



Sustainable Development Report



It is never easy to make a change. You need to break the limitations of past successes, force yourself out of your comfort zone, escape old ways of thinking and reinvent a new paradigm. Change takes courage because it is always an uneasy and painful process accompanied with twists and turns.

Looking back at the development of China Resources Power Holdings Company Limited ("CR Power" or the "Company"), every transformation and leap forward is the result of its dream and courage to break through and embrace reforms. Thanks to changes, we have evolved from a small business with only two 300 MW coal-fired power generation units to a diversified enterprise engaged in thermal power, wind power, hydropower, photovoltaic power generation, distributed energy resources (DER) and coal. We entered the electricity retail business and expanded our footprints in the global market. We can only unleash new vitality by pushing ourselves to limits and running ahead of time.

Change represents not only self-imposed requirements but also hope for the society and future. Amid rapid expansion, we also seek to positively impact the world, by making it cleaner and more beautiful filled with trust and love.

With innovative transformation toward green development, together with you and all other stakeholders of the Company, we strive to make this world better to live in.

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About the Report

Report quality assurance measures

The report was prepared with reference to such standards as the GRI Sustainable Development Reporting Guidelines (G4) issued by the Global Reporting Initiative (GRI), the China CSR Reporting Guidelines (CASS-CSR3.0) issued by the Chinese Academy of Social Sciences, the Environmental, Social and Governance Reporting Guide (HK-ESG Guide) issued by the Stock Exchange of Hong Kong Limited ("HKEX"), among other standards, and the Social Responsibility Management Approach for China Resources.

About the report

This report is the sixth annual sustainable development report issued by CR Power and it primarily covers the period from January 1st, 2016, to December 31st, 2016 (part of the content is beyond this period). The operational data in this report was sourced from the Company's annual report, while other data was sourced from the Company's internal documents and statistical information system. The currencies involved in the report are all expressed in renminbi ("RMB") unless otherwise specified as HK dollars ("HKD").

The report was prepared with reference to the GRI Sustainable Development Reporting Guidelines (G4) issued by the Global Reporting Initiative (GRI), the China CSR Reporting Guidelines (CASS-CSR3.0) issued by the Chinese Academy of Social Sciences, the Environmental, Social and Governance Reporting Guide (HK-ESG Guide) issued by the HKEX, among other standards, and the Social Responsibility Management Approach for China Resources.

Report boundaries

The report covers China Resources Power Holdings Co., Ltd., and its affiliated Companies (refer to "About Us" for organizational structure). In the main body of this report, "we", "the Company" and "CR Power" all refer to "China Resources Power Holdings Co., Ltd., and its affiliated companies".

We have engaged a third party to perform an independent limited assurance of three major pollutant emission rates and two environmental performance rates. The scope includes all the coal-fired power plants that are wholly-owned, controlled and managed by CR Power as well as in operation in 2016 (as identified by Δ and refer to Page 13 for details).

Reporting system

The Company's social responsibility is disclosed in two main forms: information about the Company's annual economic responsibility, environmental responsibility and social responsibility via an annual performance report and sustainable development report; and the Company's daily information in the special column on the Company's website (http://www.cr-power.com/duty/zrgl) or disclosure of the Company's CSR philosophy and innovative practices via the Company official WeChat Page.

Contact

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Report Authentication



羅兵咸永道

Independent practitioner's limited assurance report To the board of directors of China Resources Power Holdings Company Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information of China Resources Power Holdings Company Limited (the "Company") listed below and identified with a * on pages 100 to 101 in the Company's sustainability report for the year ended 31 December 2016 (the "2016 sustainability report") (the "Identified Sustainability Information").

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31 December 2016 is summarised below:

- Sulphur Dioxide (SO₂) emission rate (g/kWh)
- Nitrogen Oxides (NO_x) emission rate (g/kWh)
- Particulates emission rate (g/kWh)
- Installation rate of desulfurization device in coal-fired thermal power plants (%)
- Installation rate of denitrification device in coal-fired thermal power plants (%)

Our assurance was with respect to the year ended 31 December 2016 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2016 sustainability report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in the "Note 3" of subsection "Key Performance Indicators" in the section "Appendices" on pages 100 to 101 of the 2016 sustainability report (the "Criteria").

The Company's Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made appropriate inquiries of management of the Company and its subsidiaries;
- Assessed the design of critical process and control for collecting and reporting the Identified Sustainability Information;
- Undertook limited analytical procedures over the Identified Sustainability Information
- Reviewed relevant supporting information and documents for Identified Sustainability Information provided by management; and
- Did not perform any testing on the CEMS system of the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the year ended 31 December 2016 is not prepared, in all material respects, in accordance with the Criteria.

Our report has been prepared for and only for the board of directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

anotherhouse Cooper.

PricewaterhouseCoopers Certified Public Accountants Hong Kong, 3 July 2017



President's Address



Ambition and perseverance are the wings of our career. The year 2017 is crucial for implementing China's 13th Five-year Plan, and also a key point for CR Power to transform toward innovative, green development. Despite daunting challenges in the macro-environment, new opportunities remain out there. We will stay true to our mission and make continuous innovation and progress at right times together with all stakeholders. All in all, we are committed to becoming a reliable global provider of integrated resource services preferred by customers.

- Hu Min, President, China Resources Power

2016 marks the first year of the 13th Five-Year Plan. As domestic economic development enters a new normal, we will follow national strategies on energy development, and stick to the ideas of "innovation, environmental protection, coordination, opening and sharing" by actively adjusting the overall development and business strategies, innovate the business model, and advance reforms in management and control. We need to optimise the asset structure, strengthen risk control and compliance management, and reinforce lean management to improve operational efficiency. The combined adverse impact from the country's declining power generation utilization hours, lower electricity tariffs and rising coal prices, CR Power largely accomplished its annual goals and outperformed the market. We reported an annual turnover of HK\$66.2 billion, and a net profit of HK\$7.7 billion, and paid RMB 9.31 billion in taxes to the central government. In 2016, we were listed among Platts Top 250 Global Energy Companies and Forbes Annual Global 2000: The World's Biggest Public Companies for ten consecutive years.

Our commitment to social responsibility not only meets the requirements of the government, but also sets a critical foundation for our sustainable development. To promote sustainable development, we work to enhance the management and practice of social responsibility by incorporating it into individual tasks of strategic decision-making, function management and cultural development, and through all levels of the hierarchy. The efforts have produced fruitful results, winning wide recognized for its good corporate image as was awarded Power Utility of the Year – China at 2016 Asian Power Awards, Hong Kong Green Awards, and recognized as a top 20 performer in the Hong Kong Business Sustainability Index (HKBSI).

Scale merit. As the entrusted operator of state-owned assets and shareholders' equity, it is our inherent duty to preserve and create value for the state-owned assets. We adhere to strategic guidelines in facilitating a market-oriented and rationally distributed approach in controlling the steady growth of our installed capacity in power generation. Under the "One Mine One Policy" and the "lean and fit" initiative to reduce excess capacity, we optimised our coal asset for better quality and higher efficiency. In response to the push from the government, we rapidly kicked off our electricity retail business, explored areas for international development, discovered new stream for profit growth, and realized the transformation from a power generator to an integrated provider of energy services. At the same time, we carried out lean management and benchmarking management, and increased input into technological development and transformation. In this way, we improved unit efficiency, and technical-economic indicators including power supply and net generation standard coal consumption rate. Despite an overall decline in the stock price of power generation enterprises in 2016, CR Power has maintained satisfactory results with its share price outperforming the industry average.

Accelerate clean energy development. In recent years, issues like environmental pollution and air quality have become common concerns for the public. Coal-fired power generation is facing more and more austere challenges.

We are committed to green development. To this end, we strive for resources conservation and environmental protection, and have accelerated in the development of clean energy. In 2016, the newly installed capacity of renewable projects was more than 1,000 MW, and grid-connected attributable installed capacity of wind power exceeded 5,000 MW, and clean energy accounted for 14.1% of the total attributable installed capacity, a YTY growth of 0.8 percentage point. We stepped up transformation for energy conservation and emission reduction. In the past year, 24 coal-fired units completed transformation for ultra-low emission, and brought the total number of transformed units to 49, accounting for 78% of attributable installed capacity of our subsidiary power plants, far higher than the industry average. The emission indicator of air pollutants was further improved. We also sought for innovative business model, e.g. developing technologies like biomass coupling, sludge coupling and recycle of urban waste for hazard-free treatment, reduction and recycle of urban solid waste. Thanks to these efforts, we delivered on our social responsibility while maintaining profitability.

Build a harmonious society. Our rapid quality growth is not possible without the continuous support and help of the government, the public and all stakeholders. As a responsible corporate citizen, we will intensify our efforts to work closely with parties concerned for a harmonious, beautiful China. We stick to the values of integrity and enhance corporate governance to create sustainable value for shareholders. We perform our responsibilities to the government, run our business adhering to applicable laws and regulations, and create more jobs for the public. We value strategic cooperation and fair competition, and drive our value chain partners to perform their social responsibilities, thus realizing mutually-beneficial cooperation. We are concerned about occupational development, spiritual and cultural demands of employees, and adopt a series of measures in rights protection, training and growth, living, subsistence support and cultural construction to build a harmonious, motivated workforce. CR Power is also actively involved in public benefits. We have carried out programs in the provision of student loans, poverty relief, disaster relief, environmental protection and infrastructure construction, and participate in projects initiated by China Resources Group to build hope towns in impoverished areas. CR Power is estimated to contribute about RMB 95.52 million in this respect a year.

Enhance communication over responsibility. Timely and effective communication and sufficient mutual understanding with the public and stakeholders are of vital significance for CR Power's healthy development especially when we are entering the information age. We continue to communicate with all parties via meetings, reports, new media, and e-mail on a regular or occasional basis. Beyond that, we also host "Open Days" at our power plants. All walks of life and different groups are invited to visit our plants. We are openly willing to accept the public scrutiny on our responsibility performance. This event will be normalized as an effective mechanism. In 2016, "Hong Kong Youth Students Supervise Social Responsibility of CR Power" and "Green Plant Open Month for First-hand Experience" were launched in 24 of our power plants across China. More than 1,000 public representatives from enterprises, governmental authorities, citizens, NGOs, media, students, and watchdog agencies came to the power plants for a close-up understanding and experience of green development of CR Power. In 2016, we hosted more than 60 Open Days, with increasing recognition and support from the public.

