CGN NEW ENERGY HOLDINGS CO., LTD.
中國廣核新能源控股有限公司
(incorporated in Bermuda with limited liability)
(Stock code: 1811)

Interim Results Announcement for the Six Months Ended 30 June 2016

HIGHLIGHTS OF THE UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

- Revenue for the six months ended 30 June 2016 amounted to US$565.7 million, representing a decrease of 4.7% from US$593.6 million for the six months ended 30 June 2015.
- Profit before tax for the six months ended 30 June 2016 amounted to US$79.8 million, representing a decrease of 4.3% from US$83.4 million for the six months ended 30 June 2015.
- Profit attributable to shareholders of the Company for the six months ended 30 June 2016 amounted to US$49.2 million, representing a decrease of 6.3% from US$52.5 million for the six months ended 30 June 2015.
- Earnings per share for the six months ended 30 June 2016 amounted to 1.15 US cents, representing a decrease of 6.3% from 1.22 US cents for the six months ended 30 June 2015.
- The Board resolved not to declare an interim dividend for the six months ended 30 June 2016.

The Board announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2016 together with comparative figures for the corresponding period in 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016 – unaudited

	For the six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
Revenue	**565,716**	593,587
Operating expenses:		
Coal, oil and gas	**297,840**	396,963
Depreciation of property, plant and equipment	**74,914**	44,403
Repair and maintenance	**16,288**	11,424
Staff costs	**31,437**	30,864
Others	**28,279**	23,764
Total operating expenses	**448,758**	507,418
Operating profit	**116,958**	86,169
Other income	**5,552**	6,461
Other gains and losses	**(456)**	272
Finance costs	**(58,373)**	(28,733)
Share of results of associates	**16,093**	19,185
Profit before tax	**79,774**	83,354
Income tax expenses	**(21,475)**	(22,200)
Profit for the period	**58,299**	61,154

	For the six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
Other comprehensive (expenses) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising on translation of foreign subsidiaries and associates	**(34,720)**	(13,161)
Reclassification adjustments for amounts transferred to profit or loss		
– release of hedging reserve	**(61)**	(65)
– deferred tax credit arising on release of hedging reserve	**15**	16
Other comprehensive expenses for the period	**(34,766)**	(13,210)
Total comprehensive income for the period	**23,533**	47,944
Profit for the period attributable to:		
Owner of the Company	**49,245**	52,504
Non-controlling interests	**9,054**	8,650
	58,299	61,154
Total comprehensive income attributable to:		
Owner of the Company	**16,843**	40,989
Non-controlling interests	**6,690**	6,955
	23,533	47,944
Earnings per share		
– basic (US cents)	**1.15**	1.22
– diluted (US cents)	**1.15**	1.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016 – unaudited

	As at 30 June 2016	As at 31 December 2015
	US$'000	*US$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**2,459,236**	2,545,785
Prepaid lease payments	**55,717**	57,982
Goodwill	**175,271**	178,967
Interests in associates	**186,794**	174,472
Amounts due from non-controlling shareholders	**322**	704
Deferred tax assets	**28,549**	28,553
Other assets	**34,222**	35,661
	2,940,111	3,022,124
CURRENT ASSETS		
Inventories	**29,009**	28,755
Prepaid lease payments	**3,355**	3,640
Trade receivables	**181,963**	200,765
Other receivables and prepayments	**118,543**	130,082
Amounts due from non-controlling shareholders	**1,147**	2,450
Amounts due from associates	**150**	43,084
Amounts due from fellow subsidiaries	**7,718**	4,319
Tax recoverable	**19**	106
Pledged bank deposits	**74,840**	75,045
Bank balances and cash	**388,001**	342,498
	804,745	830,744

	As at 30 June 2016 *US$'000*	As at 31 December 2015 *US$'000*
CURRENT LIABILITIES		
Trade payables	**57,409**	89,778
Other payables and accruals	**143,412**	155,873
Amounts due to fellow subsidiaries	**4,380**	4,647
Amounts due to non-controlling shareholders	**8,058**	6,198
Loans from fellow subsidiaries – due within one year	**13,802**	96,422
Advance from a non-controlling shareholder – due within one year	**6,951**	7,098
Bank borrowings – due within one year	**109,261**	114,024
Bond payables – due within one year	**4,717**	4,717
Government grants	**648**	662
Deferred connection charges	**41**	109
Tax payable	**8,813**	8,738
	357,492	488,266
NET CURRENT ASSETS	**447,253**	342,478
TOTAL ASSETS LESS CURRENT LIABILITIES	**3,387,364**	3,364,602
NON-CURRENT LIABILITIES		
Advance from a non-controlling shareholder – due after one year	**777**	794
Loans from fellow subsidiaries	**464,194**	465,459
Loan from an intermediate holding company	**100,000**	100,000
Bank borrowings – due after one year	**1,560,627**	1,536,606
Bond payables – due after one year	**349,574**	349,386
Deferred connection charges	**149**	152
Government grants	**10,324**	10,874
Deferred tax liabilities	**53,536**	51,778
	2,539,181	2,515,049
NET ASSETS	**848,183**	849,553

	As at 30 June 2016 *US$'000*	As at 31 December 2015 *US$'000*
CAPITAL AND RESERVES		
Share capital	**55**	55
Reserves	**740,123**	741,677
Equity attributable to owner of the Company	**740,178**	741,732
Non-controlling interests	**108,005**	107,821
TOTAL EQUITY	**848,183**	849,553

Revenue and segment information

The Group has three reportable segments as follows:

(1) Power plants in the PRC – Generation and supply of electricity;

(2) Power plants in Korea – Generation and supply of electricity; and

(3) Management companies in the PRC – Provision of management services to power plants operated by CGN and its subsidiaries.

