are neither past due nor impaired has been assessed by reference to the historical information about counterparty default rates. The existing counterparties did not have significant default in the past.

(b) As at 30 June 2019, accounts receivable from regional and provincial power grid companies include clean energy power price premium receivable of RMB3,409,921,000 (31 December 2018: RMB2,335,601,000), which is unbilled and is stated after discounting.

The clean energy power price premium, which is a component of the government-approved on-grid tariff for wind and photovoltaic power generation, is recognized as revenue from sales of electricity in the condensed consolidated income statement of the Group for its wind and photovoltaic power projects.

The financial resource for the clean energy power price premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. 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, the standardized application and approval procedures on a project by project basis for the settlement of the tariff premium came into force since 2012, and such applications are accepted and approved batch by batch at intervals.

Based on the above, the Directors estimated that there are no foreseeable obstacles that would lead to the application not being approved. It is expected that the approval of the Group's certain wind and photovoltaic power projects will be obtained after 30 June 2020 (31 December 2018: obtained after 31 December 2019) and the corresponding premium receivables are estimated to be recovered after twelve months from the reporting date. Therefore, the Directors consider the electricity sales contract contains a significant financing component. During the six months ended 30 June 2019, the respective clean energy power price premium was adjusted for this financing component based on an effective interest rate of 4.75% (2018: 4.75%) per annum. During the current interim period, the Group's revenue was adjusted by RMB192,455,000 (2018: RMB29,352,000) and interest income amounting to RMB48,376,000 (2018: Nil) (Note 7) was recognized.

(c) As at 30 June 2019, notes receivable were bank acceptance notes issued by third parties and were normally with maturity period within 360 days (31 December 2018: 360 days).

14. ACCOUNTS RECEIVABLE *(Continued)*

Notes: *(Continued)*

(d) As at 30 June 2019, certain bank borrowings, long-term borrowings from related parties (including SPIC Financial Company Limited ("SPIC Financial"), Industrial and Commercial Bank of China Limited ("ICBC") and Agricultural Bank of China Limited ("ABC")), and certain lease liabilities (31 December 2018: obligations under finance leases) (Notes 20(d), 21(b), 21(c) and 23(b)) were secured by the rights on accounts receivable of certain subsidiaries. The accounts receivable secured under these debts as at 30 June 2019 amounted to RMB1,815,486,000 (31 December 2018: RMB1,580,203,000).

(e) Apart from certain clean energy power price premium receivables of RMB3,018,924,000 (31 December 2018: RMB2,036,907,000) which is stated after discounting, the fair values of the remaining accounts and notes receivables approximate their carrying amounts as the impact of discounting is not significant. All accounts and notes receivables are denominated in RMB.

15. DEBT INSTRUMENTS AT FVTOCI

The analysis below includes those classified as part of the disposal group classified as held for sale.

As at 30 June 2019, debt instruments at FVTOCI represent certain notes receivable issued by third parties and were normally with maturity period within 360 days (31 December 2018: 360 days). For the six months ended 30 June 2019, notes receivable discounted and endorsed to banks and suppliers of RMB64,710,000 and RMB411,196,000 (2018: Nil and RMB409,392,000) respectively are derecognized by the Group.

16. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS MODEL

	30 June 2019 RMB'000 (unaudited)	30 June 2018 RMB'000 (unaudited)
Impairment loss recognized in respect of other receivables	**26,272**	–

Note:

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those used in the preparation of the Group's annual financial statements for the year ended 31 December 2018.

17. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) Disposal group classified as held for sale

During the year ended 31 December 2018, Shanxi Shentou Power Generating Company Limited, a wholly-owned subsidiary of the Company, entered into a joint venture agreement to form Sujin Energy Holding Company Limited ("Sujin Energy"), an associate of the Group, in Shanxi Province of the PRC. And the Company will use its 80% interest in China Power Shentou Power Generating Company Limited ("CP Shentou") as part of the capital contribution to Sujin Energy.

As at 30 June 2019, as relevant valuation, audit and other formalities related to such transactions were in progress, the abovementioned capital contribution has not completed yet. As the Group commits to the sale of CP Shentou and such transaction is highly probable to complete within one year, the assets and liabilities attributable to CP Shentou were continue to be classified as a disposal group held for sale and were separately presented in the condensed consolidated statement of financial position. The operation of CP Shentou was included in the Group's "Generation and sales of coal-fired electricity" segment for segment reporting.

The sales proceeds are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognized.

Major classes of assets and liabilities of CP Shentou as at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Property, plant and equipment	**4,156,121**	3,895,992
Right-of-use assets	**114,939**	–
Prepaid lease payments	**–**	136,095
Equity instruments at FVTOCI — unlisted equity investments in PRC	**20,909**	19,199
Deferred income tax assets	**149,442**	149,921
Accounts receivable (Note 14)	**190,293**	146,009
Prepayments, deposits and other receivables	**59,878**	10,992
Amounts due from related parties (Note 29)	**695**	11,077
Debt instruments at FVTOCI (Note 15)	**16,791**	41,533
Cash and cash equivalents	**2,246**	2,191
Other assets	**26,696**	26,113
Total assets associated with disposal group classified as held for sale	**4,738,010**	4,439,122

17. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE *(Continued)*

(a) Disposal group classified as held for sale *(Continued)*

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Deferred income	22,260	22,960
Long-term bank borrowings (Note 20) (note)	1,140,156	1,242,995
Long-term borrowings from SPIC (Note 21(a)) (note)	800,000	900,000
Long-term borrowings from ABC (Note 21(c))	293,000	294,000
Accounts payables (Note 25)	213,904	94,344
Construction costs payable	77,522	119,026
Other payables and accrued charges	108,738	116,284
Amounts due to related parties (Note 29)	32,880	34,387
Short-term bank borrowings (Note 20)	285,000	285,000
Short-term borrowings from SPIC (Note 21(e))	100,000	–
Short-term borrowings from China Power International Holding Limited ("CPI Holding") (Note 21(f))	300,000	300,000
Short-term borrowings from ABC (Note 21(h))	300,000	300,000
Total liabilities associated with disposal group classified as held for sale	3,673,460	3,708,996

Note: Current portion of long-term bank borrowings and long-term borrowings from SPIC amounted to RMB290,881,000 (31 December 2018: RMB257,231,000) and RMB300,000,000 (31 December 2018: RMB400,000,000) respectively.