Our sustainable development report has grown into an important channel of communication between us and stakeholders in recent years. Years of continuous improvement have driven up the quality of our report, which, for the first time, was marked as "Five Star (Excellent)" by the Research Centre for Corporate Social Responsibility at the Chinese Academy of Social Sciences. This seventh annual report aims to present CR Power's ideas, measures and results in performing its economic, environmental and social responsibility in an objective, all-rounded and well-targeted manner. To enhance the awareness of all units to emphasise social responsibility and deliver a quality report, CR Power convened the first working conference on social responsibility. The management team, general managers of all regions, heads of social responsibility at all levels, and material preparation personnel gathered together for specialised lecturing by experts invited from the Chinese Academy of Social Sciences, Tsinghua University, SynTao, Chalco, our independent consultant, and CR Group. The conference further prepares us for social responsibility management & practice and promotes 2017 report preparation.

Ambition and perseverance are the wings of our career. The year 2017 is crucial for implementing China's 13th Five-year Plan, and also a key point for CR Power to transform toward innovative, green development. Despite daunting challenges in the macroenvironment, new opportunities remain out there. We will stay true to our mission and make continuous innovation and progress at right times together with all stakeholders. All in all, we are committed to becoming a reliable global provider of integrated resource services preferred by customers.

July 2017

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About Us

General Information

China Resources Power Holdings Co., Ltd., was founded in August 2001 and was listed on the Main Board of the Hong Kong Stock Exchange in November 2003. CR Power was later incorporated as one of the constituent stocks on the Hang Seng Index in June 2009. The Company is a flagship Hong Kong listed company of China Resources (Holdings) Co., Ltd. ("CR Holdings"), and is one of the most efficient integrated energy companies in China. Its business mainly covers thermal power, wind power, hydropower, distributed energy, photovoltaic power generation, and coal.

As at the end of 2016, CR Power's total assets amounted to HK\$200.1 billion and attributable installed capacity for power generation amounted to 36,184MW covering 21 provinces, municipalities and autonomous regions. CR Power was elected for the 10th time, one of the Platts Top 250 Global Energy Companies and Global 2000 by Forbes for Largest Public Companies, ranking 53rd and 674th respectively.



















About Us

Business Distribution

As at the end of 2016, CR Power's total assets amounted to HK\$200.1 billion, with investments covering 21 provinces, municipalities and autonomous regions including Jiangsu, Henan, Hebei, Liaoning, Heilongjiang, Shanxi, Shandong, Inner Mongolia, Hunan, Hubei, Anhui, Zhejiang, Yunnan, Guizhou, Sichuan, Gansu, Guangdong, Guangxi and Beijing.



Wind power, hydropower, photovoltaic power, gas-fired power

🕞 Coal mine

Hebei

Cangzhou (2 × 330MW) Δ Caofeidian (2 × 300MW) Δ Hengfeng (2 × 300MW) Hengxing (2 × 300MW) Tangshan Fengrun (2 × 350MW) Δ Bohai New Area (2 × 350MW) Δ Chengde Weichang Wind Power (46.5MW) Chengde Weichang Wind Power (151.5MW) Chengde Yudaokou Wind Power (151.5MW) Caofeidian Phase II (2 × 1000MW) Mulan Weichang Wind Power (15MW)

🗌 Gansu

Guazhou Wind Power (201MW) Huanxian Wind Power (40MW) Huanxian Wind Power (10MW)

🛛 Qinghai

Delingha PV Power (20MW)

Shanxi

Datong Wind Power (198MW) Datong Guangling Wind Power (50MW) Datong Yanggao Wind Power (49.5MW) Datong Shengquan Wind Power (49.5MW) Datong Changcheng Wind Power (49.5MW) Tianzhen PV Power (20MW) Xinrong PV Power (20MW) Linfen Wind Power (50.5MW) Xinzhou Wind Power (97.5MW) Linfen Wind Power (46.5MW) Xinzhou Wind Power (22.5MW) Guxian Wind Power (19.5MW) Shanxi China Resources Taiyuan China Resources China Resources Liansheng

Henan

Shouyangshan (2 × 600MW) Δ Luoyang (2 × 50MW) Δ Dengfeng (2 × 320MW) Δ Dengfeng Phase II (2 × 600MW) Δ Gucheng (2 × 300MW) Δ Biyang Wind Power (65MW) Biyang Zhongxiang Wind Power (39MW) Jiaozuo Longyuan (2 × 660MW) Δ Biyang Pangu Wind Power (49MW) Biyang Zhongxiang Wind Power (14MW) Yonghua Coal

📮 Inner Mongolia

Dengkou (2×300MW) ∆ Bayinxile Wind Power (99MW) Ulanqab Wind Power (49.5MW) Ulanqab Bayin Wind Power (49.5MW) Ulanqab Hongmu Wind Power (49.5MW) Manchuria Wind Power (49.5MW) Manchuria Wind Power Phase II (49.5MW) Wujianfang (2×660MW)

Heilongjiang

Jiamusi Jianshan Wind Power (43.5MW) Fujin Wind Power (50MW) Tailai PV Power (20MW)

📮 Liaoning

Shenhai (3 × 200MW) Δ Panjin (2 × 350MW) Δ Jianping Wind Power (99MW) Fuxin Wind Power (99MW) Fuxin Wind Power (99MW) Beipiao Wind Power (198.1MW) Jinzhou Wind Power (48MW) Linghai Wind Power (48MW) Linghai Wind Power (1.5MW)

📮 Yunnan

Red River Hydropower (210MW) Zhaotong PV Power (20MW)

Sichuan Yazuihe Hydropower (260MW)

razulile Hydropower (20010100)

🖵 Guizhou

Guizhou Liuzhi (2 × 660MW) Jinping Wind Power (32MW) Liping Wind Power (50MW) Jianhe Wind Power (97.5MW) Liping Wind Power (164MW)

🖵 Guangxi

Hezhou (2 × 1000MW) Δ Rongxian Wind Power (48MW) Rongxian Wind Power (40MW)

📙 Hunan

Liyujiang A (2×300MW) Δ Liyujiang B (2×650MW) Δ Lianyuan (2×300MW) Δ Linwu Wind Power (68MW) Hunan Coal

lianyuan Coa

📮 Hubei

Hubei (2 × 300MW) Δ Hubei Phase II (2 × 1000MW) Δ Yichang (2 × 350MW) Δ Suizhou Fengming Wind Power (49.5MW) Suizhou Wind Power (76.8MW) Zaoyang Wind Power (76.8MW) Zaoyang Wind Power (50MW) Yicheng Wind Power (50MW) Suixian Tianhekou Wind Power (85.5MW) Zaoyang Wind Power (20MW) Haiyuan Wind Power (212MW)

🖵 Jiangxi

De'an Wind Power (48MW)

📮 Zhejiang

Wenzhou Telulai (2 × 300MW) Cangnan (2 × 1000MW) Δ

Guangdong

Xingning (2 \times 135MW) Δ Guangzhou Thermal Power (2 \times 300MW) Δ Haifeng (2 × 1000MW) Δ Dannan Wind Power (24MW) Shantou Wind Power (29.3MW) Chaonan Wind Power (155.9MW) Shantou Haojiang Wind Power (18MW) Huilai Wind Power (37.5MW) Huilai Zhoutian Wind Power (5MW) Yangjiang Wind Power (89.8MW) Yangjiang Wind Power Phase II (45.5MW) Lianzhou Wind Power (100MW) Lianzhou Quanshui Wind Power (84MW) Xinyi Wind Power (39MW) Lufeng Wind Power (66MW) Huilai Wind Power (36MW) Lianzhou Wind Power (6MW) Xuwen Wind Power (50MW)

Shandong

Heze (2 × 600MW) Δ Weihai Wind Power (49.8MW) Weihai Huancui Wind Power (49.8MW) Oingdao Wind Power (99.8MW) Wulian Wind Power (100MW) Juxian Wind Power (100MW) Rizhao Wind Power (48.6MW) Jining Wind Power (49.5MW) Zoucheng Wind Power (44MW) Yantai Wind Power (48MW) Yantai Penglai Wind Power (46.6MW) Daliuhang Wind Power (49.8MW) Daxindian Wind Power (49 8MW) Haiyang Wind Power (34MW) Linvi Wind Power (78MW) Dongying Wind Power (100MW) Linyi Wind Power (22MW) Haiyang Wind Power (16MW)

📮 Jiangsu

Changshu (3 × 650MW) Δ Huaxin (2 × 330MW) Δ Yixing (2 × 60MW) Δ Xuzhou Phase I and II (4 × 320MW) Δ Xuzhou Phase III (2 × 1000MW) Δ Nanjing Banqiao (2 × 330MW) Δ Nanjing Thermal Power (2 × 600MW) Δ Nanjing Thermal Power (2 × 600MW) Δ Nanjing Chemical Industry Park (2×55MW) Δ Nanjing Chemical Industry Park (2×55MW) Δ Nanjing Chemical Industry Park Phase II (2×300MW) Δ Zhenjiang (2×630+2×140MW) Δ Yangzhou No.2 Plant (2×630MW) Changzhou (2 × 630MW) Nantong Wind Power (59.5MW) Changzhou Distributed Gas-fired (108.3MW) Nantong Wind Power (6MW)

📮 Beijing

Beijing Thermal Power (2×75MW)

📮 Anhui

Fuyang (2 × 640MW) Δ

Tibet

Jiangzi PV Power (20MW)

\Box Operating Power Plants / field

Construction of Power Plants / field

Productive coal mines

About Us

Corporate Governance

The Board of Directors of CR Power (the "Board") is the ultimate decision-making body responsible for improving the Company's management systems and maintaining high-level governance standards. The Board takes ultimate responsibility for the Company's strategic planning, business operations and business performance.

The Board administers the Audit and Risk Committee, Nomination Committee, Remuneration Committee and Sustainability Committee, with 10 directors in total including 4 executive directors, 2 non-executive directors, and 4 independent nonexecutive directors. There are 3 female directors who account for 30% of the total number of directors. The independent non-executive directors serve as chairpersons of the Sustainability Committee, Audit and Risk Committee and Remuneration Committee and report to the Board of Directors regularly to give advice on matters under discussion. In 2016, a total of 5 meetings were held by the Board of Directors.



Governance Structure

Board Members



Madam Zhou Junqing

Executive Director Chairman of the Board



мг. Ge Changxin

Executive Director Vice-Chairman of the Board



Mr. Hu Min Executive Director

President



мs. Wang Xiao Bin

Executive Director CFO & Corporate Secretary



Mr. Chen Ying



Mr. Wang Yan



Mr. Ma Chiu Cheung, Andrew

> Independent Non-executive Director



мs. Leung Oi-sie, Elsie

Independent Non-executive Director



Mr. Ch'ien Kuo-fung, Raymond

> Independent Non-executive Director



мг. So Chak Kwong, Jack

Independent Non-executive Director

About Us

Management



Ms. Zhou Junqing Chairman of the Board



мг. Hu Min

President



Mr. Ge Changxin

Vice-Chairman of the Board, Senior Vice President and Chairman of China Resources Coal Holding Co., Ltd.