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 June 2016

	Power Plants in the PRC *US$'000*	**Power Plants in Korea** *US$'000*	**Management Companies in the PRC** *US$'000*	**Total** *US$'000*
Segment revenue – external	**217,490**	**336,474**	**11,752**	**565,716**
Segment results	**65,962**	**22,378**	**697**	**89,037**
Unallocated other income				**439**
Unallocated operating expenses				**(5,638)**
Unallocated finance costs				**(19,701)**
Other gains and losses				**(456)**
Share of results of associates				**16,093**
Profit before tax				**79,774**

For the six months ended 30 June 2015

	Power Plants in the PRC *US$'000*	Power Plants in Korea *US$'000*	Management Companies in the PRC *US$'000*	Total *US$'000*
Segment revenue – external	129,930	453,095	10,562	593,587
Segment results	40,942	37,574	503	79,019
Unallocated other income				919
Unallocated operating expenses				(6,566)
Unallocated finance costs				(9,475)
Other gains and losses				272
Share of results of associates				19,185
Profit before tax				83,354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016 – unaudited

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its Shares are listed on the Main Board of the Stock Exchange in October 2014. The registered office of the Company is at Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company is at 15/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. Its immediate holding company is CGNPC Huamei, a company incorporated in Hong Kong with limited liability and its ultimate holding company is CGN, a state-owned enterprise established in the PRC.

The consolidated financial statements have been prepared in accordance with accounting policies which conform with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and the Companies Ordinance for the six months ended 30 June 2016.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Application of new and revised IFRSs

In the current interim period, the Group has applied, for the first time, the following new or revised IFRSs issued by the International Accounting Standards Board that are relevant for the preparation of the Group's consolidated financial statements:

Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception

The application of the above new amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these consolidated financial statements and/or disclosure as set out in these consolidated financial statements.

The Group has not early applied any new and revised IFRSs that have been issued but are not yet effective.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Operating Results and Analysis

In the first half of 2016, the revenue of the Group amounted to US$565.7 million, representing a decrease of 4.7% compared with US$593.6 million of the first half of 2015. The profit attributable to the shareholders of the Company amounted to US$49.2 million, representing a decrease of US$3.3 million or 6.3% as compared with US$52.5 million of the first half of 2015.

In the first half of 2016, the profit for the period of the Group amounted to US$58.3 million, representing a decrease of US$2.9 million or 4.7% as compared with US$61.2 million of the first half of 2015.

Revenue

In the first half of 2016, the revenue of the Group amounted to US$565.7 million, representing a decrease of 4.7% compared with US$593.6 million of the first half of 2015. The decrease in revenue was mainly attributable to the decreased revenue of Yulchon I Power Project and Yulchon II Power Project. It was mainly due to the decrease in Korea gas-fired tariff as a result of the decreased gas price and the increased supply in the Korea power market. The decrease in revenue in Korea was partially offset by the increased revenue contributed by our wind power and solar power projects being acquired in September 2015.

Operating Expenses

In the first half of 2016, the operating expenses of the Group amounted to US$448.8 million, representing a decrease of 11.5% compared with US$507.4 million of the first half of 2015. The decrease in operating expenses was mainly due to the decrease in gas price and fuel costs of our Yulchon I Power Project and Yulchon II Power Project.

Operating Profit

In the first half of 2016, the operating profit, which is equal to revenue minus operating expenses, of the Group amounted to US$116.9 million, representing an increase of US$30.7 million or 35.6% compared with US$86.2 million of the first half of 2015. The increase in operating profit was mainly contributed by our wind power and solar power projects.

Other Income

Other income mainly represented income from sales of scrapped materials, interest income and the refund of value added tax. In the first half of 2016, the other income of the Group amounted to US$5.6 million, representing a slight decrease of US$0.9 million compared with US$6.5 million of the first half of 2015.

Finance Costs

In the first half of 2016, the finance costs of the Group amounted to US$58.4 million, representing an increase of 103.5% compared with US$28.7 million of the first half of 2015. The increase in finance costs was mainly attributable to the increase in weighted average balances of bank borrowings and loans from related companies for the acquisition of our wind power projects and solar power projects in the second half of 2015.

Share of Results of Associates

In the first half of 2016, the share of results of associates amounted to US$16.1 million, representing a decrease of US$3.1 million compared with US$19.2 million in the first half of 2015. The decrease in profit of the associates was mainly due to the national tariff reduction in May 2015 and January 2016 for PRC coal-fired plants, partially offset by the decrease in standard coal price in the PRC.

Income Tax Expenses

In the first half of 2016, the income tax expenses of the Group amounted to US$21.5 million, representing a decrease of US$0.7 million compared with US$22.2 million of the first half of 2015.

Liquidity and Capital Resources

The Group's bank balances and cash increased from US$342.5 million as at 31 December 2015 to US$388.0 million as at 30 June 2016, primarily due to the cash generated from operations during the current period.