(b) Electricity transmission assets classified as held for sale

During the six months ended 30 June 2019, the Group has entered into certain agreements with Hunan Provincial Power Company to sell certain electricity transmission assets with total carrying amounts of approximately RMB513,400,000 for a total consideration of approximately RMB432,480,000. These assets were written down to their fair values less costs of disposal and have been reclassified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". An impairment of RMB80,920,000 (Note 5) was recognized in the condensed consolidated income statement for the six months ended 30 June 2019. These disposals are expected to complete by 30 June 2020.

18. SHARE CAPITAL

The total number of shares of the Company amounted to 9,806,886,321. There is no movement in the number of shares of the Company from 31 December 2017 to 30 June 2019.

19. RESERVES

	Merger reserve RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Statutory reserves RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2019 (audited)	306,548	2,406,069	1,112,876	1,166,584	261,988	5,254,065	7,427,661	12,681,726
Profit for the period	–	–	–	–	–	–	976,735	976,735
Fair value gain on equity instruments at FVTOCI	–	–	204,549	–	–	204,549	–	204,549
Fair value loss on debt instruments at FVTOCI	–	–	(3,808)	–	–	(3,808)	–	(3,808)
Release on derecognition of debt instruments at FVTOCI	–	–	2,868	–	–	2,868	–	2,868
Deferred income tax on fair value gain on equity instruments at FVTOCI	–	–	(51,137)	–	–	(51,137)	–	(51,137)
Deferred income tax on fair value loss on debt instruments at FVTOCI	–	–	948	–	–	948	–	948
Release of deferred income tax on derecognition of debt instruments at FVTOCI	–	–	(715)	–	–	(715)	–	(715)
Disposal of interests in subsidiaries without loss of control (note)	–	–	–	–	127,349	127,349	–	127,349
2018 final dividend	–	–	–	–	–	–	(1,078,757)	(1,078,757)
At 30 June 2019 (unaudited)	306,548	2,406,069	1,265,581	1,166,584	389,337	5,534,119	7,325,639	12,859,758

19. RESERVES *(Continued)*

	Merger reserve RMB'000	Capital reserve RMB'000	Available-for-sale financial assets/ FVTOCI reserve RMB'000	Statutory reserves RMB'000	Share based compensation reserve RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 31 December 2017 (audited)	306,548	2,262,848	1,408,395	1,097,568	5,477	265,649	5,346,485	7,187,203	12,533,688
Adjustments	–	–	27,410	–	–	–	27,410	–	27,410
At 1 January 2018 (restated)	306,548	2,262,848	1,435,805	1,097,568	5,477	265,649	5,373,895	7,187,203	12,561,098
Profit for the period	–	–	–	–	–	–	–	606,389	606,389
Fair value loss on equity instruments at FVTOCI	–	–	(911,802)	–	–	–	(911,802)	–	(911,802)
Fair value loss on debt instruments at FVTOCI	–	–	(2,022)	–	–	–	(2,022)	–	(2,022)
Release on derecognition of debt instruments at FVTOCI	–	–	1,432	–	–	–	1,432	–	1,432
Deferred income tax on fair value loss on equity instruments at FVTOCI	–	–	227,951	–	–	–	227,951	–	227,951
Deferred income tax on fair value loss on debt instruments at FVTOCI	–	–	506	–	–	–	506	–	506
Release of deferred income tax on derecognition of debt instruments at FVTOCI	–	–	(358)	–	–	–	(358)	–	(358)
Lapse of share options	–	–	–	–	(280)	–	(280)	280	–
Transfer to statutory reserves	–	–	–	–	–	79	79	(79)	–
Others	–	(229)	–	–	–	–	(229)	–	(229)
2017 final dividend	–	–	–	–	–	–	–	(794,358)	(794,358)
At 30 June 2018 (unaudited)	306,548	2,262,619	751,512	1,097,568	5,197	265,728	4,689,172	6,999,435	11,688,607

Note:

Disposal of interests in subsidiaries without loss of control

In April 2019, the Company disposed of 40% and 15% of respective interests in Anhui Huainan Pingwei Electric Power Company Limited ("Pingwei I") and Huainan Pingwei No. 2 Electric Power Generating Company Limited ("Pingwei II") at a consideration of RMB342,974,000 and RMB188,092,000 respectively. As a result, the Group recognized an increase in non-controlling interests of RMB403,717,000 and an increase in equity attributable to equity holders of the Company of RMB127,349,000. The effect of changes in the ownership interest of Pingwei I and Pingwei II on the equity attributable to owners of the Company during the current period is summarized as follows:

	Pingwei I RMB'000	Pingwei II RMB'000	Total RMB'000
Consideration received from non-controlling shareholders	342,974	188,092	531,066
Carrying amount of net assets disposed of	252,148	151,569	403,717
	90,826	36,523	127,349

20. BANK BORROWINGS

Bank borrowings are analyzed as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Non-current		
Long-term bank borrowings		
— secured (note (d))	**10,662,116**	11,093,776
— unsecured (note (e))	**15,266,139**	15,987,732
	25,928,255	27,081,508
Less: Current portion of long-term bank borrowings	**(3,639,830)**	(2,529,929)
	22,288,425	24,551,579
Current		
Short-term bank borrowings — unsecured	**4,394,632**	4,027,212
Current portion of long-term bank borrowings	**3,639,830**	2,529,929
	8,034,462	6,557,141
	30,322,887	31,108,720

Notes:

The analysis below includes those classified as part of the disposal group classified as held for sale.