мs. Wang Xiao Bin

Chief Financial Officer



мs. Liu Ping

Senior Vice President



Mr. Jiang Li Hui Senior Vice President



мr. Jian Yi

Senior Vice President and General Manager of China Resources Coal Holdings Co., Ltd



мг. Zhu Guo Lin

Vice President and Financial Controller



мr. Ding Qi

Vice President



Mr. Wang Gao Qiang

Vice President and Audit Controller



Mr. Ding Yuan Kui

Vice President and Chief HR Officer



Mr. Zhao Houchang

Vice President



Mr. Wang Lin Vice President



мг. An Xing

Assistant President and IT Director



Mr. Zhang Gang

Assistant President and General Legal Counsel

Organizational Structure

In 2016, in order to adapt to new national and power industry polices as well as promote the optimisation of the business structure, CR Power integrated the development, construction and operation of its thermal power generation and renewable energy business and implemented three-tier management model of "Headquarters+ Region + Project Company". This restructuring will enable CR Power focus its efforts to accelerate the development of clean and renewable energy projects, and respond, in an active and effective way, to the opportunities and challenges brought about from the reform of China's power industry system.

Organizational Structure Chart



About Us

10 Most Significant Accomplishments for CR Power in 2016

In May 2016, the "Headquarters + Region + Project Company" three-tier management model was implemented. The original thermal power and new energy business units were cancelled, and their corresponding subsidiaries and project companies were restructured by region under integrated management. After the management team reform, CR Power has 16 functional departments, one technology institute, one tendering company for its headquarters, ten regional subsidiaries and one coal business unit. In response to electricity retail-side reform, these regions have been proactive in exploring power selling business. China Resources Power (Guangdong) Sales Co., Ltd. was the first power retail company established on November 13, 2015, CR Power has registered and founded another 12 retail companies in South China, East China, Central China, Northern China, Jiangsu, Central and West China, Northeast China, and Southeast China by the end of 2016 in total. CR Power has now established 13 power retail companies.

In July 2016, East China, Northeast China, Northern China, South China, and Central China regions are included in the first batch of pilot zones for centralized operation and maintenance model for new energy. By January 27, 2017, all five experimental units have officially commenced operations.

Management restructuring to enhance organizational capability 2 Incorporated 13 electricity

Established new energy centralized operation and maintenance model

This restructuring marks a significant adjustment for CR Power with three main purposes: to accommodate to new changes in national and industrial policies; to accelerate the development of new businesses including clean energy; and to boost business structure optimisation. A threelevel management simplifies the system and shortens management chain. Headquarters now furthers its comprehensive, systematic management over basic business units. Such practice helps in improving execution efficiency and resources integration. A total of 13 power retail companies have been established, and have delivered excellent results in major markets. CR Power's power selling brand now gains a firm foothold, which prepares CR Power in its transformation to a provider of comprehensive energy services.

The centralized operation and maintenance model is based on information and resource intelligence sharing. This changes the traditional decentralised management style of new energy projects. Concentration of resources, management, and operations is a great boost for better operation efficiency of new energy business and higher customer satisfaction. This also marks CR Power's efforts to explore and optimise business, to innovate and reform the organization in response to the new trends in the new energy industry.

The 300 MW Xihuashan wind power project in Ningxia Haiyuan officially completed its grid connection on December 23, 2016. CR Power's operational capacity of wind power hit the 5GW mark.

In April 2016, China Resources Power Investment Co., Ltd. issued corporate bonds of RMB 15 billion on the Shanghai Stock Exchange, and issued seven-year (5+2) and three-year corporate bonds respectively valuing RMB 5 billion and RMB 3 billion in June and September. Both corporate bonds are issued to qualified investors at a fixed rate of 3.49% and 2.92% respectively.

In response to national policies targeting supply side reform, CR Power has been closing down outdated production capacity in a safe and orderly manner, and relocating the workforce in accordance to laws and regulations. Ten mines with excess capacity of 2.89 million tons have been closed down by the end of 2016 as planned. The Acceptance Team at the State-owned Assets Supervision and Administration Commission (SASAC) and Examination Team at the State Council speak highly of CR Power's actions.

The "Culture-fuelled Driven Action" campa November 15, 2016. into survey and evalu and manual design. C defines CR Power's m corporate spirits, and op

5,000 MW

New progress in handling

Eliminating excess capacity of coal is a

major initiative as part of China's supplyside reform, and an important way for enterprises to streamline for better quality and higher efficiency. Strictly following tasks and requirements specified in "Target Responsibility for Coal Industry to Handle the Challenges in Resolving the Issue of Excess Capacity" by the SASAC, CR Power has made implementation plans for eliminating excess coal capacity and shutting down outdated mines smoothly and orderly. Employees have been relocated to other reasonable posts. In the process, CR Power has undertaken its entity responsibility and social responsibility as a state-owned enterprise. Elimination of excess capacity also brings an optimised asset structure for our coal business, and a lightasset model helps our coal business to turn around.

This marks a key milestone for CR Power's vigorous expansion of clean energy, and prepares CR Power well for gaining bigger market share of clean energy and fulfilling the development target of the "13th Five-year" period.

By analysing and predicting the direction in the domestic credit and capital markets, CR Power grasped the favourable opportunity when financing rate was at a record low, and found a new direct financing channel apart from the corporate bonds and medium term notes.

The "Culture-fueled Driven Action" is an CR Power after stra the "13th Five-year" management reform. manifold purposes: to our new culture and corporate culture to encourage people ar and cohesion; transfo common actions and people; and to promo "13th Five-year" strat Spirit and Ambitionign was launched on The campaign divides ation, ideas refining, R Power has officially d its corporate culture *v*er culture". It clearly ission, vision, values, eration & management CR Power is actively promoting initiatives to its going-global under the "Belt and Road" policy and "Dual Engines and Two Wings" group strategy. In July 2016, "Hundred Talent" international talent reserve plan started, along with the first "CR Power Voyage" training course. After 213 class hours in 33 days, 38 trainees have passed the international engineering exam and IELTS speaking test. The course covers 17 overseas subjects, including project development, international business, investment analysis, and comprehensive management. A batch of trainees has been seconded for work in the International Business Department. From January 11-15, 2016, auditors from Nuocheng Corporate Consultant (Shenzhen) Co., Ltd. evaluated Guangzhou China Resources Thermal Power Co., Ltd. for NOSA qualification. The evaluation team has thoroughly reviewed documents and records of NOSA management system. In production and living regions including chimney, desulphurization zone, boiler room, yard, and canteen, auditors have strictly examined risk and EHS management with respect to compliance, obedience, and effectiveness. In communication and interview with related personnel, auditors check employees' mastery of EHS knowledge and compliance & execution of the EHS system. Finally, auditors unanimously agreed that Guangzhou China Resources Thermal Power Co., Ltd. gains five-star for NOSA.

The Operations Optimisation System (OOS) operated by China Resource Power (Bohai New Area) was approved by the Holding Company on October 27, 2016. This marks the transformation from "engineering" to "production", and that OOS is ready for external sales.

Culture-fuelled nbition-Driver porate culture

Spirit and Ambitionother major move for tegy formulation for period and control & The campaign serves reorganize and refine concept system; utilize to guide, unite, and d further inspiration m strategic vision into visions of CR Power te the execution of the egy. Implemented internationa

alent training program

Going global is a key sign for our transformation development. Talent is always a priority for any strategy and planning. A global talent training program will staff our overseas project development and operation with highly skilled talents. The program is a plus for CR Power's talent training system, and reserves enough talents for implementing the "13th Five-year" strategy. NOSA Five-star qualification for Guangzhou China Resources Thermal Power Co., Ltd. sets a new milestone in the plant's EHS system construction and a new level of EHS risk control awareness, marking an uplift in the plant's EHS management. It sets a new standard for other CR Power thermal power plants in EHS management.

9

to gain NOSA Five-star

10 Development of OOS products

OOS is to develop an operation optimisation system utilising big data analysis and artificial intelligence. The system delivers remarkable results in its pilot promotion. To enable the universal application of OOS, CR Power has started developing OOS products in Bohai Project in November 2015. The production of OOS marks a model innovation in energy saving and cost reducing at power plant. It fuels the smart upgrade and boosts the competitiveness of the power plant.



About us

A Glimpse of KPIs

Economic performance

Total assets HK\$ 200.1 billion Turnover HK\$ 66.2 billion

~

111111111

Net profit attributable to owners of the Company HK\$ 7.7

billion

¥ \$

Attributable installed capacity

36,184 мw Gross generation

196.8

Total heat generation

65,190.5 ^{kGJ}

23

Environmental performance

Net generation coal consumption rate 305.0 g/kWh	emissio transfo RMB	ment in energy conservation, ons reduction and technical ormation B billion	
Sulphur dioxide emission rate	Nitrogen oxides emission rate	Particulates emission rate	
0.13 g/kWh	0.20 g/kWh	0.02 g/kWh	



Total taxes paid RMB 9.3 billion	Investment i production RMB 380 million	n safety	Total number of employees 33,604	
Employed newly graduates 411		Charitable do RMB 95.52 million	onations	



SOCIAL RESPONSIBILITY LEADS TO

Sustainable Development

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- Responsibility Governance / 28
- Responsibility Integration / 29
- Responsibility Communication / 30
- Responsibility Capacity / 36



We can only go beyond rules and make flexible changes on the premise that we follow them first.

-----Song Dynasty, Lv Benzhong

We need to remain flexible but cannot undermine the rules. Enterprises need to adhere to rules while fulfilling their corporate social responsibilities. In other words, they need to follow national regulations, industry and corporate must be complied with standards to ensure orderly operation. At the same time, they need to make innovations for selfbreakthough. Only in this way can they follow a right path toward sustainable development.



Social Responsibility Leads to Sustainable Development

Under the mission of value creation, we continued to prioritize sustainable development in 2016. With deeper reform, we focused on system building, practice-based progress and brand building to enhance "three systems" and "two mechanisms". As a result, we improved the management and practice of social responsibilities.

Responsibility Culture

Responsibility Governance

Organizational System

The Company's Board of Directors administers the Sustainability Committee which serves as the supervisory body of corporate sustainable development policy and practice for the Board; it established the Steering Committee on Corporate Culture and Social Responsibility and is responsible for deciding, leading and promoting the strategic directions of corporate social responsibility. The Board Office is the leading management department in charge of social responsibility work; it is responsible for daily social responsibility management and preparing sustainable development reports. The departments and units at various levels of CR Power have all established departments and contacts in charge of relevant work.