Net Debt/Equity Ratio

The Group's net debt/equity ratio decreased from 2.74 as at 31 December 2015 to 2.61 as at 30 June 2016 due to the decrease in net debt (which equals total debt less available cash) as a result of the repayment of borrowings and the cash generated from operations during the current period.

Interim Dividend

The Board resolved not to declare an interim dividend for the six months ended 30 June 2016.

Earnings per Share

	For the six months ended 30 June	
	2016	2015
	US cents	*US cents*
Earnings per share, basic and diluted – calculated based on the weighted average number of ordinary shares for the period	**1.15**	1.22
	US$'000	*US$'000*
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owner of the Company)	**49,245**	52,504
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**4,290,824**	4,290,824

Trade Receivables

	As at	
	30 June	31 December
	2016	2015
	US$'000	*US$'000*
Trade receivables	**182,149**	200,954
Less: allowance for doubtful debts	**(186)**	(189)
	181,963	200,765

The Group allowed a credit period from 30 to 90 days throughout the period to its trade customers. Over 73% (31 December 2015: 99%) of the trade receivables were neither past due nor impaired as at 30 June 2016. The management considers that these receivables have good credit scoring attributable to the credit review policy adopted by the Group.

The following is an ageing analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date (which approximated the revenue recognition date) at the end of the reporting periods.

	As at	
	30 June	31 December
	2016	2015
	US$'000	*US$'000*
0 – 60 days	**123,522**	199,355
61 – 90 days	**11,208**	552
Over 90 days	**47,233**	858
	181,963	200,765

Trade Payables

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting periods.

	As at	
	30 June 2016	31 December 2015
	US$'000	*US$'000*
0 – 60 days	**53,744**	88,154
61 – 90 days	**1,485**	140
Over 90 days	**2,180**	1,484
Total	**57,409**	89,778

The average credit period for purchases of goods was 35 days (31 December 2015: 40 days) for the six months ended 30 June 2016. The Group has financial risk management policies in place to ensure all payables are settled within the credit frame.

Financial Position

Non-current assets decreased from US$3,022.1 million as at 31 December 2015 to US$2,940.1 million as at 30 June 2016. It was mainly due to the depreciation charges for the six months ended 30 June 2016.

Current assets decreased from US$830.7 million as at 31 December 2015 to US$804.7 million as at 30 June 2016. It was mainly attributable to the decreased trade and other receivables, offset by the increased cash and bank deposits. The decreased trade receivables was mainly due to the faster settlement by major customers of the power projects in Korea, while the increase in cash and bank deposits was mainly attributable to the cash generated from operations.

Current liabilities decreased from US$488.3 million as at 31 December 2015 to US$357.5 million as at 30 June 2016, which was mainly due to the decreased trade and other payables, repayment of bank borrowings and loans from fellow subsidiaries during the six months ended 30 June 2016.

Non-current liabilities slightly increased from US$2,515.0 million as at 31 December 2015 to US$2,539.2 million as at 30 June 2016, which was mainly attributable to the increase in bank borrowings.

Bank Borrowings

The Group's total bank borrowings increased from US$1,650.6 million as at 31 December 2015 to US$1,669.9 million as at 30 June 2016. Details of bank borrowings are as follows:

	As at 30 June 2016 *US$'000*	As at 31 December 2015 *US$'000*
Secured	**1,490,043**	1,547,952
Unsecured	**179,845**	102,678
	1,669,888	1,650,630

The maturity profile of bank borrowings is as follows:

Within one year	**109,261**	114,024
More than one year but not exceeding two years	**120,679**	136,438
More than two years but not exceeding five years	**407,885**	370,845
Over five years	**1,032,063**	1,029,323
	1,669,888	1,650,630
Less: Amounts due for settlement within one year shown under current liabilities	**(109,261)**	(114,024)
Amounts due for settlement after one year	**1,560,627**	1,536,606

As at 30 June 2016, the Group had committed unutilised banking facilities of US$1,210.6 million.

Bond Payables

The Company issued bonds in an aggregate principal amount of US$350.0 million on 19 August 2013 priced at 99.686% of the principal amount that carries interest at 4% per annum and interest is payable semi-annually in arrears and will become mature on 19 August 2018, unless redeemed earlier. The carrying amount of the bond payables was US$354.3 million as at 30 June 2016.

Loans from Fellow Subsidiaries

Loan from China Clean Energy Development Limited, a fellow subsidiary of the Company, amounted to US$450.0 million as at 30 June 2016 and 31 December 2015, is unsecured, interest bearing at 4.5% per annum and repayable in 2025. It is shown as non-current liability as at 30 June 2016 and 31 December 2015.

Loans from CGN Finance, a fellow subsidiary of the Company, amounted to US$19.6 million as at 30 June 2016, decreased by US$92.3 million as compared to US$111.9 million as at 31 December 2015. The decrease is mainly due to repayment and bank borrowing refinancing during the current period. These loans from CGN Finance are unsecured, interest bearing from 4.37% per annum to 4.86% per annum. Among which US$5.4 million are loans repayable within one year and are shown as current liabilities as at 30 June 2016, while the remaining US$14.2 million is repayable in 2024 and is classified as non-current liability as at 30 June 2016.

During the six months ended 30 June 2016, US$8.4 million has been advanced from CGNPC Huasheng Investment Limited, a fellow subsidiary of the Company, which is unsecured, interest bearing at 4.75% per annum and repayable within one year. It is shown as current liability as at 30 June 2016.