(a) The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
RMB	**28,337,677**	29,313,775
United States Dollars ("USD")	**3,049,032**	2,963,500
Japanese Yen ("JPY")	**361,334**	359,440
	31,748,043	32,636,715

20. BANK BORROWINGS *(Continued)*

Notes: (Continued)

(b) The repayment terms of the long-term bank borrowings are analyzed as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Within one year	**3,930,711**	2,787,160
Between one and two years	**9,186,353**	4,372,332
Between two and five years	**5,936,375**	12,394,209
Over five years	**8,014,972**	8,770,802
	27,068,411	28,324,503

(c) The effective interest rates of the Group's bank borrowings are as follows:

	Six months ended 30 June	
	2019 (unaudited)	2018 (unaudited)
Short-term bank borrowings	**4.23%**	4.29%
Long-term bank borrowings (including the current portion of long-term bank borrowings)	**4.55%**	4.41%

(d) As at 30 June 2019, the bank borrowings of the Group are secured as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Secured against the rights on accounts receivable of certain subsidiaries (Note 14(d))	**11,038,186**	11,501,161

(e) As at 30 June 2019, bank borrowings amounting to RMB361,334,000 (31 December 2018: RMB359,440,000) are guaranteed by Hunan Provincial Finance Bureau.

21. BORROWINGS FROM RELATED PARTIES

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Non-current		
Long-term borrowings from SPIC (note (a))	5,080,000	1,930,000
Long-term borrowings from SPIC Financial (note (b))	3,448,400	2,013,800
Long-term borrowings from ICBC and ABC (note (c))	18,046,937	17,617,419
Long-term borrowing from other related party (note (d))	50,000	–
	26,625,337	21,561,219
Less: Current portion of long-term borrowings from SPIC	(1,000,000)	(1,100,000)
Less: Current portion of long-term borrowings from SPIC Financial	(120,800)	(20,800)
Less: Current portion of long-term borrowings from ICBC and ABC	(1,668,144)	(1,395,509)
	23,836,393	19,044,910
Current		
Short-term borrowings from SPIC (note (e))	1,570,295	970,296
Short-term borrowings from CPI Holding (note (f))	850,000	1,720,000
Short-term borrowings from SPIC Financial (note (g))	420,000	140,000
Short-term borrowings from ICBC and ABC (note (h))	1,640,000	970,000
Short-term borrowings from other related parties (note (i))	234,834	230,780
Current portion of long-term borrowings from SPIC (note (a))	1,000,000	1,100,000
Current portion of long-term borrowings from SPIC Financial (note (b))	120,800	20,800
Current portion of long-term borrowings from ICBC and ABC (note (c))	1,668,144	1,395,509
	7,504,073	6,547,385
	31,340,466	25,592,295

Notes:

The analysis below includes those classified as part of the disposal group classified as held for sale.

(a) The long-term borrowings from SPIC are unsecured, interest bearing from 2.50% to 5.15% (31 December 2018: 2.88% to 5.58%) per annum and are wholly repayable within five years. These borrowings are repayable as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Within one year	1,300,000	1,500,000
Between one and two years	2,080,000	780,000
Between two and five years	2,500,000	550,000
	5,880,000	2,830,000

21. BORROWINGS FROM RELATED PARTIES *(Continued)*

Notes: *(Continued)*

(b) The long-term borrowings from SPIC Financial of RMB7,400,000 (31 December 2018: RMB7,800,000) are secured against the rights on accounts receivable of a subsidiary (Note 14(d)), interest bearing at 4.41% (31 December 2018: 4.41%) per annum. The remaining balances are unsecured and interest bearing from 4.28% to 5.23% (31 December 2018: 3.92% to 5.50%) per annum.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Within one year	**120,800**	20,800
Between one and two years	**2,956,800**	746,800
Between two and five years	**367,400**	1,242,400
Over five years	**3,400**	3,800
	3,448,400	2,013,800

(c) Except for RMB5,697,214,000 (31 December 2018: RMB5,991,160,000) were secured against the rights on accounts receivable of certain subsidiaries (Note 14(d)), interest bearing from 4.41% to 4.90% (31 December 2018: 4.41% to 4.90%) per annum, RMB217,200,000 (31 December 2018: RMB228,000,000) was guaranteed by a non-controlling shareholder of a subsidiary, interest bearing at 5.15% (31 December 2018: 5.15%) per annum and RMB212,370,000 (31 December 2018: RMB227,820,000) was secured against property, plant and equipment and right-of-use assets (31 December 2018: property, plant and equipment and prepaid lease payments) of certain subsidiaries, interest bearing from 4.41% to 4.90% (31 December 2018: 4.41% to 4.90%) per annum, the remaining balances were unsecured and interest bearing from 4.28% to 5.15% (31 December 2018: 4.28% to 5.15%) per annum.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Within one year	**1,668,144**	1,395,509
Between one and two years	**2,762,185**	2,200,295
Between two and five years	**4,549,293**	5,858,693
Over five years	**9,360,315**	8,456,922
	18,339,937	17,911,419

21. BORROWINGS FROM RELATED PARTIES *(Continued)*

Notes: *(Continued)*

(d) The long-term borrowing from other related party as at 30 June 2019 is unsecured, interest bearing at 4.75% per annum and repayable within two years.

(e) The short-term borrowings from SPIC as at 30 June 2019 are unsecured, interest bearing from 2.50% to 5.25% (31 December 2018: 2.94% to 4.45%) per annum and repayable within one year.

(f) The short-term borrowings from CPI Holding as at 30 June 2019 are unsecured, interest bearing from 3.92% to 4.35% (31 December 2018: at 4.35%) per annum and repayable within one year.

(g) The short-term borrowings from SPIC Financial as at 30 June 2019 are unsecured, interest bearing at 4.35% (31 December 2018: 3.92%) per annum and repayable within one year.

(h) The short-term borrowings from ICBC and ABC as at 30 June 2019 are unsecured, interest bearing from 3.92% to 4.48% (31 December 2018: 4.35% to 4.57%) per annum and repayable within one year.