System

Based on the GRI Sustainable Development Reporting Guidelines (G4) issued by the Global Reporting Initiative, the Environmental, Social and Governance Reporting Guide (HK-ESG) issued by the Stock Exchange of Hong Kong Limited, Guidelines for Preparing Social Responsibility Reports by Chinese Enterprises for Power Generation Industry (CASS-CSR3.0) issued by the Chinese Academy of Social Sciences, and other standards, and the China Resources Social Responsibility Management Approach, the Company established Standards of Management of Work for Social Responsibility to ensure the standardized, systematic and strategic management of corporate social responsibility.

Mission:

To maximise shareholder and employee values

Vision:

To become one of the leading independent power producers ("IPP") in the world and the best IPP in China

Values:

Honest and trustworthiness, performance-oriented, customer first, innovative development

Developmental concept:

Make the Company more solid, stronger, bigger, better and long lasting

Corporate spirit:

Practical and professional, Collaboration and dedication





This is the seventh consecutive year that we have compiled a sustainable development report. To promote report preparation and formulation, a specific preparation system is established. Organized and led by the Board Office, the system consists of Leading group, Report Preparation Working Group and Material Preparation Group. The Board Office is responsible for organizing the preparation, design, release, publicity and promotion of the report.



Responsibility Integration

We integrate social responsibility work into the Company's development strategy. We are committed to bringing corporate governance, management performance, production safety, energy conservation and emissions reduction, innovation and transformation, cultural construction, caring for our employees, public benefit and charity work and other social responsibility practices into the Company's strategic planning and annual business plan. We also unpack this layer by layer into the performance assessment of units, managers and employees at all levels to ensure the implementation of responsibility and the accomplishment of goals.



Social Responsibility Leads to Sustainable Development

Responsibility Communication

As a Hong Kong-listed energy company, we always attach a high degree of importance to communication with stakeholders and the feedback, concerns and expectations from various parties to improve our management and operations. Though various means such as topic specific reports, strategic cooperation, shareholders' meetings, the company website, our WeChat Official Account, customer satisfaction surveys, charity activities, media publicity and other mechanisms, we disclose information pertaining to production, operation, development, reform and important events, etc., in a rigorous, timely and correct manner in order to enhance mutual understanding and reach consensus.



On August 18, 2016, CR Power held its 2016 interim result announcement analyst briefing in Hong Kong.



At the Annual General Meeting on June 6, 2016, we reported to shareholders the full year audited financial statements, directors' report and independent auditor's report, and communicated with them for improvement suggestions.



During July 7-10, 2016, our Independent Non-executive Directors visited Yunpeng Hydropower Station and learned about its operation.



On June 13, 2016, Yunnan Honghe Hydropower Project cooperated with Shazipo Primary School in Xiangyang Village, Luxi County for "Honghe EHS Culture Event", including donating books on safety, lecturing knowledge on safety, carrying out fire drill, and visiting the power plant.



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Stakeholders

To enhance the focus, substantiality and readability of the report, we conducted surveys pertaining to stakeholders and substantial topics via the Company's WeChat Official Account, to ensure topics were consistent with the Company's development strategy and to stay close to the focuses and appeals of our stakeholders.



Social Responsibility Leads to Sustainable Development

Determination of Core Issues

To enhance the focus and responsiveness of the report, we continued to investigate the issues concerned by stakeholders based on improved corporate social responsibility index system through comparison with the latest domestic and international index system for social responsibility reports, in order to identity and screen out the most substantive critical issues and further improve the analytical model of report responsiveness.

Identification of Issues

By analysing different types of background information, we screened out and determined 31 issues related to the Company's sustainable development program, including five environmental issues, 12 economic issues and 14 social issues.

Analysis of report standards Analyse international, national and industrial standards related

to social responsibilities and attain a clear understanding of the management standards and information disclosure requirements for the latest sustainable development issues.

Analysis of excellent reports

Align with excellent social responsibility reports issued by companies in the same industry at home and abroad and analyse and determine the key issues in the power industry and their differences with the Company.

The CR Power development plan: Identify key issues of great significance to accomplishing the Company's strategic goals in accordance with CR Power's "13th five-year" strategic developmental plan and annual business plan.

Analysis of report standards

Gain a detailed understanding of state policies, macro-policies and regulations regarding the energy and power industry and be clearly aware of the trend of sustainable development in the industry.

Analysis of the expectations of interested parties Identify the issues of most concern by stakeholders and analyse and identify the key issues of most concern to the public.

Environmental issues	Reduce the energy consumption of production Acceptable pollutant discharge Overlap clean energy of the pollutant discharge Strengthen ecological protection Overlap clean energy of the pollutant discharge Overlap clean energy Overlap clean energy of the pollutant discharge Overlap clean energy Overl
Economic issues	 Preserve and increase the value of state- owned assets Stable and continuous returns Strengthen shareholder participation Responsible Fair competition Business operation in governance Business operation in compliance with laws Strengthen independent innovation Strengthen shareholder participation Responsible Fair competition Strengthen independent innovation
Social issues	Safe Production Caring for employees Maintain market environment Support social welfare Caring for employees Support social welfare Corporate culture Community Community Communication Corporate culture Community Community Communication Support social welfare Corporate culture Communication Corporate culture Community Communication Corporate culture Community Communication Communication Corporate culture Communication Corporate culture Community Community Communication Communication Corporate culture Communication Corporate culture Communication Corporate culture Community Communication Communicatin Communication

Analysis of issues

Internal and external stakeholders were invited to rate responsibility issues in the form of an electronic questionnaire. The issues were then ranked based on the rating results of over 400 questionnaires and the substantial social responsibility issues of the Company were identified by establishing a twodimension matrix combining 'importance to stakeholders' and significance to CR Power's development



Issue Survey Results





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Case

With an open mind, we hosted the "Open Days" event and made it a crucial platform to communicate with the public. Governmental authorities, watchdog agencies, community residents, students, media, NGOs, and netizens were invited for a field visit to our production process, green facilities, and technological innovation. A proactive attitude for public supervision makes us a more responsible player. In 2016, we have held more than 60 "Open Day" events.

Hong Kong Youth Students Supervise Social Responsibility of CR Power

As a company listed on the Hong Kong Stock Exchange, CR Power needs to promote communication and mutual development between Hong Kong and Mainland China and enhance the Chinese youth's awareness of social responsibility. On May 27-28, 2016, we held the "Hong Kong Youth Students Supervise Social Responsibility of CR Power" event and for the first time invited 15 outstanding Hong Kong youth students as social responsibility observers for a field visit to Guangzhou CR Thermal Power Plant and Hezhou CR Circular Economy Industry Park. These students gained first-hand experience of modern power plants in China, and learned about our results in production process, environmental protection, and social responsibility. Also, they came to the School for Migrant Workers' Children and nursing home for volunteer labours, and practice social responsibility with practical actions. We listened to the opinions and advice of Hong Kong youth students, and exchanged with them practices and experience in performing social responsibility in Hong Kong and Mainland China. The event broadened their horizon and changed their previous understanding of power plants in Mainland China. They hope that they could have more opportunities for close-up experience and participation.

I have special focus on four key words in this trip: energy, environmental protection, science and technology, and social responsibility. CR Power and The Hong Kong Federation of Youth Groups (HKFYG) observe the same principles and ideas in environmental protection, social service, and education and communication. Everyone at CR Power is doing something good for this industry and the community. I really appreciate their efforts.



HKFYG Leadership Chen Yuhao









Scan the QR Code for More Information

Social Responsibility Leads to Sustainable Development

Experiencing Green Power Plant Open-Month



Kids are fascinated



Workers explain to visitors patiently



Happy picking in the orchard



"Long Yuan Dian Fan" calligraphy work from visitors Questions by reporters





Setting free baby fish fries in the pond nearly the power plant



Learning about the plant via sand-tray model



Completing a work of green future together

Farewell with smiles, welcome everyone to come again

To enhance communication with the public, we have started "Experiencing Green Power Plant Open-Month" in September 2016, and included 24 companies in 13 provinces and autonomous regions. Stakeholders like government departments, surrounding citizens, media, students, environmentalists, and regulators from where these companies operate are invited for close-up experience to understand our green development ideas, measures and results. During the Open-Month, 1,317 people visited CR Power plants across the country. The event attracts much media attention for participation, coverage, and communication. The public now further truly understands CR Power.



Open Month 1



Open Month 2



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Social Responsibility Leads to Sustainable Development

Responsibility Capacity

We value the importance of improving our ability to perform social responsibility. By holding through meetings and trainings on social responsibility, we communicate relevant theories, trends and standards to increase the awareness of all employees. All departments have become more competent in performing their social responsibilities and preparing reports on sustainable development.

The Company was rated as one of the Top 20 enterprise of Hong Kong Sustainability Index (HKBSI)

The Sustainability Management Research Centre (SMRC) at The Hong Kong Polytechnic University (PolyU) announced the results of the 2nd Hong Kong Business Sustainability Index (HKBSI) on 29 December 2016, with the support of The Hong Kong Council of Social Service (HKCSS) and the Hong Kong Productivity Council (HKPC). CR Power was ranked in the top 20 for two years in a row. The HKBSI encourages Hong Kong listed companies to undertake their social responsibilities, and power sustainable development through advanced business model.



Case

Participating in the China-CSR4.0 Kick-off Meeting and Sharing Our Experiences

On September 11, 2016, CR Power participated in the China-CSR4.0 Kick-off Meeting organized by the Chinese Academy of Social Sciences. The meeting brought together representatives from government departments, education and research institutes, large enterprises from domestic and abroad, and news media. CR Power, CR Group and CR Land released their respective 2015 sustainable development reports, and Mr. Ge Changxin, Vice Chairman of the Board of Directors and Senior Vice President of CR Power attended the meeting and delivered a speech on behalf of CR Power. In 2017, we will contribute to the preparation of China-CSR4.0, which will guide Chinese power enterprises to innovate in social responsibility management and improve ability in report preparation.





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Case

CR Power Working Conference on Social Responsibility

From 14 to 15 February in 2017, CR Power held its Working Conference on Social Responsibility and Kick-off Meeting for its 2016 Sustainable Development Report Preparation. Experts from the Chinese Academy of Social Sciences, Tsinghua University, SynTao, Chalco, PWC and CR Group were invited to give systematic training on basic facts about social responsibility, including theories, status quo, trends, management, practice and communication, as well as report preparation. More than 110 people, including business management, regional heads, directors in charge of social responsibility operation from all departments, coal groups/regions and project companies, as well as report editors were present. At the conference, they also shared discussion about report preparation and public benefit programs.