Loan from an Intermediate Holding Company

Loan from CGNPC International Limited, an intermediate holding company of the Company, amounted to US$100.0 million as at 30 June 2016 and 31 December 2015. It is unsecured, interest bearing at 4.5% per annum and repayable in year 2025.

Capital Expenditures

The Group's capital expenditures increased by US$16.4 million to US$27.6 million in the first half of 2016 from US$11.2 million in the first half of 2015, mainly due to increased capital expenditures incurred by our wind power and solar power projects.

Contingent Liabilities

As at 30 June 2016 and 31 December 2015, the Group had no material contingent liabilities.

Pledged Assets

The Group pledged certain property, plant and equipment, trade receivables, land use rights and bank deposits for credit facilities granted to the Group. As at 30 June 2016, the total book value of the pledged assets amounted to US$1,265.0 million.

Employees and Remuneration Policy

As at 30 June 2016, the Group had about 1,728 full-time employees, the majority of which were based in China. The Group provides its employees with salaries and bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes.

Employees located in China are covered by the mandatory social security schemes required by local practice and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC law to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the respective regulatory requirements of each city. The PRC government is directly responsible for the payment of the benefits to these employees.

In Korea, the Group is required by law to contribute 4.5% of the employees' monthly average salaries for the national pension, 3.06% for national health insurance (6.55% of the national health insurance contribution for long term care insurance), 0.9% for unemployment insurance, 0.86% (Seoul Office)/0.76% (Yulchon)/0.76% (Daesan) for the industrial accident compensation insurance and 0.06% for a wage claim guarantee fund.

In Hong Kong, the Group participates in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Employees contribute 5.0% of their relevant income to the mandatory provident fund scheme and the Group contributes 10.0% of each employee's monthly base salary.

II. Industry Overview

Looking back the first half of 2016, newly installed capacity of China wind and solar power generation continued to keep a rapid increasing momentum. From January to June, newly commissioning installed capacity of wind and solar power amounted to 5.74 GW and 17.60 GW respectively, of which wind power decreased 0.77 GW and solar power increased 12.48 GW as compared with the same period last year. These indicate that the adjustment and development of China's power structure is accelerating, and that renewable energy has become the major driver for growth. However, it should be noted that given the electricity demand in China has slowed down, it is expected that competition among power generation companies will intensify in the second half of 2016.

With respect to the electricity market in China, according to the regular press conference held by the NDRC in July 2016, the total electricity consumption of China in the first half of 2016 grew steadily, with the structure being optimized constantly. The national electricity consumption was 2,775.9 TWh, which increased by 2.7% as compared to that of last year, the acceleration rate went up by 1.4% as compared to the same period last year. Clean energy power generation capacity continued its relatively fast growth. In the first half of the year, water supply from major hydropower stations of the country has improved, whereas hydropower and nuclear power generation increased by 13.4% and 24.9% respectively as compared to that of last year, and the thermal power generation decreased by 3.1% compared to that of last year.

With the deepening of power system reform and further implementation of the electricity reform supplementary document No.2 "Implementation Opinions on Facilitating the Construction of Power Market《關於推進電力市場建設的實施意見》" and supplementary document No.4 "Implementation Opinions on the Orderly Liberalization of the Electricity Consumption Plan《關於有序放開用電計劃的實施意見》", guarantee of dispatch priority over clean energy has been strengthened, and the balance of power and energy was guaranteed. Supplementary document No.5 "Implementation Opinions on Promoting the Reform on Selling Power《關於推進售電側改革的實施意見》" was well received by localities, power generation companies were able to increase the power generating capacity by participating in power trading activities such as direct power supply to major customers and delivery of power to other provinces. For the "Three-North" power restriction issue in China, the National Energy Administration issued various policies in the first half of 2016, such as the

"Guidance on Development of Guiding System on Exploration and Utilization Targets for Renewable Energy" 《關於建立可再生能源開發利用目標引導制度的指導意見》, the "Management Measures on Full Protective Acquisition of Renewable Energy Power Generation" 《可再生能源發電全額保障性收購管理辦法》, the "Reply on Approval of the Implementation of Pilot Program on Consumption and Inclusion of Renewable Energy Nearby in Gansu Province, Inner Mongolia Autonomous Region and Jilin Province" 《關於同意甘肅省、內蒙古自治區、吉林省開展可再生能源就近消納試點方案的復函》, the "Notice on Proper Implementation of Management Requirements on Full Protective Acquisition of Wind Power and Solar Power Generation" 《關於做好風電、光伏發電全額保障性收購管理工作有關要求的通知》, and the "Assessment System on Power Generation Quota for Non-hydro Renewable Energy of Coal-fired Thermal Power Units" 《燃煤火電機組非水可再生能源發電配額考核制度》, offering policy support on resolving the issue of consumption and inclusion of renewable energy for all provinces.

With respect to the foreign markets, the economy of Korea was affected by the downturn in global trade, and its economic growth has slowed down. Electricity demand was weak, commissioning of new power plants and operations of nuclear power plants has resumed. It is expected that the Reserve Margin of Korea will remain at high level in 2016, and the average system marginal price ("**SMP**") dropped from KRW101/kWh in 2015 to KRW79/kWh in the first half of 2016. However, in respect of the impact on earnings, the drop in SMP will be partially offset by the decrease in natural gas prices.