(i) The short-term borrowings from other related parties as at 30 June 2019 are unsecured, interest bearing from 4.35% to 4.55% (31 December 2018: 4.35% to 4.55%) per annum and repayable within one year.

22. OTHER BORROWINGS

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Non-current		
Corporate bonds issued by		
— the Company (note (a))	**2,000,000**	2,000,000
— a subsidiary (note (b))	**–**	999,959
	2,000,000	2,999,959
Less: Amounts reclassified as current (note (b))	**–**	(999,959)
	2,000,000	2,000,000
Current		
Corporate bonds issued by a subsidiary reclassified as current (note (b))	**–**	999,959
Short-term other borrowing from a third party (note (c))	**28,000**	25,000
	28,000	1,024,959
	2,028,000	3,024,959

Notes:

(a) The balance represents unsecured RMB denominated medium-term note of RMB2,000,000,000 issued by the Company in October 2018 for a term of three years, which is interest bearing at 4.15% per annum.

(b) The balance as at 31 December 2018 represented certain long-term corporate bonds issued by Wu Ling Power Corporation ("Wu Ling Power"), a subsidiary of the Group, for a term of 10 years from April 2009 which were interest bearing at 4.60% per annum and were guaranteed by SPIC. These bonds were repaid during the current period.

(c) The balance is unsecured, interest bearing at 4.35% (31 December 2018: 4.35%) per annum and denominated in RMB.

23. LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Lease liabilities/obligations under finance leases	**5,083,725**	5,192,002
Less: Current portion of lease liabilities/obligations under finance leases	**(1,035,807)**	(1,205,997)
Non-current portion of lease liabilities/obligations under finance leases	**4,047,918**	3,986,005

Notes:

(a) The additions of leases liabilities during the six months ended 30 June 2019 amounted to RMB362,740,000 is from new leases and drawdown of previous finance leases. The period of these leases additions for leasehold land and buildings and certain equipment range from 2 to 29 years and 5 to 11 years respectively.

(b) The balance as at 30 June 2019 includes certain lease agreements entered into with related parties, namely CPI Ronghe Financial Leasing Co., Ltd., and China Kangfu International Leasing Co., Ltd., to acquire equipment amounting to RMB3,494,358,000 (31 December 2018: RMB3,723,210,000), of which RMB2,080,838,000 (31 December 2018: RMB2,252,301,000) are secured against the rights on accounts receivable of certain subsidiaries (Note 14(d)).

24. PROVISIONS FOR OTHER LONG-TERM LIABILITIES

Provisions for other long-term liabilities represent the provisions for inundation compensation caused by the construction of certain hydropower plants of the Group.

The provision is measured at the present value of the expenditures expected to be required to settle the compensations, based on the latest rules and regulations as set out by the relevant local government authorities in the PRC and the expected useful lives of these hydropower plants, using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provisions due to the passage of time is recognized as interest expense.

Analysis of the provisions for inundation compensations as at 30 June 2019 is as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Non-current liabilities	**1,044,447**	1,054,538
Current liabilities (included in other payables and accrued charges)	**113,528**	87,363
	1,157,975	1,141,901

24. PROVISIONS FOR OTHER LONG-TERM LIABILITIES *(Continued)*

The movements in the provisions for inundation compensations for the six months ended 30 June 2019 are as follows:

	30 June 2019 RMB'000 (unaudited)	30 June 2018 RMB'000 (unaudited)
At 1 January	**1,141,901**	1,048,325
Acquired on acquisition of a subsidiary (note)	**–**	234,055
Interest expense (Note 7)	**44,696**	40,395
Payment	**(28,622)**	(25,892)
At 30 June	**1,157,975**	1,296,883

Note: The comparative figure in 2018 represents provisions for other long-term liabilities of SPIC Guangxi Changzhou Hydropower Development Co., Ltd. ("Changzhou Hydropower"), a subsidiary of SPIC Guangxi Electric Power Co., Ltd. ("Guangxi Company").

25. ACCOUNTS AND BILLS PAYABLES

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Accounts payable (note (a))	**765,762**	666,699
Bills payable (note (b))	**76,282**	109,878
	842,044	776,577

Notes:

The analysis below includes those classified as part of the disposal group classified as held for sale.

(a) The normal credit period for accounts payable generally ranges from 60 to 180 days. The ageing analysis of the accounts payable presented based on invoice date is as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
1 to 6 months	**932,647**	708,304
7 to 12 months	**4,671**	4,265
Over 1 year	**42,348**	48,474
	979,666	761,043

25. ACCOUNTS AND BILLS PAYABLES *(Continued)*

Notes: *(Continued)*

(b) As at 30 June 2019, bills payable are bills of exchange with maturity period ranged from 3 to 12 months (31 December 2018: ranged from 3 to 12 months).

26. CAPITAL COMMITMENTS

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Contracted but not provided for in respect of:		
— property, plant and equipment	**17,079,835**	18,350,312
— proposed acquisitions of subsidiaries	**1,573,086**	1,925,436
— capital contribution to associates	**926,345**	899,472
	19,579,266	21,175,220

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

27.1 Financial risk factors

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

As at 30 June 2019, the Group had net current liabilities of RMB17,947,198,000. In preparing these condensed consolidated financial statements, the Directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As at 30 June 2019, the Group had available unutilized facilities in writing from banks and related parties amounted to approximately RMB19,161,130,000 as well as other bank committed facilities amounted to approximately RMB13,124,699,000, totaling approximately RMB32,285,829,000. Moreover, the Group will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable. Under these circumstances, the Directors 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 therefore have prepared these condensed consolidated financial statements on a going concern basis.

These condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2018 annual financial statements.