DEDICATED EFFORTS TO

Beautify the Environment

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- Accelerate Transformation for Energy Conservation and Emission Reduction / 42
- Innovate Comprehensive Utilisation of Resources / 47
- Focus on Facilitation of Ecological Progress / 51



Mankind is subject to the earth, earth to the universe, universe to the Dao, and Dao to nature

Human beings live, work and multiply in compliance with rules of the earth; subject to the universe, the earth sees the alternation of seasons and nourishes all things on the earth; the universe takes Dao as the basis for operation and time sequence; and Dao means acting in compliance with the laws of nature. This is the philosophy of harmony between humanity and nature, which also serves as the philosophy of modern enterprises during operation and development. Only if by respecting nature, conforming to nature and protecting nature, and being prudent with actions could we realize sustainable development together with the nature.



Dedicated Efforts to Beautify the Environment





The environment which everything depends on for existence and development is a growing concern today. Under the mission of green development, CR Power is committed to energy conservation and environmental protection. Guided by national energy strategies, CR Power will step up efforts to develop clean energy, and realize ultra-low emission of coal-fired units in a bid to improve ecological well-being featuring green water and blue sky. Meanwhile, it also seeks innovation and transformation for the balance between corporate development and environmental sustainability.

Speed up Development of Clean Energy

In 2016, we continued to increase our efforts in the renewable space. In particular, we focused on six 1,000MW scale wind power bases in Shandong, Hubei and Guangdong. We also develop diversified development models, increasing the efficiency of existing capacity and developing integrated industrial parks, to quickly scale up the production of clean energy. By the end of 2016, the newly installed capacity of grid-connected wind power and photovoltaic power exceeded 1,000MW, and the total capacity of grid-connected wind power was over 5,000MW. The installed capacity of clean energy (wind power, hydro power, photovoltaic power and gas power) accounted for 14.1% of the Company's total.

Wind Power



Newly installed capacity **992MW**, total installed capacity **5,227 MW** Approved capacity **2,975 MW**, a YoY growth of 1.9% New capacity under construction **473 MW**

ΡV

New capacity in production **110 MW** Capacity on records **1,367 MW** New capacity under construction **20 MW**



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Hydro Power

The 113 MW hydro power project in Huilong Mountains of Xiaoheijiang River is a pilot project carried out by the government of Yunnan Province under state policy that "it is the vital goal of the hydro power development to help local people fight against poverty and promote ecological environment in the reservoir area". It is the very first among medium hydro power stations in Yunnan to carry out trial operation during the preliminary stage. The project aims first to support local power generation, ecological protection and poverty relief. At the same time, ecological breeding and traffic construction are taken into account to facilitate tourism development in the future.

Distributed Energy



We will actively develop distributed gas solutions, with focus on load centres in central, eastern and southern China. By the end of 2016, the capacity of distributed gas totalled 1,162 MW, and two distributed gas projects in Changzhou and Shanghai Buildings which total 111 MW commenced the construction during the year.

In rapid response to market trends, we have changed photovoltaic development from a centralized model to one which embraces both centralized and distributed management. In 2016, a total capacity of 147.6 MW distributed photovoltaic power was filed in Hebei, Anhui, Guangdong, Zhejiang and Hubei.

Integrated Power Development



The Terminal Integration Project in Datong Economic Development Zone and the Integrated Power Development Project (Wind/Photovoltaic/Hydro/Thermal/Stored Energy) in Yazui River of Sichuan were among the first 23 national pilot projects for integrated power development. With inherent complementary characteristics of hydro power and photovoltaic power, the program leverages respective strength in daily load and seasonality to ensure safe, stable and reliable clean power. This on the one hand promotes the development of clean energy and local economy, and restores local ecological environment by improving water and soil loss and water conservation on the other. The overall social value is increased.



On July 4, 2016, we entered into the Supplementary Agreement on Strategic Cooperation Framework with the Doumen District Government in Zhuhai concerning the distributed power stations in Fushan. CR Power needs to build, in the form of sole investment, distributed power stations and supporting facilities which use gas-steam combined cycle.



On March 15, 2016, CR Power signed a framework agreement with Wuding County of Yunnan Province on the investment, development and construction of photovoltaic projects for local agricultural development. The project in Tianxin Village, together with Laowangpo Wind Power Project, will promote integrated development of thermal power, photovoltaic power and agriculture in Wuding County.



We signed a strategic cooperation agreement with China Renewable Energy Engineering Institute on December 20, 2016. Backed by advantages of the institute in policy research, planning, technological development and information resources, we seek to strengthen cooperation in the development and delivery of wind power, photovoltaic power and other renewable resources.

Dedicated Efforts to Beautify the Environment

Accelerate Transformation for Energy Conservation and Emission Reduction

CR Power actively promoted new energy-saving technologies to accelerate energy-saving renovation and improve unit efficiency. In 2016, we spent RMB551 million on energy-saving upgrades, reducing our net coal consumption rate to 305.00 g/kWh, representing a decrease of 1.98 g/kWh versus 2015.

Performance Index	Unit	2014	2015	2016
Net generation coal consumption rate (subsidiary power plant)	g/kWh	310.53	306.98	305.00
Power consumption rate of power plant	%	5.04	5.00	4.95
Power consumption rate of integrated plant	%	5.86	5.79	5.75
Energy consumption per RMB 10,000 industrial added value	Ton of standard coal	11.95	10.85	12.67
Water consumption per RMB 10,000 industrial added value	Ton	368.82	336.13	371.56

We also accelerated the installation of ultra-low emission on our coal-fired units. In 2016, 24 coal-fired units (10,794 MW) completed the upgrade for ultra-low emission, and brought the total number of retrofitted units to 49 (21,211 MW), accounting for 78% of interested installed capacity at our subsidiary power plants, far higher the industry average. Major emission indicators were further improved. The emission ratio of sulphur dioxide, nitrogen oxide and participates as compared with the previous year. The annual investment for environmental protection reached about RMB 1,798 million. The upgrade for ultra-low emission in all our coal-fired plants is expected to be completed by 2019.

CR Power and its subsidiaries became the biggest winner at the Hong Kong Green Awards 2016 after taking home 18 awards.





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Performance Index (Note)	Unit	2014	2015	2016
Sulphur dioxide emission rate	g/kWh	0.32	0.22	0.13
Nitrogen oxides emission rate	g/kWh	0.51	0.26	0.20
Particulates emission rate	g/kWh	0.07	0.04	0.02

Note: The emission rates of 2015 and 2016 are calculation results based on CEMS system, while that of 2014 is based on N31 system.

Case

Two 350 MW supercritical coal-fired power generation units in Yichang Power Plant was commissioned in May 2014. During the construction period, we invested RMB 424 million on environmental facilities for desulphuration, denitration and removal of particulates. We further invested another RMB 60 million to install ultra-low emission for two units in Hubei in response to the "Upgrade and Retrofit Initiative for Coal-fired Units to Achieve Energy Conservation and Emissions Reduction (2014–2020)". The transformation resulted in a desulphuration rate higher than 99.4%, a denitration rate higher than 95% and particulate removal rate of up to 99.99%. The emission of air pollutants dropped to a level even lower than that of gas turbine generators (ultra-low), a leading position in China. Great contribution was made to better environmental quality in Hubei with an annual reduction of 2599t, 951t and 339t respectively in sulphur dioxide, nitrogen oxide and particulates.



Dedicated Efforts to Beautify the Environment

Case

A tough battle for the control and prevention of air pollution was launched in Henan Province. As China intensified its efforts to improve air quality, Central to Western China Regions took lead to upgrade for ultra-low emission in all coal-fired power plants, which gained wide attention and acclaim. On August 11, 2016, 13 major media including China Environment News, Henan People's Radio Station, Henan Television, Henan Daily and Dahe Daily visited our power plant in Dengfeng to report the retrofitting for ultra-low emission in Central to Western China Regions. As our performance was reported, Chen Ruier, governor of Henan Province required to "close down excess emission units" and "develop incentive policy, which grants the priority of grid connection to upgraded power generation units". The Headquarters also made the Central to Western China Regions a standard reference for ultra-low emission for the "Air Pollution Control and Prevention Campaign" in Henan Province, and listed it in the campaign report to major leaders in the provincial party committee and the provincial government.



The Company's emission data of all its coal-fired power plants were made public on the official websites of the provincial and municipal environmental protection departments for real-time monitoring, and set up displays at the gates of our power plants to disclose the latest emission data according to Measures for the Disclosure of Environmental Information by Enterprises and Public Institutions.



China Resources Power (Wenzhou) Co., Ltd. completed the ultralow emissions upgrade in advance, and erected a display to show real-time monitoring data.



China Resources Power (Liuzhi) Co., Ltd. has set up at its gate a digital display, which shows real-time environmental data like particulates, nitric oxide and sulphur dioxide to nearby residents. The public can now supervise its environmental performance.



Shareholder responsibility

04 Employee responsibility

05 Partner responsibility

06 Community responsibility

Our Actions for Blue Skies

As Unit 6 ceased operations at midnight on September 29, 2015, Tongshan China Resources Power Co., Ltd. in Xuzhou Jiangsu commenced its upgrade for ultra-low emission.

In response to national requirements on energy conservation and emission reduction in the coal power industry, the transformation has promoted ultra-low emission and sustainable development of units while improving coal utilisation and reducing operating cost.

As the first unit for transformation, it faced many technical difficulties. The absence of relevant experience, tight schedule, heavy workload and cold weather created a lot of challenges in construction, particularly in the hoisting of large equipment and outdoor tasks at high altitudes in heavy snow during the winter seasons in Xuzhou.

Shared aspirations make miracles happen. Thanks to concerted efforts of all team members, we overcame difficulties in time, both technologically and due to weather. A number of measures including response plan, check & supervision, and communication & coordination were adopted to ensure construction safety and project quality. Ultimately, the transformation finished on time, and the unit went into operation as planned. The transformation of particulate removal took 58 days, with one-off success for electric precipitation and air lifting tests. The integration of particulates removal and desulphuration took 60 days, and the performance after transformation meets requirements of ultra-low emission as indicated by the online metre installed in the chimney. The final emission of sulphur dioxide, particulate and nitrogen oxide is lower than 35 mg/Nm³, 5mg/Nm³ and 50 mg/Nm³ respectively.

Unit 6 is the first 1,000 MW-class unit to complete upgrade for ultralow emissions in the Northern Jiangsu Region. After transformation, the number of slurry circulating pumps decreased from 3-4 sets to 2 sets. Every year we can reduce the emission of sulphur dioxide, nitrogen oxide and particulate by 1,276 tonnes, 1,658 tonnes and 383 tonnes respectively. The transformation has effectively diminished dust, acid rain and gypsum rain, and improved air quality and local environment for living and tourism.

Unit 2, Unit 3 and Unit 5 have also completed upgrades. Unit 1 is now under way, and is expected to complete ultra-low emission upgrade by the end of May 2017. Unit 4 will complete within the year.