III. Business Review

The principal business of the Group is operated in the Chinese and Korean power markets with balanced regional operations. As of 30 June 2016, the operations in the PRC and Korea accounted for approximately 59.7% and 40.3% of our attributable installed capacity of 5,082.1 MW respectively. Additionally, our business in the PRC covers 9 provinces, an autonomous region and a municipality. The principal business of the Group involves various fuels. As of 30 June 2016, clean and renewable energy projects, namely wind, solar, gas-fired, hydro and fuel cell projects, accounted for approximately 65.2% of our attributable installed capacity, and conventional energy projects, namely coal-fired, oil-fired and cogen projects, accounted for approximately 34.8% of our attributable installed capacity.

The following table sets out items selected by us from results of the Group (by fuel type):

US$' million	Gas-fired projects	Coal-fired, cogen and steam projects	Oil-fired project	Hydro projects	Wind projects	Solar projects	Corporate	Total
For the six months ended 30 June 2016								
Revenue	347.4	92.2	11.8	20.5	63.2	18.8	11.8	565.7
Operating expenses	310.4	65.1	6.3	9.4	30.8	9.5	17.3	448.8
Operating profit	37.0	27.1	5.5	11.1	32.4	9.3	(5.5)	116.9
Profit for the period	17.7	34.9	3.7	8.6	13.3	4.6	(24.5)	58.3
Profit attributable to the owner of the Company	15.1	28.7	3.7	8.5	13.1	4.6	(24.5)	49.2
For the six months ended 30 June 2015								
Revenue	455.3	96.2	15.4	16.1	-	-	10.6	593.6
Operating expenses	399.8	71.4	10.3	9.3	-	-	16.6	507.4
Operating profit	55.5	24.8	5.1	6.8	-	-	(6.0)	86.2
Profit for the period	29.6	37.4	3.1	5.5	-	-	(14.4)	61.2
Profit attributable to the owner of the Company	26.7	31.6	3.1	5.5	-	-	(14.4)	52.5

The attributable installed capacity of the Group's power assets as at 30 June 2016 and 2015 by fuel type are set out as follows:

	30 June 2016 *(MW)*	30 June 2015 *(MW)*
Clean and renewable energy portfolio		
Wind	**1,201.2**	–
Solar	**198.3**	–
Gas-fired	**1,775.7**	1,770.7
Hydro	**137.3**	119.3
Subtotal	**3,312.5**	1,890.0
Conventional energy portfolio		
Coal-fired	**1,187.6**	1,187.6
Oil-fired	**507.0**	507.0
Cogen	**75.0**	75.0
Subtotal	**1,769.6**	1,769.6
Total attributable installed capacity	**5,082.1**	3,659.6

As of 30 June 2016, the attributable installed capacity of the Group's power plants reached 5,082.1 MW, representing an increase of 1,422.5 MW or 38.9% as compared with the first half of 2015. As of 30 June 2016, the Consolidated Installed Capacity of power plants of the Group reached 4,310.1 MW.

As CGN's sole global platform for the development and operation of non-nuclear clean and renewable power generation projects, the Group has the right to acquire CGN's non-nuclear power generation projects. In September 2015, the first asset injection was completed, and the attributable installed capacity of the Group increased by approximately 1,380 MW. The acquisition from CGN will allow the Company to add quality wind power and solar power assets to its portfolio on one hand, and, on the other hand, gain a solid foothold in the wind power and solar power generation sectors, which are in fast growth with strong government support in the PRC.

In respect of the Company's business development, a 18 MW Guangxi Fushi Hydro Project (Phase II) (adjacent to the existing 54 MW Guangxi Fushi Phase I Hydro Project site, as an expansion of Phase I), officially started on-grid connection and electricity generation in July 2015. In October 2015, the Group commenced commercial operation of the 5 MW Yulchon Fuel Cell Project (Phase III) in Korea.

The Shangyang Project located in Pingshan District of Shenzhen was invested, constructed and subsequently operated and managed by CGN Solar (Shenzhen) Company Limited, a wholly-owned subsidiary of the Company, with a total operating capacity of 2 MW, and was connected to the power grid and commenced power generation in January 2016. In April 2016, the Laoling Tieying Project of CGN Solar (Dezhou) Company Limited, a wholly-owned subsidiary of the Company located in Tieying Town, Laoling City, Dezhou, Shandong Province started on-grid connection and electricity generation with good efficiency, and the total installed capacity in operation reached 14.3 MW.

In the first half of 2016, the net electricity generated from the consolidated power generation projects of the Group reached 6,229.0 GWh, representing an increase of 31.2% compared with the first half of 2015. It was mainly attributable to the power generation contributed by our wind power and solar power projects. The total steam sold by the Group in the first half of 2016 amounted to 1,557,000 tons, representing an increase of 7.3% as compared with the first half of 2015.

Due to the cessation of supply of fuel to Weigang Power Project by its major fuel supplier, Weigang Power Project has ceased operation since the end of June 2016. The management is considering the possible arrangements arising from the cessation of operation, including without limitation the termination of the relevant agreements and the handling of other follow up matters in relation to the cessation.