There has not been any change in the risk management department or risk management policies since the year end of 2018.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

27.2 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

The following table presents the Group's assets that are measured at fair value (the analysis below includes those classified as part of the disposal group classified as held for sale):

Financial assets	Fair value as at 30 June 2019 RMB'000 (unaudited)	Fair value as at 31 December 2018 RMB'000 (audited)	Fair value hierarchy	Valuation technique and key inputs
Equity instruments at FVTOCI — Shanghai Power	**3,153,376**	2,942,667	Level 1	Quoted market prices at the end of reporting period (current bid price).
Equity instruments at FVTOCI — Unlisted equity investments in the PRC	**149,467**	159,706	Level 3	Market approach — Fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs are market value of the equity interest and value ratio of comparable companies.
Debt instruments at FVTOCI	**389,567**	278,832	Level 3	Discounted cash flow at a comparable discount rate of 4.35% per annum.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

27.2 Fair value estimation *(Continued)*

(b) Reconciliation of Level 3 fair value measurements:

	Financial assets at FVTOCI RMB'000
Balance at 31 December 2017	–
Effects arising from application of HKFRS 9	391,193
Balance at 1 January 2018 (restated)	391,193
Additions	503,079
Derecognition	(394,273)
Total losses in other comprehensive expenses	(62,531)
Balance at 30 June 2018 (unaudited)	437,468
Balance at 1 January 2019	**438,538**
Additions	**588,787**
Derecognition (Note 15)	**(475,906)**
Total losses in other comprehensive expenses	**(12,385)**
Balance at 30 June 2019 (unaudited)	**539,034**

Included in other comprehensive expenses is loss of RMB12,385,000 (2018: RMB62,531,000) relating to equity instruments at FVTOCI — unlisted equity investments in the PRC and debt instruments at FVTOCI held at the end of the current period and is reported as changes of FVTOCI reserve.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

27.3 Fair values of financial assets and liabilities measured at amortized cost

The carrying amounts and fair values of borrowings are as follows (the analysis below includes those borrowings classified as part of the disposal group classified as held for sale):

	30 June 2019		31 December 2018	
	Carrying amounts RMB'000 (unaudited)	**Fair value RMB'000 (unaudited)**	Carrying amounts RMB'000 (audited)	Fair value RMB'000 (audited)
Long-term borrowings (note (a))	**56,786,748**	**56,788,611**	54,079,681	54,107,781
Short-term borrowings (note (b))	**10,122,761**	**10,122,761**	8,968,288	8,968,288
	66,909,509	**66,911,372**	63,047,969	63,076,069

Notes:

(a) Balance represents the aggregate fair values of the long-term bank borrowings, long-term borrowings from related parties and corporate bonds.

(b) Balance represents the aggregate fair values of short-term bank borrowings, short-term borrowings from related parties and short-term other borrowing from a third party.

(c) The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Accounts receivable
- Deposits and other receivables
- Restricted deposits
- Cash and cash equivalents
- Amounts due from/to related parties
- Accounts and bills payables
- Construction costs payable
- Other payables
- Lease liabilities/obligations under finance leases

28. ACQUISITION OF SUBSIDIARIES

(a) Jiangling GCL, Xin'an GCL and Ruzhou GCL

During the six months ended 30 June 2019, Wu Ling Power entered into the purchase agreements with Henan GCL New Energy Investment Company Limited and Suzhou GCL New Energy Investment Co., Ltd. to acquire 55% equity interest of Jiangling County GCL Photovoltaic Power Co., Ltd. ("Jiangling GCL"), Xin'an GCL Photovoltaic Power Co., Ltd. ("Xin'an GCL") and Ruzhou GCL Photovoltaic Power Co., Ltd. ("Ruzhou GCL") respectively.

Wu Ling Power obtained control over Jiangling GCL, Xin'an GCL and Ruzhou GCL (collectively referred to as the "GCL Companies") in April and such acquisitions have been accounted for using the acquisition method.

Consideration transferred

	Jiangling GCL RMB'000	Xin'an GCL RMB'000	Ruzhou GCL RMB'000	Total RMB'000
Cash	**54,610**	**27,520**	**28,770**	**110,900**
Consideration payable, which has been accounted for as amount due to related parties as at 30 June 2019	**97,642**	**80,005**	**66,460**	**244,107**
	152,252	**107,525**	**95,230**	**355,007**

Acquisition-related costs amounting to RMB10,051,000 have been excluded from the cost of acquisition and have been recognized directly as an expense in the period and included in the "other operating expenses" in the condensed consolidated income statement for the six months ended 30 June 2019.

28. ACQUISITION OF SUBSIDIARIES *(Continued)*

(a) Jiangling GCL, Xin'an GCL and Ruzhou GCL *(Continued)*

Assets and liabilities recognized at the date of acquisition (determined on a provisional basis)

	Jiangling GCL RMB'000	Xin'an GCL RMB'000	Ruzhou GCL RMB'000	Total RMB'000
Current assets				
Cash and cash equivalents	35,287	4,753	4,887	44,927
Accounts receivable	2,931	5,044	4,286	12,261
Prepayments, deposits and other receivables	12,816	23,781	36,342	72,939
Amounts due from related parties	915	46,082	113	47,110
Non-current assets				
Property, plant and equipment	570,065	53,685	100,086	723,836
Right-of-use assets	–	430,212	380,634	810,846
Deferred income tax assets	3,472	3,271	3,299	10,042
Other non-current assets	131,925	45,424	95,403	272,752
Current liabilities				
Construction costs payable	(7,911)	(37,308)	(8,879)	(54,098)
Other payables and accrued charges	(1,789)	(547)	(96,196)	(98,532)
Amounts due to related parties	(39,222)	(2,357)	(28,891)	(70,470)
Borrowing from a related party	(21,325)	–	–	(21,325)
Lease liabilities	–	(24,655)	(53,612)	(78,267)
Tax payable	–	(1,611)	(142)	(1,753)
Non-current liabilities				
Borrowing from a related party	(471,250)	–	–	(471,250)
Lease liabilities	–	(373,351)	(264,185)	(637,536)
	215,914	172,423	173,145	561,482

Non-controlling interests

The non-controlling interests (45%) in GCL Companies recognized at the acquisition date was measured by reference to the proportionate share of recognized amounts of net assets of GCL Companies and was amounted to RMB252,666,000.