Living near the power plant, I can see a significant decrease in particulate emission over the past two years. Before 2014, gypsum rain happened almost once a year, but was rarely seen in these two years. This reflects fruitful results in technological transformation, and the concerned attitude of the central government and the power plant toward environmental protection. We're happy as our living environment is becoming better.



Resident near the plant Mr. Meng







Story

Dedicated Efforts to Beautify the Environment

"A Tour around Industrial Beauty"

Story



"A beautiful power plant in China and one of the top ten leading enterprises in energy conservation and emission reduction in Henan Province...", Mr. Li, who has retired from Luoyang No. 1 Tractor Plant and is the one of the first visitors of industrial tourism, read the introduction in excitement beside the bulletin board of Shouyangshan Power Plant, "I realised that you have recycled 8 million tons of waste water in Luoyang. What a problem solver!" At the entrance of public open days of industrial tours, there are four display panels stating "A road to development, innovation, clean and enrichment," set to demonstrate the pursuit and achievement of Shouyangshan Power Plant on innovation, transformation and green development.

Walking past the panels, visitors can go directly to the main workshop through the sightseeing elevator and have a bird's-eye view over the scenery of the power plant; or walk along step ladder to tour around the three themed images portraying "Industrial beauty, natural beauty and human beauty", which illustrates the development process of the plant. In the main plant, after seeing the stainless surroundings, clear and striking slogans and magnificent production equipment, Mr. Wang, a journalist of Yanshi TV Station could not help but to praise that "it is so clean and well-organized, much better than some old dirty power plants".

After visiting the production site, they came to Fun Farm and happened to see several workers from the power generation department, who just got off work, planting sweet potato seedlings with plows. Mrs. Wang, a retired teacher, said, "I feel that it is not humane to have workers do farm work after a hard day's work." Upon hearing that, those workers smiled and said, "this is not an arranged task by the plant. We come here voluntarily after work and this responsibility field is claimed by ourselves." Mrs. Wang praised them. This is a spare piece of land of the plant, which is used as a "Fun Farm" for workers to experience cultivation. The culture of "fun in farming" is also a feature of the power plant.



"Look, a big 'chimney' with a large amount of white smoke!" Someone shouted out. Visitors came in front of the cold water tower and saw a fountain at close range. One person from some bank in Luoyang said "I thought it was a big chimney with white smoke. But it is used for heat dissipation and the so-called "white smoke" is vapour. What a surprise!" After the visitor's tour, a child from Shouyangshan Central Primary School, observed and asked: "What's the meaning of "Huben Road"? In fact, this road is another feature of Shouyangshan Power Plant. For the benefits to workers' health, the power plant has created a 2.1 km-long "Huben Road" for employees to jog on. At the start of the jogging track, there is a display panel that says: "In pursuing the objective that is higher than mountain and longer than roads, we strive to strengthen our Shouyang..."

A place named by workers as "Backyard Garden" is located to the west of "Huben Road". "Backyard Garden" has flowers blooming in spring, luxuriantly green trees in summer, orange osmanthus fragrance in autumn and trees covered with snow in winter. The garden has green scenery and flowers all year long. Mrs. Wang, who likes public square dancing, kept taking pictures and praised, "I'm surprised to see such beautiful scenery in the power plant. It is like a real garden and I believe working here is fun."

As the sponsor of the declaration of "China's famous enterprises creating green business", Shouyangshan Power Plant keeps practicing the mission of "leading commercial progress and creating good life". It has made great achievements in safety, environmental protection, energy conservation, efficiency improvement and undertaking social responsibility. Now it is applying for qualification of 3A tourist attraction. In the near future, more and more people are expected to come and visit this modern power plant. This "industrial beauty" will continue to bloom.







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Innovate Comprehensive Utilisation of Resources

We strive to maximise economic benefits and minimise pollution discharge with minimum resource consumption and environmental costs, so as to fully exploit the advantages of China Resources Holdings as a diversified business and professional industrial management and to promote planning and construction of recycling economy parks. The 2×1000MW ultra-supercritical coal-fired power generation units, in cooperation with China Resources Snow Breweries and China Resources Cement, collectively created Guangxi Hezhou Recycling Economic Park with near zero discharge of pollutants through recycling of production waste between the power plant, brewery and cement plant.



Dedicated Efforts to Beautify the Environment

We actively participate in disposal of social waste and exploit methods to utilise waste from coal-fired boilers, so as to realize harmless disposal waste and transform waste into resources, with less waste generated, thus reducing pollution to the environment.

Harmless disposal of solid wastes and transformation to innovative green disposal

Story

Luoyang China Resources Clean Energy Co., Ltd. ("Luoyang Power Plant") is located in Yanshi City, Henan Province (a city known as "City of Shoes"). 20,000 tons of waste is generated from the footwear industry every year, and fails to be appropriately disposed. They are either thrown to surrounding valleys or rivers, or directly burned in open air, which results in pollution of solid waste and severe air pollution.

After analysis of the actual situation, Luoyang Power Plant proactively presented a harmless waste disposal proposal through recycling fluidized bed boiler with Yanshi Municipal Government and Environmental Protection Agency, for the purpose of disposing city waste, which gained wide support.

Luoyang Power Plant established a blending combustion group. With no precedent cases to follow in China, Luoyang Power Plant has overcame all difficulties and independently studied disposal equipment of waste shoe materials after repeated tests. It employs harmless disposal methods like desulphuration, denitration and particulate removal before discharging the waste, so as to realize low waste generation, transformation from waste to resources and harmless recycling, thus thoroughly solving the problem of shoe scraps in Yanshi City. As a key environmental friendly project in Yanshi City, harmless disposal of shoe wastes not only meets environmental friendly requirements on tailpipe emission, but also realizes comprehensive utilisation of renewable resources, which cuts down power fuel costs of the plant, promotes sustainable development of both Luoyang Power Plant and city environment, and is highly accepted by local government, environmental protection administration and relevant social parties



With the successful example of disposal and reuse of shoe wastes, Luoyang Plant starts to pay attention to other city wastes. It realised that Yanshi City sewage disposal plant generates a large amount of sludge every day (15,000 tons of sludge every year), and Luoyang City generates over 200,000 tons of city sludge every year. Sludge contains harmful substances and heavy metal. In the past, the sludge was used as compost in field or landfill in gully, which impacted the environment. Landfill of sludge will cause pollution to underground water, so national government has explicitly banned it.

Luoyang Power Plant volunteered to overcome difficulties in sludge disposal again. In December 2014, Yanshi City Government invested over RMB 5 million to construct a harmless disposal line within Luoyang Power Plant, with daily disposal capacity of over 500 tons of city sludge. Circulating fluidized bed boiler of Luoyang Power Plant is used for desulphuration, denitration and particulate removal through 950°C high-temperature incineration, so as to realize low wastes generation, transformation from wastes to resources and harmless recycling of sludge, which generally solve the problem of sludge disposal in Yanshi City. In 2016, Luoyang Power Plant had burned 22,300 tons of sludge, saving RMB 7.4 million of landfill fees and 18mu landfill land. After investigation and survey, Henan Provincial Energy Supervision Office of National Energy Administration reported the successful case of Luoyang Power Plant on solid waste to the National Energy Administration and popularized the case nationwide as a successful example of small unit transformation.

The harmless disposal of city solid wastes by Luoyang Power Plant, which transforms wastes to resources and reduce waste generated, improves the environment of Yanshi City. Luoyang Power Plant changes waste to resources through technical innovation and uses the waste in power generation, which is an innovative and green transformation means of thermal power generation.





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Innovative disposal mode of city sludge

Story



Nanjing China Resources Thermal Power Co., Ltd. ("Nanjing China Resources") is located in Nanjing, a city that used to be an ancient capital for six dynasties, demographically advantaged with a very decent environment. However, with economies development and improvement in living standard, there was an increasing generation of sludge. It is predicted that by 2020, over 1000 tons of sludge will be generated every day, which is able to cover 630mu of lands, equivalent to the size of 59 football fields, severely threatening city environment.

However, in the past, sludge was disposed through incineration for power generation, used for construction materials, landfill, fertilizer and comprehensive usages, which is less beneficial than the latest environmental protection policy of "less waste, more stable, harmless and transformation from waste to resources", and will cause secondary pollution to gas, underground water and soil, becoming a threat to environmental safety and public health. Therefore, disposal of sludge is a wide concern of the public.

Nanjing China Resources faced similar problems in 2010. With decreasing power generating utilization hour, no competitive advantages from its coal consumption rate and limited room to further improve heat supply, it was vital for the power plant to seek new ideas to develop. In accordance with the "Key Points of Supervision on Solid Wastes Safety in Nanjing City in 2011", Nanjing China Resources sought the opportunity and firmly grasped the "sludge drying + incineration disposal" project and actively cooperated with CEC Environmental Protection Co., Ltd. to adopt the BOO mode for disposing sludge in Nanjing City.



The project was completed and successfully accepted by Nanjing Environmental Protection Agency on 24 June, 2016, being the "demonstration project of Jiangsu strategic emerging industry development fund of state environmental protection service industry & industrial innovation alliance". Nanjing China Resources is the only enterprise equipped with an indirect drying + incineration unit for sludge in Nanjing City, and responsible for disposing sludge from Jiangxinzhou Sewage Disposal Plant, Chengbei Sewage Disposal Plant, Chengnan Sewage Disposal Plant and Qiaobei Sewage Disposal Plant. In 2016, its disposal amount of sewage accounted for nearly 30% of total sludge in Nanjing City.

The sludge, after indirect drying, is blended and used as a raw material in combustion power generation. The dried sludge and waste gas are incinerated in the boiler under 1100-1300°C of heat. Any smoke generated will undergo desulphuration, denitration and particulate removal to realize ultra-low emissions. Any ash and residue generated is utilised for zero discharge of solid wastes, which saves occupation of land, reduces pollution to gas and water and actually achieves the purpose of resources recycling.

The success of sludge drying and incineration not only transforms Nanjing China Resources from its former mode of "coal -> power generation & heat supply -> purely commercial benefits" to the mode of "coal -> power generation & heat supply -> public & commercial benefits", achieving a combination of economic benefits, environmental benefits and social benefits. At the same time, it also provides a good sample for establishment of state sludge disposal & environment-friendly disposal during power generation and acting on of relevant policies.

Dedicated Efforts to Beautify the Environment

Innovative use of marble waste mud for green purposes

This truly demonstrates a big enterprise's determination in social responsibility. I'm so glad to see you have transformed the waste mud to raw materials, protecting the environment of our home. Though I'm unable to make greater contributions, I'm willing to try my best to provide better services to you, in order to protect the green hills and clean water of our home and to ensure sustainable development.