The following table sets out the average utilization hour applicable to our power projects:

Average utilization hour by fuel type *(1)*

	For the six months ended 30 June	
	2016	2015
PRC Gas-fired Projects *(2)*	**705**	544
Korea Gas-fired Projects *(3)*	**2,503**	2,352
PRC Coal-fired Projects *(4)*	**1,762**	1,753
PRC Cogen Projects *(5)*	**3,051**	2,619
Korea Oil-fired Project *(6)*	–	13
PRC Hydro Projects *(7)*	**2,123**	1,801
PRC Wind Projects *(8)*	**757**	–
PRC Solar Projects *(9)*	**702**	–

Notes:

(1) Average utilization hour is the gross electricity generated in a specified period divided by the average installed capacity in the same period.

(2) Average utilization hour for the PRC gas-fired projects increased mainly due to higher local demand at Hanneng Power Project.

(3) Our Korea gas-fired power projects had higher utilization hour in the first half of 2016 mainly due to higher demand for our Yulchon I Power Project.

(4) Average utilization hour for the PRC coal-fired projects in the first half of 2016 remained stable as compared to last year.

(5) Average utilization hour for the PRC cogen projects increased, it was in line with the increase in steam production in the first half of 2016.

(6) Our Korea oil-fired power project (i.e. Daesan I Power Project) is a peaking plant and had no power generation during the period due to the high Reserve Margin in Korea.

(7) Average utilization hour for the PRC Hydro projects increased mainly due to the increased rainfall in the Guangxi Province.

(8) Average utilization hour for the first half of 2016 for the PRC wind projects was 757. Average utilization hours for the PRC wind projects operating in the Shandong province, the Zhejiang province and the Gansu provice were 1,107, 996 and 617, respectively in the first half of 2016.

(9) Average utilization hour for the first half of 2016 for the PRC solar projects was 702. Average utilization hours for the PRC solar projects operating in the western region (Dunhuang I/II, Jinta, Xitieshan I/II/III, Wulan) and the eastern region (Jiaxing, Airport I/II, Shangyang, Laoling Tieying) of the PRC were 774 and 428, respectively in the first half of 2016.

The table below sets out the weighted average tariffs (inclusive of value-added tax ("**VAT**")) applicable to our projects in the PRC and Korea for the periods indicated:

Weighted average tariff (inclusive of VAT) *(1)*

		For the six months ended 30 June	
	Unit	**2016**	2015
PRC Gas-fired Projects	RMB per kWh	**0.53**	0.53
Korea Gas-fired Projects *(2)*	KRW per kWh	**97.21**	133.11
PRC Coal-fired Projects *(3)*	RMB per kWh	**0.43**	0.49
PRC Cogen Projects *(4)*	RMB per kWh	**0.45**	0.49
Korea Oil-fired Project	KRW per kWh	**–**	339.51
PRC Hydro Projects	RMB per kWh	**0.39**	0.38
PRC Wind Projects	RMB per kWh	**0.56**	–
PRC Solar Projects	RMB per kWh	**1.10**	–
Weighted average tariff – steam (inclusive of VAT)			
PRC Cogen Projects *(5)*	RMB per ton	**168.43**	178.14

Notes:

(1) The weighted average tariffs are affected not only by the change in the tariff for each project but also the change in net power generation for each project.

(2) The weighted average tariff for Korea gas-fired projects includes the tariff for the 15.4 MW fuel cell projects owned by Yulchon I Power Project. The weighted average tariff for Korea gas-fired projects decreased in the first half of 2016 which was in line with the decrease in Korea gas price and market demand.

(3) The weighted average tariff for the PRC coal-fired and PRC cogen projects decreased in the first half of 2016 since there have been national on-grid tariff downward adjustments directed by the NDRC in May 2015 and January 2016.

(4) The weighted average tariff for our PRC cogen projects excludes steam tariff.

(5) The weighted average tariff-steam decreased in the first half of 2016 was in line with the decrease in PRC coal price.

The following table sets out the weighted average gas, standard coal and oil prices (inclusive of VAT) applicable to our projects in the PRC and Korea for the periods indicated:

		For the six months ended 30 June	
	Unit	**2016**	2015
PRC weighted average gas price *(1) (2) (3)*	RMB per normal cubic meter (“**Nm^3**”)	**2.10**	2.72
PRC weighted average standard coal price *(1) (4)*	RMB per ton	**459**	560
Korea weighted average gas price *(1) (5)*	KRW per Nm^3	**476**	631
Korea average oil price *(6)*	KRW per liter	**–**	1,455

Notes:

(1) The weighted average standard coal prices and the weighted average gas prices are weighted based on the consumption of gas or coal in each applicable period.

(2) The PRC weighted average gas price excludes the gas price for Weigang Power Project, which exclusively uses blast furnace gas.

(3) Our PRC weighted average gas price in the first half of 2016 decreased compared to the first half of 2015 mainly due to the directive issued by the NDRC to decrease gas prices at gate stations by RMB0.35 per Nm^3 in December 2015, with effect from 20 November 2015.

(4) The PRC weighted average standard coal price in the first half of 2016 decreased compared to the first half of 2015 due to a general weakness in demand.

(5) Our Korea weighted average gas price in the first half of 2016 decreased compared to the first half of 2015 due to decreases in market gas prices, as indicated by the Japanese Crude Cocktail, a measurement of average prices of crude oil imported into Japan and an important determinant of natural gas prices in Korean markets. Yulchon I Power Project power purchase agreement (“PPA”) allows us to contractually incorporate fuel cost fluctuations in the tariff charged to our customers.