28. ACQUISITION OF SUBSIDIARIES *(Continued)*

(a) Jiangling GCL, Xin'an GCL and Ruzhou GCL *(Continued)*

Goodwill arising on acquisition (determined on a provisional basis)

	Jiangling GCL RMB'000	Xin'an GCL RMB'000	Ruzhou GCL RMB'000	Total RMB'000
Consideration transferred	152,252	107,525	95,230	355,007
Plus: non-controlling interests	97,161	77,590	77,915	252,666
Less: recognized amount of identifiable net assets acquired (100%)	(215,914)	(172,423)	(173,145)	(561,482)
Goodwill arising on acquisitions	33,499	12,692	–	46,191

Goodwill arose in the acquisitions of Jiangling GCL and Xin'an GCL are in relation to the benefits of expected synergies, revenue growth, future market development and assemble workforce of Jiangling GCL and Xin'an GCL. These benefits are not recognized separately from goodwill because they do not meet recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions are expected to be deductible for tax purposes.

Net cash outflows arising on acquisition

	Jiangling GCL RMB'000	Xin'an GCL RMB'000	Ruzhou GCL RMB'000	Total RMB'000
Consideration paid in cash	54,610	27,520	28,770	110,900
Less: cash and cash equivalent acquired	(35,287)	(4,753)	(4,887)	(44,927)
	19,323	22,767	23,883	65,973

Impact of acquisition on the results of the Group

Included in the profit for the current period are profits of RMB6,900,000, RMB2,980,000 and RMB5,723,000 attributable to Jiangling GCL, Xin'an GCL and Ruzhou GCL respectively. Revenue for the current period included RMB23,011,000, RMB20,342,000 and RMB21,062,000 that are attributable to Jiangling GCL, Xin'an GCL and Ruzhou GCL respectively.

Had the acquisition of GCL Companies been effected at the beginning of the current period, the revenue of the Group for the six months ended 30 June 2019 would have been RMB13,888,522,000 and the profit for the period would have been RMB1,809,173,000. The unaudited pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the current period, nor is it intended to be a projection of future results.

28. ACQUISITION OF SUBSIDIARIES *(Continued)*

(a) Jiangling GCL, Xin'an GCL and Ruzhou GCL *(Continued)*

Impact of acquisition on the results of the Group *(Continued)*

In determining the unaudited pro-forma revenue and profit of the Group had the GCL Companies been acquired at the beginning of the current period, the Directors calculated the corresponding depreciation based on the recognized amounts of property, plant and equipment and right-of-use assets at the date of the acquisition.

During the current period, the acquisitions of the GCL Companies were completed and the Group commenced to account for the business combination from the effective date when the Group gained control over these companies. As at the date of these accounts, the initial accounting for the acquisitions is determined on a provisional basis as the allocation of fair value to the identifiable assets and liabilities of the acquisition is still progressing. Adjustments to those provisional values of identifiable assets and liabilities, including any additional depreciation, amortization, and other profit or loss effect, if any, will be recognized on completion of the initial accounting.

(b) Other business combinations during the current period

During the six months ended 30 June 2019, the Company and SPIC Anhui New Energy Development Co., Ltd. ("Anhui Company"), a subsidiary of the Company, acquired certain equity interests in other two entities (collectively referred to as "Other Acquired Businesses") respectively. These acquisitions have been accounted for using the acquisition method and were all individually not material. No goodwill arising as a result of the acquisitions.

The net assets of Other Acquired Businesses recognized at the acquisition date amounted to RMB6,106,000 in total, including cash of RMB949,000.

The non-controlling interests in Other Acquired Businesses recognized at the acquisition date were measured by reference to the proportionate share of recognized amounts of net assets of the acquired entities and amounts to RMB4,975,000.

(c) Zhongning Longji

During the year ended 31 December 2018, Wu Ling Power acquired 70% interest in Zhongning Longji Photovoltaic New Energy Company Limited ("Zhongning Longji"). This acquisition had been accounted for using the acquisition method.

28. ACQUISITION OF SUBSIDIARIES *(Continued)*

(c) Zhongning Longji *(Continued)*

Consideration transferred

	RMB'000
Consideration prepaid, which has been accounted for as other non-current assets as at 31 December 2017	63,682
Cash	127,365
Consideration payable, which has been accounted for as amounts due to related parties as at 31 December 2018	21,227
	212,274

Acquisition-related costs amounting to RMB41,000 had been excluded from the cost of acquisition and had been recognized directly as an expense in 2018 and included in the "other operating expenses" in the consolidated income statement for the year ended 31 December 2018.

Assets and liabilities recognized at the date of acquisition

	After adjustment (note (i)) RMB'000	Provisional basis RMB'000
Current assets		
Cash and cash equivalents	1,313	1,313
Accounts receivable	67,595	67,595
Prepayments, deposits and other receivables	4,084	4,084
Non-current assets		
Property, plant and equipment	1,138,535	1,290,535
Other intangible assets	144,900	–
Deferred income tax assets	29	29
Other non-current assets	271,845	271,845
Current liabilities		
Other payables and accrued charges	(849)	(849)
Construction costs payable	(131,938)	(131,938)
Amounts due to Wu Ling Power	(376,508)	(376,508)
Amounts due to related parties	(822,858)	(822,858)
	296,148	303,248

28. ACQUISITION OF SUBSIDIARIES *(Continued)*

(c) Zhongning Longji *(Continued)*

Non-controlling interests

The non-controlling interest (30%) in Zhongning Longji recognized at the acquisition date was measured by reference to the proportionate share of recognized amounts of net assets of Zhongning Longji amounted to RMB88,844,000 (note (i)), therefore, RMB2,130,000 was deducted from that of previously recognized based on provisional basis of RMB90,974,000.