Driver of marble waste mud delivery Master QIN

Hezhou City is abundant in natural resources and has the largest mineral reserves of white marble in South Central China and South China. There are over 450 enterprises processing marble in drainage basin of Xiwan River in Hezhou City. However, as multi-billion RMB calcium carbonate industrial base business in Guangxi Zhuang Autonomous Region, the marble waste mud generated is as much as 600,000 tons. Some enterprises drain production waste mud nearby rivers, which pollutes those rivers into "milky rivers", imposing great pressure to local environmental protection. CHEN Wu, Chairman of Guangxi, emphasised during his investigation of the industrial base, "mineral resources should be exploited in an appropriate and ordered way under the condition that the environment is protected, so as to realize mutual coordination and promotion between development of calcium carbonate industry and protection of the ecological environment".

In response to this, China Resources Power (Hezhou) Co., Ltd. ("Hezhou Power Plant") set a working group in January 2016 and started to explore

Story

an innovative ideas to employ scientific recycling mode of marble waste mud in the desulphuration system of the power plant with the use of modern and technically advanced equipment.

Along the way, Hezhou Power Plant encountered a series of technical difficulties including the reaction of marble waste mud, wet desulphurization reaction tank, air pollutant, environmental issues with unloading of waste, impurities in the marble waste mud that wore out pump impeller and erosion of resistant coating and blockage in the nozzle spray. There were also other unpredicted conditions such as unexpected high PH levels, causing the mud to not react properly. A team of over 50 persons strived to resolve these issues by optimising the operation and inventing the proper tools after 14 tests. On June 12, 2016, Hezhou Power Plant successfully applied marble waste mud in its wet smoke desulphurization system. By the end of 2016, it had disposed over 30,000 tons of marble waste mud within half a year. Currently Hezhou Power Plant has realised 100% utilisation of marble waste mud instead of marble power, and under rated load working condition of the unit, is able to process over 250,000 tons of marble waste mud every year, creating more than RMB 30 million worth of economic benefits, effectively controlling the problem of "milky rivers", reducing mining and vegetation deterioration, and promoting healthy development of the multi-billion RMB calcium carbonate industry.

This was the very first thermal power plant successfully that uses marble waste mud in its wet smoke desulphurization system in Guangxi and even in China, Hezhou Power Plant transforms marble waste mud to raw materials and recycles the mud, which solves the development bottleneck of Hezhou City's pillar industry, providing specific methods and idea of green development during the "13th Five-year Plan" period and having good social benefits.

This project was awarded a second class prize (ministerial and provinciallevel prize) of "New Modern Innovative Achievement of Guangxi Business Administration", and its Wet Smoke Desulphurization Process with Marble Waste Mud and Multifunctional Unloader have passed patent examination of State Intellectual Property Bureau and are highly valued by the Guangxi Environmental Protection Bureau.





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Focus on Facilitation of Ecological Progress

During construction, reconstruction, extension and reformation of the project, we strictly follow relevant national policies and environmental protection standard to perform environmental impact assessment and review of energy conservation amount and emission reduction amount, thus guaranteeing design, construction and production of both environmental protection facilities and main work at the same time. We value protection to ecological environment in the place where the project is constructed and operated and minimise impact to ecological environment.

In order to create a clean and noise-free living and working environment for surrounding community and employees, we keep strengthening monitoring of dust, sewage and noise Indices and treatment of the plant and surrounding environment, actively planting trees, preventing noises and dusts and starting reclamation for environmental-protection purpose.





Dedicated Efforts to Beautify the Environment

We actively advocate the principle of "conserving energy and being morally thrifty" and require employees to cherish every kilowatt hour of electricity, every drop of water, every piece of paper and office supply, to be prepared with awareness of unexpected development, responsibility and environmental protection, and to create a low-carbon and energy-conserving atmosphere. We promote regular video conferences to reduce business trips, thus reducing management costs, resource consumption and carbon emission.



On 16 June, 2016, Guizhou Qianxi Power Plant promoted a low-carbon and energy conservation activity in Wulixiang Middle School and Wulixiang Street of Qianxi County, taught teachers, students and villagers about knowledge and skills about low-carbon and energy conservation lifestyle, and explained the enterprise's concepts, measures and effects on leading energy conservation, green development and low-carbon innovation.



Shanxi/China Resources Taiyuan Coal Co., Ltd. sponsored an activity of "Being diligent and thrifty" with over one thousand signatures from participants.

With a serious shortage of water resources in China and to promote water protection, our water usage is through sea water desalination, reclaimed water treatment, recycling, technical reformation and conservation of water and soil.

Case

Circulating water system with zero discharge

China Resources Jiaozuo Power Plant overcame the technology difficulties through technical research of its "two-membrane reutilisation of recycling water and sewage". It adopted the softening process of "lime + sodium carbonate" and two-membrane process of "ultrafiltration + inverse penetration" to prepare demineralized water with reclaimed water, recycling water and sewage, reused the water into its boiler water supply system, which realizes a "zero discharge recycling water system" and gradient utilisation of water in the plan, making it the first in China Resources to completely utilise reclaimed water, recycling water and sewage to prepare demineralized water, making it an industry leader. The system can save 2.62 million tons of water supply and about 0.9 million tons of boiler water supply annually.



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Application of "fog gun"

Currently, the data monitoring system for particulate concentration in Daning Coal Mine is connected to Jincheng City and Yangcheng County environmental protection monitoring agencies, to allow government environmental monitoring in real time. Meanwhile, for the purpose of resource conservation, water used by its spraying system all comes from the reclaimed water after being processed by sewage disposal plants, which guarantees recycled usage of water.



Daning Construction Department of China Resources Wang Huibing

In a farmyard of Daning Village to the east of China Resources Daning Coal Washery, ZHANG Xiaoping watched the clothes hang up just now and said, "I dare not hang clothes in the farmyard in the past because clothes would be covered in dust. But now, the environment and air quality in the mine is much better." WANG Yucai, a worker from the loading group of China Resources Daning Coal Washery also has the same feeling, "dusk mask is obviously less dirty than before. The spray control system sprays water mist from time to time every day, making the air clearer."

How is dust formed in mine? During the mining production, raw coal is transferred to the on-ground coal storage yard through the belt conveyor system. After washing and loading, the dry coal ash floats to form dust. The large shuttling coal cars make dust more severe. Dust control is a long-term and difficult environmental protection issue.

To strengthen dust control, in 2016, China Resources (Daning) set up a spray control system in its coal yard. High pressure water pump atomizes pressurized water through the sprayer in front of blow dryer and the blow dryer spreads the water spray to the air to control dust, making full contact between the water spray and dust to form large particles, thus removing dusts and clearing air.

Story

The system consists of 3 mist sprayers (spraying radius: 100m), 3 mist sprayer (spraying radius: 80m), 14 on-line dust monitor and affiliated water and electricity system, as well as an automatic control system. The spraying range of these 6 mist sprayers covers the entire coal storage yard and loading area; the 14 dust detection sensors automatically monitor dust concentration in the air. In case an alarming level of dust concentration is reached, the sensors will automatically start the water spray system to spray and remove dust.

As one of 10 key energy conservation and emission reduction projects of CR Power in 2016 EHS work, mist and dust control system is valued and supported by different levels of governments and the holding company. In the initial stage of argumentation, the environment monitoring team of Jincheng City People's Congress came to the site for supervision; in the stage of acceptance, the acceptance team of governmental environmental protection department decided to allocate RMB 900,000 at one time as a special fund for the prevention and treatment for China Resources Daning, so as to encourage it to continue environmental protection.

While maintaining normal operation of the water spray dust control system, China Resources Daning keeps strengthening control of coal cars in the mine lot, such as requiring those cars equipped with anti-dust tarpaulin, which will stop dust pollution in the road caused by those cars. It also takes new measures to upgrade and reform the windshield and dust control net of the coal storage yard and to wash sludge on tires of coal cars before leaving the mine lot, so as to further improve the environment quality of the mine lot and its surrounding area and undertake the responsibility of dust and haze control.



FOCUS ON EXCELLENCE TO

Gain High-Quality Returns

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A huge tree that fills one's arms grows from a tiny seedling A ninestoried tower rises from a heap of earth A thousand-kilometre journey starts with the first step

——Tao Te Ching - Spring and Autumn • Laozi

All things come from smaller things and quantitative changes will finally turn qualitative. Hard work over days and months leads to a harvest; practical operation lays a foundation for good performance. Only great ambition can generate excellence; only perseverance can help us gain; and stay true to our mission and make continuous innovation for further progress and success!

Focus on Excellence to Gain High-Quality Returns

2016 is the first year of the "13th five-year plan" and we should actively cope with the challenges and opportunities arising from economic and market changes, strictly follow new requirements of national energy strategy and reform of the power system, adjust the Company's development planning and business strategies, accelerate management changes and cultural reshaping, and enhance organizational skills; facilitate energy conservation transformation of thermal power for higher efficiency; optimise the coal assets by implementing the "one mine, one policy" and "lean body" initiatives; promote the development of new energy, rapid expansion in the power retail business, explore international business opportunities; improve innovation capacity; strive to improve operational excellence, enhance risk mitigation and profitability, so as to ensure stable development of the company and value preservation and enhancement of state-owned assets.

Steady Growth of and Economies of Scale

In 2016, we newly commissioned 2×660MW coal-fired units, increasing the coal-fired attributable generation capacity to 31,066MW; 992MW of grid-connected capacity to 5,227MW and 110MW of photovoltaic power capacity to 130MW; total interested installed capacity increased by 4.2% to 36,184MW. The total assets as at the end of 2016 was HK\$200.1 billion.

In 2016, as a result of excess capacity of thermal power generation and strong generation of hydropower, the utilisation hours for thermal power in China decreased. As most of our



units are large and efficient and mainly located in regions with high demand for electricity, we benefit from certain market advantages resulting in an average same-plant utilisation hours of 4,922 hours, representing a year-on-year growth of 0.3%, which is 757 hours higher than the national average. The average utilisation hours for wind power 2,084 hours, 342 hours higher than the national average, maintaining leading position in the industry. The annual revenue amounted to HK\$66.2 billion and net profits attributable to shareholders amounted to HK\$7.7 billion, with generally stable cash and debt ratios.

Performance Index	Unit	2014	2015	2016
Turnover	HK\$ bn	70.7	71.4	66.2
Attributable net profit	HK\$ bn	9.2	10.0	7.7
Gross generation	bn kWh	190.866	196.121	196.773
Operating heat supply	kGJ	52,119.99	59,025.68	65,190.5
Raw coal output	10,000t	1,165	1,390	1,474

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The 300MW wind power project of Ningxia Haiyuan Xihuashan in Northern Region is currently the wind power project with the largest installed capacity of CR Power, and was successfully grid connected on December 23, 2016. So far, the grid connection capacity of CR Power's wind farm is larger than 5,000MW.