(6) We only purchase oil in Korea to supply Daesan I Power Project. There is no power generation during the first half of 2016.

IV. Risk Factors and Management

Risks Relating to the Industry

Our power projects are located in the PRC and Korea, both of which have undergone, and may continue to undergo, regulatory changes. Governmental regulations affect all aspects of our power project operations, including the amount and timing of electricity generation, the setting of tariffs, compliance with power grid controls, dispatch directives and environmental protection. Regulatory changes in the PRC and Korea can affect, among other things, dispatch policies, clean and renewable energy and environmental compliance policies and tariffs, and may result in a change of tariff setting procedures or mandatory installation of costly equipment and technologies to reduce environmental pollutants.

Further, the solar power projects are highly dependent on solar illumination conditions, and the wind power projects are dependent particularly on wind conditions. Extreme wind or weather conditions could lead to downtime of the wind power projects. Illumination conditions and wind conditions vary across seasons and locations, and could be unpredictable and are out of our control.

Risk Relating to Fuel Cost

The non-renewable energy power projects of the Group require supplies of coal, oil and gas as fuel. Fuel costs represent a significant portion of our operating expenses and the operating expenses of our associates. The extent to which our profit is ultimately affected by the cost of fuel depends on our ability to pass through fuel costs to our customers as set out under the relevant regulatory guidelines and the terms of our PPA for a particular project, as we currently do not hedge our exposure to fuel price fluctuations. Our fuel costs are also affected by the volume of electricity generated because the coal consumption rate of coal-fired and cogen power projects decrease when we generate more electricity as a result of economies of scale. In the PRC, government tariff regulations limit our ability to pass through changes in fuel costs. In Korea, while our Yulchon I Power Project is able to pass through our exposure to fuel price fluctuations through fuel cost pass through provisions in the tariff formula, our Yulchon II Power Project and Daesan I Power Project receive payments based on the SMP, which is influenced by market demand and supply, and may not fully reflect the power plants' respective fuel price fluctuations. Our diversified generation portfolio enables us to diversify the risks that we would face to utilize a single resource for electricity generation. In particular, our exposure to several fuel types mitigates risks such as price increases in or the availability of any particular fuel source.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our debt with floating interest rates based on market prevailing rates. We undertake debt obligations to support asset acquisition and general corporate purposes including capital expenditures and working capital needs. Certain of our indebtedness is calculated in accordance with floating interest rate or interest that are subject to adjustment by our lenders. We periodically review the ratio of debt with floating interest rates to debt with fixed rates, taking into account the potential impact on our profit, interest coverage and cash flows.

Foreign Exchange Risk

The functional currency of the Company is U.S. dollars, and our reportable profit is affected by fluctuations in foreign currency exchange rates. We collect most of our revenue from our projects in Renminbi and Korean Won, some of which are converted into foreign currencies to (1) purchase foreign-made equipment and parts for repair and maintenance, (2) make investments in certain joint ventures or acquire interests from other companies, (3) pay out dividends to the shareholders of our project companies, and (4) service our outstanding debt. By managing and monitoring the risks of foreign currency, we ensure that appropriate measures are adopted effectively in a timely manner. We have in the past and may in the future enter into foreign currency hedges if and when it becomes economical to do so.

V. Prospects

It is expected that in the second half of 2016, the fundamental aspects of China's power market development will remain unchanged, whereas China will continue to accelerate the structural adjustment within the industry, and the newly installed capacity of wind power and solar energy will maintain a relatively fast growth. At the same time, the northern regions will still face serious power restriction problems. However, with the implementation of the "Management Measures on Full Protective Acquisition of Renewable Energy Power Generation"《可再生能源發電全額保障性收購管理辦法》, it is expected that the power restrictions of certain areas such as Gansu will be eased to some extent. In the long run, the energy transformation trend characterized by vigorous development of new energy is unalterable. China's determination to develop renewable energy is firm and persisting. According to the relevant long-term plan, in the year 2030, China's installed capacity of solar energy and wind power are expected to reach the goal of "300 GW and 500 GW" respectively, the prospect of development is encouraging. In general, the Company believes there are more opportunities than challenges for the wind and solar power businesses.

In the future, to cope with the challenges including changes in the macroeconomic and energy development situations, as well as the downward trends of electricity price and utilization hours, power restriction, exchange rate etc., the Company will maintain its excellent operational management, continue to stabilize the Chinese and Korean markets. As CGN's sole global platform for the development and operation of non-nuclear clean and renewable power generation projects, the Group will continue to develop its own greenfield and brownfield projects and will continue to seek for acquisition opportunities in relation to other clean and renewable power generation projects. At the same time, we will continuously acquire clean and renewable power generation projects from CGN continuously, so as to further expand our market share, and strive to become one of the independent clean and renewable power producers with leading profitability in Asia.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to 30 June 2016, an subsidiary indirect wholly-owned subsidiary of the Company has entered into a sale and purchase agreement with an independent third party under which the subsidiary agrees to dispose the entire equity interest of Sichuan Hexie Electric Power Co., Ltd., ("**Hexie Company**"), an indirect wholly-owned subsidiary of the Company, at a consideration of RMB220.10 million (equivalent to US$33.45 million). The net proceeds after estimated tax is RMB208.1 million (equivalent to US$31.6 million). The net asset value of Hexie Company as at 30 June 2016 was approximately US$17.92 million. Based on the financial information for the six months ended 30 June 2016 with the release of foreign currency translation reserve of US$5.5 million, the unaudited gain on disposal will be approximately US$19.17 million. The disposal is expected to be completed by the end of 2016.