Goodwill arising on acquisition

	After adjustment (note (i)) RMB'000	Provisional basis RMB'000
Consideration transferred	212,274	212,274
Plus: non-controlling interests	88,844	90,974
Less: recognized amount of identifiable net assets acquired (100%)	(296,148)	(303,248)
Goodwill arising on acquisitions	4,970	–

Net cash outflows arising on acquisition

	RMB'000
Consideration paid in cash	127,365
Less: cash and cash equivalent acquired	(1,313)
	126,052

Impact of acquisition on the results of the Group

Included in the profit for the six months ended 30 June 2018 was RMB41,566,000 attributable to Zhongning Longji. Revenue for the six months ended 30 June 2018 included RMB162,429,000 that is attributable to Zhongning Longji.

Note:

(i) During the six months ended 30 June 2019, the initial accounting for the acquisition was completed. As a results, adjustments to the provisional values of identifiable assets and liabilities of Zhongning Longji was recognized and have comparatives figures on property, plant and equipment, goodwill, other intangible assets and non-controlling interests adjusted and restated accordingly.

29. RELATED PARTY TRANSACTIONS

The Group is controlled by CPI Holding, an intermediate holding company which directly holds approximately 28.9% (31 December 2018: 28.9%) of the Company's shares, and indirectly holds approximately 27.1% (31 December 2018: 27.1%) of the Company's shares through China Power Development Limited ("CPDL"). As at 30 June 2019, CPI Holding owned approximately 56.0% (31 December 2018: 56.0%) equity interest of the Company in aggregate. The Directors regard SPIC, a wholly state-owned enterprise established in the PRC which is the beneficial owner of CPI Holding, as the ultimate holding company.

SPIC is controlled by the PRC government which also owns a significant portion of the productive assets in the PRC. In accordance with HKAS 24 (Revised), government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include SPIC, its subsidiaries, joint ventures and associates (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and SPIC as well as their close family members.

For the purpose of the related party transactions disclosures, the Directors believe that it is also meaningful to disclose the related party transactions with SPIC companies for the interests of financial statements users. The Directors believe that the information of related party transactions has been adequately disclosed in these condensed consolidated financial statements.

During the year of 2018, ABC Financial Asset Investment Co., Ltd. (農銀金融資產投資有限公司), a subsidiary of ABC and ICBC Financial Asset Investment Co., Ltd. (工銀金融資產投資有限公司) ("ICBC Financial"), a subsidiary of ICBC, have respectively became non-controlling shareholders of Huaihua Yuanjiang Power Development Co., Ltd. and Changzhou Hydropower, both being significant subsidiaries of the Group. ABC and its subsidiaries and ICBC and its subsidiaries could exercise significant influence over these subsidiaries and were identified as related parties to the Group accordingly.

The following is a summary of significant related party transactions which, in the opinion of the Directors, are entered into in the ordinary course of the Group's business in addition to the related party information shown elsewhere in these condensed consolidated financial statements. Management of the Group is of the opinion that meaningful information relating to related party transactions has been adequately disclosed.

29. RELATED PARTY TRANSACTIONS *(Continued)*

(a) Income

	Note	Six months ended 30 June 2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Interest income from:	(i)		
— SPIC Financial, a company controlled by SPIC		**3,974**	1,344
— ICBC and ABC		**692**	–
— an associate		**5,945**	617
— a joint venture		**5,966**	1,772
Dividend income from Shanghai Power, a company controlled by SPIC	(ii)	**119,885**	72,658
Rental income from a fellow subsidiary	(iii)	**–**	27,055
Income from provision of repairs and maintenance services to:	(iii)		
— companies controlled by SPIC		**94**	–
— fellow subsidiaries		**3,981**	1,501
— an associate		**1,566**	1,651
Income from provision of IT and other services to:	(iii)		
— companies controlled by SPIC		**2,426**	66
— fellow subsidiaries		**3,142**	2,163
— an associate		**335**	821
Sales of coal, coal by-products and spare parts to:	(iii)		
— companies controlled by SPIC		**3,437**	4,953
— associates		**4,057**	–
Provision of power generation to:	(iii)		
— fellow subsidiaries		**368**	8,088
— companies controlled by SPIC		**202**	–
Sales of heat to:	(iii)		
— non-controlling shareholders of subsidiaries		**11,744**	–
— a joint venture		**649**	–
Sales of unused power production quota to companies controlled by SPIC	(iii)	**33,754**	–

Notes:

(i) Interest income to these related parties are charged at interest rates from 0.35% to 5.66% (2018: 0.35% to 5.66%) per annum.

(ii) Dividend income received from Shanghai Power was recognized based on dividend declared by its board of directors in proportion to the Group's interest in it.

(iii) These incomes were charged in accordance with the terms of the relevant agreements.

29. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Expenses

	Note	Six months ended 30 June 2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Purchases of coal, coal by-products and spare parts from:	(i)		
— companies controlled by SPIC		**210,914**	9,811
— fellow subsidiaries		**3,441**	16,243
— a joint venture		**16,064**	18,164
— non-controlling shareholders of subsidiaries		**2,954,342**	3,286,046
Construction costs and other services fees to:	(ii)		
— companies controlled by SPIC		**291,230**	89,535
— fellow subsidiaries		**86,848**	88,038
— a non-controlling shareholder		**184,796**	38,536
— CPI Holding		**–**	10,415
Interest expenses to:	(iii)		
— SPIC		**89,253**	150,199
— SPIC Financial		**65,952**	49,554
— CPI Holding		**42,964**	11,900
— ICBC and ABC		**496,917**	–
— ICBC Financial Leasing Co., Ltd. (a fellow subsidiary of ICBC) on lease liabilities		**2,804**	–
— a fellow subsidiary		**9,323**	10,948
— an associate		**412**	621
— companies controlled by SPIC		**723**	359
— companies controlled by SPIC on lease liabilities/ obligations under finance leases		**110,654**	1,493
Operating lease rental expenses in respect of leasehold land and buildings:	(i)		
— SPIC		**–**	8,533
— CPI Holding		**–**	10,454

Notes:

(i) Purchases of coal, coal by-products and spare parts were charged in accordance with the terms of the relevant agreements.

(ii) Construction costs and other services fees were mainly related to construction services, repairs and maintenance services, transportation services and other services which were charged based on mutually agreed prices.