With effect from 12 July 2016, Mr. Chen Sui has been re-designated from an executive Director to a non-executive Director while remaining as the chairman of the Board, the chairman of the nomination committee of the Company and a member of the strategy development committee of the Company (the "**Strategy Development Committee**"); Mr. Chen Qiming has resigned as a non-executive Director and a member of the Strategy Development Committee; and Mr. Wu Junfeng has been appointed as a non-executive Director and a member of the Strategy Development Committee.

USE OF PROCEEDS

The Company was listed on the Main Board of the Stock Exchange on 3 October 2014. Net proceeds from the global offering (including the proceeds from the exercise of the over-allotment option) were approximately HK$1,966.1 million (after deducting the underwriting fees and commissions and other listing-related expenses). As at 30 June 2016, the unutilised proceeds of approximately HK$579.3 million were kept in current accounts with banks.

Use of net proceeds from global offering

	Percentage to total amount	Net proceeds	Utilised amount (up to 30 June 2016)	Unutilised amount (up to 30 June 2016)
		(HK$ million)	*(HK$ million)*	*(HK$ million)*
Acquisition of clean and renewable power projects from CGN, the parent company of the Company	70%	1,376.3	1,376.3	–
Acquisition of operational power projects and development of greenfield projects acquired from independent third parties	30%	589.8	10.5	579.3
		1,966.1	1,386.8	579.3

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2016, the Company has complied with all the code provisions of the Corporate Governance Code.

COMPLIANCE WITH MODEL CODE

The Company has adopted its own Code for Securities Transactions by Directors (the "**Code**"), the stipulations of which are no less exacting than those set out in the Model Code, as a code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with the Directors, and all Directors confirmed in writing that they have complied with the required standards in respect of securities transactions by the Directors set out in the Model Code and the Code during the six months ended 30 June 2016.

REVIEW OF INTERIM RESULTS

The Group's unaudited consolidated interim financial report for the six months ended 30 June 2016 has been reviewed by the audit committee of the Company.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2016.

DEFINITIONS

"Board"	the board of Directors
"CGN"	China General Nuclear Power Corporation, Ltd.（中國廣核集團有限公司）, a state-owned enterprise established in the PRC and a controlling shareholder of the Company
"CGN Finance"	CGN Finance Co., Ltd.（中廣核財務有限責任公司）, a company established in the PRC with limited liability and a wholly-owned subsidiary of CGN
"CGNPC Huamei"	CGNPC Huamei Investment Limited（中廣核華美投資有限公司）, an indirectly wholly-owned subsidiary of CGN incorporated in Hong Kong with limited liability and the immediate shareholder of the Company
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	CGN New Energy Holdings Co., Ltd., a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

"Consolidated Installed Capacity"	the aggregate installed capacity of our project companies that we fully consolidated in our consolidated financial statements only. It is calculated by including 100% of the installed capacity of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated Installed Capacity does not include the capacity of our associated companies
"Corporate Governance Code"	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
"Daesan I Power Project"	a 507.0 MW oil-fired project in Korea
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries from time to time
"GW"	gigawatt, equal to one million kilowatts
"GWh"	gigawatt-hour, or one million kilowatt-hours. GWh is typically used as a measure for the annual energy production of large power projects
"Hanneng Power Project"	a 176.5 MW gas-fired project in Hubei, the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Korea"	the Republic of Korea
"KRW"	Korean Won, the lawful currency of the Republic of Korea
"kWh"	kilowatt-hour, the standard unit of energy used in the power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour

“Listing”	the listing of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“MW”	megawatt, or one million watts. The installed capacity of power projects is generally expressed in terms of MW
“NDRC”	National Development and Reform Commission of the PRC
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, The Macau Special Administrative Region of the PRC and Taiwan
“Reserve Margin”	the available electricity generation capacity minus the peak electricity demand level divided by the peak electricity demand level
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK$0.0001 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TWh”	terawatt-hour, or one million megawatt-hours. TWh is typically used as a measure for the annual energy production of a region or a country
“US$”	United States dollars, the lawful currency of the United States

"Weigang Power Project"	a 50.0 MW blast furnace gas-fired project in Shanghai, the PRC
"Yulchon I Power Project"	a 592.8 MW gas-fired project in Korea
"Yulchon II Power Project"	a 946.3 MW gas-fired project in Korea
"%"	per cent.

By Order of the Board
CGN New Energy Holdings Co., Ltd.
Lin Jian
President and Executive Director

Hong Kong, 17 August 2016

As at the date of this announcement, the Board comprises eleven Directors, namely:

Chairman and non-executive Director	:	*Mr. Chen Sui*
President and executive Director	:	*Mr. Lin Jian*
Non-executive Directors	:	*Mr. Xu Yuan, Mr. Yin Engang, Mr. Dai Honggang, Mr. Wu Junfeng and Mr. Xing Ping*
Independent non-executive Directors	:	*Mr. Leung Chi Ching Frederick, Mr. Fan Ren Da Anthony, Mr. Wang Susheng and Mr. Zhang Dongxiao*