(iii) Interest expenses to these related parties are charged at interest rates from 1.38% to 8.00% (2018: 1.38% to 7.00%) per annum.

29. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Period-end/year-end balances with related parties

	Note	**30 June 2019 RMB'000 (unaudited)**	31 December 2018 RMB'000 (audited)
Prepayments for construction of power plants to companies controlled by SPIC other than SPIC Financial	(i)	**146,952**	166,215
Prepayments (included in prepayments, deposits and other receivables) to:	(ii)		
— companies controlled by SPIC other than SPIC Financial		**20,167**	–
— non-controlling shareholders		**16,377**	53,453
Deposits at SPIC Financial	(iii)	**1,226,232**	1,388,656
Amounts due from:			
— CPDL	(xii)	**8,997**	7,912
— CPI Holding	(xii)	**119**	218
— SPIC Financial	(xii)	**1,059**	1,059
— companies controlled by SPIC other than SPIC Financial	(xii)	**70,652**	397,714
— fellow subsidiaries	(iv)	**436,083**	67,324
— associates	(v)	**66,847**	361,441
— joint ventures	(vi)	**246,818**	212,279
— non-controlling shareholders	(xi)	**52,450**	13,988
Amounts due to:			
— SPIC	(vii)	**648,799**	603,636
— CPI Holding	(viii)	**202,258**	241,568
— SPIC Financial	(ix)	**4,150**	350,608
— ICBC and ABC	(ix)	**29,817**	25,440
— companies controlled by SPIC other than SPIC Financial	(xii)	**571,881**	588,868
— fellow subsidiaries	(xii)	**87,560**	85,505
— joint ventures	(xii)	**47**	855
— an associate	(x)	**16,176**	8,548
— non-controlling shareholders	(xi)	**641,372**	630,236

Notes:

The analysis below includes those items classified as part of the disposal group classified as held for sale.

(i) Balances represent prepayments for construction of power plants in accordance with the terms of the relevant agreements.

(ii) Balances represent prepayments for purchase of coal and others in accordance with the terms of the relevant agreements.

29. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Period-end/year-end balances with related parties *(Continued)*

Notes: *(Continued)*

(iii) Deposits at SPIC Financial are interest bearing at rate 1.38% (31 December 2018: 1.38%) per annum.

(iv) The balances, mainly represent an amount due from SPIC Guangdong Power Company Limited ("Guangdong Company"), a fellow subsidiary of the Group, which representing accounts receivable collected by Guangdong Company on behalf of Guangxi Company and its subsidiaries, are unsecured and interest free.

(v) The amounts due from an associate are unsecured. Except for a balance of RMB55,080,000 (31 December 2018: RMB355,080,000) which is interest bearing at 1.75% (31 December 2018: from 1.75% to 4.35%) per annum and repayable within one year, the remaining balances are interest free and repayable on demand. A balance of RMB100,000,000 (31 December 2018: RMB100,000,000) which is interest bearing at 4.34% (31 December 2018: 4.34%) per annum and repayable by 2021, and has been included in other non-current assets.

(vi) The amounts due from joint ventures are unsecured. Except for a balance of RMB246,000,000 (31 December 2018: RMB211,650,000) which is interest bearing at 5.66% (31 December 2018: 5.66%) per annum and repayable within one year, the remaining balances are interest free and repayable on demand.

(vii) The balances include considerations payable to SPIC for the acquisition of SPIC Shandong Energy Development Co., Ltd. and its subsidiaries, SPIC Hubeilvdong New Energy Co., Ltd. and its subsidiaries and Anhui Company and its subsidiaries, amounted to RMB60,598,000, RMB94,995,000 and RMB268,065,000 respectively (31 December 2018: RMB60,598,000, RMB94,995,000 and RMB268,065,000). The balances are interest free and repayable on demand.

(viii) The amounts due to CPI Holding are unsecured. Except for a balance of RMB106,440,000 (31 December 2018: RMB106,440,000) which is interest bearing at 1.75% (31 December 2018: 1.75%) per annum and repayable within one year, the remaining balances are interest free and repayable on demand.

(ix) The balances as at 30 June 2019 are interest payable on their loans.

(x) The amounts due to an associate are unsecured and repayable on demand. Except for a balance of RMB16,100,000 (31 December 2018: RMB8,364,000) which is interest bearing at 1.38% (31 December 2018: 1.38%) per annum, the remaining balances are interest free.

(xi) The balances include considerations payable to non-controlling shareholders for the acquisitions of GCL Companies amounted to RMB244,107,000, and to a non-controlling shareholder for the acquisitions of Zhongning Longji and Daqing Huiqing New Energy Company Limited amounted to RMB36,259,000 (31 December 2018: RMB86,809,000). The balances are unsecured, interest free and repayable on demand.

(xii) The balances with these related parties are unsecured, interest free and repayable on demand.

29. RELATED PARTY TRANSACTIONS *(Continued)*

(d) For the six months ended 30 June 2019 and 2018, the Group's significant transactions and balances with entities that are controlled, jointly-controlled or significantly influenced by the PRC government mainly include:

(i) bank deposits in state-owned banks and the related interest income

(ii) bank borrowings from the state-owned banks and the related interest expenses

(iii) sales of electricity to provincial power grid companies owned by the PRC government and the related receivables

(iv) purchases of coal from state-owned enterprises and the related payables

(v) reservoir maintenance and usage fees to the PRC government

(vi) service fees to state-owned enterprises

(vii) compensations for inundation to the PRC government

The prices and terms of such transactions are set out in the relevant agreements governing these transactions or as mutually agreed.

(e) Key management personnel compensation

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fees, basic salaries, housing allowance, other allowances and benefit in kind, discretionary bonus, employer's contribution to pension scheme and other benefits	**8,733**	5,966

(f) Purchases of assets and liabilities

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Purchases of assets from a fellow subsidiary	**–**	32,314
Purchases of liabilities from a fellow subsidiary	**–**	24,746

(g) Guarantees issued by related parties as at 30 June 2019 and 31 December 2018 are set out in Note 21(c).