In 2016, CR Power's coal mines produced 14.74 million tons of coal, an increase of 6.0%. Under the "one mine, one policy" and lean body initiative to eliminate excess capacity, the Company shut down 10 mines by the end of 2016 and cut 2.89 million tons of overcapacity, which improved overall assets quality and was highly praised by the acceptance team of the State-owned Assets Supervision and Administration Commission and spot check team of State Council.



Two-anchor nets are a necessary supporting tool in excavation of coal mine tunnels and daily consumption is large. High purchase costs and delayed supply of two-anchor nets severely interferes with underground production. China Resources Daning purchased an anchor net knitter to knit anchor nets in two shifts every day, with monthly capacity of 12,000 m2. The production costs of anchor nets RMB 7 per square metre. China Resources Daning cuts down about RMB 1.15 million annually in this aspect, which not only reduces production costs, but also guarantees timely supply.

Focus on Excellence to Gain High-Quality Returns

Blessing brought by Wind Installed Wind Power Capacity Exceeds One GW

Story



As a typical agricultural county, Xuwen County has been awarded the title of China's Land of Pineapples and China's Land of Bananas. The backbone industries of Xuwen County are agricultural planting, processing of agricultural products, sugar industry and salt industry. With such a beautiful environment and absence of industrial pollution, people in Xuwen County tend to have long lifespans. Wind power is the preferred and suitable energy source to develop in Xuwen County given its renewable pollution-free nature. In addition, the development of wind power will considerably facilitate the upgrading of local industries and development of the regional economy.



Mayor of Xiayang Township, Xuwen County **Fu Congliang**

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The Xuwen Fulai Wind Power Plant, located at a region stretching along the Qujie Town, Xiayang Town and Qianshan Town of Xuwen County, Zhanjiang City, Guangdong Province, started construction on 20 December 2015. The plant site is situated along the coastal volcanic rock platform with complex geological conditions. Among the 50 wind turbines, 46 adopt cast-in-place pile foundation, making the first wind power project in the South China Region to use cast-in-place pile foundation. With the collective efforts made by the staff of Project Department, the foundation casting of the first turbine was successfully completed in July 2016 and a total of 33 turbines have been installed and commissioned by the end of December 2016, making the total installed wind power capacity of South China Region above one GW.

Throughout the construction of the Project, the project team persisted in adhering to the safety and quality requirements in project management, and no work safety accident involving any people or equipment has been reported during the year. Considering that Xuwen County is a typhoonprone area, the project team organized the personnel from all units participating in the construction of the Project to carry out several drills on typhoon prevention and flood prevention. During the strike of Typhoon Sarika, the 21st typhoon of the year which hit Xuwen Area on 18 October 2016, there have no casualties nor equipment damages as a result of effective and efficient emergency response of the construction site.

To protect the environment and improve land use efficiency, the Project Department and the design institute conducted a series of technical discussions and decided to construct box-type substations on the upper edge of the wind turbine base for optimal land utilisation. In addition, the land reclamation work was initiated right after the installation of wind turbines was completed, and the land was returned to the farmers for cultivation as soon as possible, thus gaining the recognition and support from the locals.

After the completion of the Project, an additional 0.19 TWh of clean electricity will be supplied to the power grid, saving about 63,300 tons of standard coal (equivalent to 88,700 tons of raw coal) annually. In addition, the emission of air pollutants will be reduced considerably every year, for example, the emissions of sulphur dioxide, nitrousoxide, carbon dioxide and particulates will be reduced by approximately 557 tons, 488 tons, 109,600 tons, 253 tons and 2,119,500 tons respectively. The Project is of great significance to the improvement of the power structure of Guangdong Province. This will help rebalance the demand and supply imbalance in the province and stimulate local economic development.

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Drive Development through Innovation and Transformation

Manage and Control Reform to Reach Designated Targets

In order to establish and complement strategies and business development with organizational capacity, and act on these strategies, the Company saw a need for internal restructuring. Within only two months, the Company restructured the management and control mode from a "Business Unit System" to a "Regional System", integrated of its power businesses, including the development, construction and operation of thermal power generation and clean and renewable energy, and divided the domestic target markets into ten main Regions. As it turned out, this timely adjustment was to the benefit of the Company and helped to speed up the development of clean and renewable energy, make proactive and effective response to the opportunities and challenges brought about from the reform of China's power industry system, give full play to the abundant resources and management experiences accumulated by each Region in the development of traditional thermal power projects, and foster the management ability of the entire value chain from site selection to the design and the construction of new energy projects. In 2016, the wind power capacity and the photovoltaic power capacity newly connected to the grid exceeded 1GW and the approved new energy capacity reached more than 4GW.

Marching into the Electricity Retail Market with a Good Start

In response to the reform of the electricity market, the headquarters of CR Power set up the Electricity Retail Administration Department in 2016, built the electricity retail framework consisting of the headquarters and the Regions and promoted the construction of marketing system at different levels. By the end of 2016, CR Power has established and registered electricity retail companies in 13 provinces and cities throughout the nation and carried out comprehensive electricity retail businesses. In 2016, the opening up of the sales of electricity business in Guangdong province has been successful with leading positions in competitive bidding, profitability as well as number of contracted customers.

Progress of registration of electricity retail companies
13 registered
12 under registration

Not involved



Focus on Excellence to Gain High-Quality Returns

🚺 Case

CR Power (Guangdong) Electricity Retail Co., Ltd., CR Power's first electricity retail company, was incorporated on 23 November 2015. Through unremitting efforts, the Company has entered into contracts with 141 customers within one year (executing contract with one client every 2.5 days on average) with the total amount of electricity contracted of approximately 3.16 bn kWh. With only 9% of the total installed capacity of Guangdong area, the Company captured 11% of the market share.





A special training on electricity retail market was held from 19 to 21 October 2016. The training covered an in-depth interpretation of the current status and development trends of reform of the domestic power industry system, proactive learning of the development experience accumulated by mature electricity markets such as the U.S and Germany, and specific topics on forecasting customers' electricity consumption and competitive bidding techniques.

The Company even went ahead of the plan and in November 2016, CR Power Dongjianghu Big Data Industrial Park and the Hezhou CR Circular Recycling Economy Industry Demonstration Zone were included in the first 105 national pilot reform projects of incremental distribution network.



Dongjianghu Big Data Industrial Park



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Focus on operations, maintenance, innovation and efficiency

Along with industry development and technological advancement, we actively explored more effective and efficient modes of operation and maintenance for new energy. Guided by the idea of setting long-term goals, being people-oriented, conforming to high standard and strict requirements, and seeking excellence, CR Power made experiments in five pilot Regions (namely South China Region, Central China Region, Northern Region, Northeast China Region and East China Region). With the help of information technology, CR Power has successfully shifted from a separate operation and maintenance system to an integrated system, achieved centralization of resources, management and operation, overcame the problem of low manpower and machine efficiency associated with the development of small-scale wind power projects and significantly improved the operational efficiency of new energy businesses and employee satisfaction.





Monitoring Centre of Northern Region New Energy Operation and Maintenance Company

Driving force for innovation to promote technological advancement

Establishment of technology research institute

Guided by the idea of putting strategy first, using innovation as the driving force and giving priority to technologies, CR Power actively conducted innovation research in line with strategies, set up innovation platforms, created innovation mechanisms which fostered the Company's innovative capability. In 2016, the headquarters of CR Power established a technology research institute, devoted its efforts to offer technological advise to various businesses, and provided construction and operation projects with technology services and innovative application research support such as cutting-edge technologies, big data analysis, intelligent control, test and commissioning, technology consulting, survey and design, performance diagnosis, optimisation of system and control, perfection of indicators, quality analysis, energy storage and Smart Micro-grids. In addition, CR Power combined the strengths of various businesses, introduced international innovation forces, gathered innovation resources such as talents, technologies, projects, demands and funds and created a domestically and internationally leading platform for research, development and industrial innovation.



On 24 October 2016, CR Power, together with the Energy Saving and Emission Reduction Center of China Energy Research Society, held a seminar on Innovative Energy Saving and Emission Reduction Technology for Thermal Power Generation Units. More than 270 people attended the seminar, including heads of relevant departments and offices of CR Power, the Regions and project companies, relevant experts from the Energy Saving & Emission Reduction Centre of China Energy Research Society, and representatives from more than 10 manufacturers specialised in energy saving and emission reduction technologies. The meeting was presided over by Wang Fan, the Director of the Energy Saving & Emission Reduction Centre of China Energy Research Society, and Mao Jianxiong, a professor from Tsinghua University. Zhou Junqing (in left picture), the Chairman of the Board of Directors of CR Power, and Hu Min, the President of CR Power, also participated.

Focus on Excellence to Gain High-Quality Returns

Promoting construction of smart power plants

We further facilitated the quality improvement work by transforming benchmarking power plants into smart power plants and initiated pilot projects at Hubei Power Plant, Haifeng Power Plant and Xuzhou Power Plant based on the benchmarking power plants in 2016. The construction of smart power plants is divided into three steps: the first step is to realize initial informatization and automation through integration of current assets; the second step is to realize full informatization in 2 to 3 years to construct a digital power plant; and the third step is to create a smart power plant through full automation in next 3 to 5 years. In addition to this, we further facilitated the self-dependent innovation, research, development and construction of the operation optimisation system (OOS), the fuel optimisation system (FOS), the automatic plant start-up and shutdown system (APS) and the smart fuel management and control technologies, improved the operation of thermal power plants.



Promote technical upgrade and transformation

We have been proactive in promoting innovation and reform of technologies associated with heat supply, parameter optimisation and throw-flow, expand electricity supply and heat supply markets, perfect technical and economic indicators associated with net coal consumption rate, and improve our abilities to shield against market risks. In 2016, the net coal consumption rate was reduced to 305.0 g/kWh, 2.0 g/kWh lower than the previous year.

Case

CR (Cangzhou) Thermal Power Co., Ltd., a subsidiary power plant under North China Region, carried out the construction project of its boiler room for peak load regulation. The supporting heat pipeline was 7.87 x 2 kilometres in length and five small boilers were replaced to improve its heat supply ability. Fengrun Thermal Power Co., Ltd. opened up the heat market, replaced 26 small boilers using coal firing to supply heat, met the residential heating demand of 15,000 households within 1,500,000 square meters and increased the heating capacity by 80MW. Bohai Thermal Power Co., Ltd., on the other hand, focused on the heat supply for industrial and residential purposes, supplied heat to four customers, and conducted heat supply for residential usage.

Strengthen protection of intellectual property rights

We attached great importance to the protection of intellectual property. By the end of 2016, the Company held 148 patents, among which, 108 were granted and 30 were pending. The amount of money invested in technology through technology innovation projects and application and promotion projects of intellectual properties accounted for 1.40% of the income of the Company. Up to now, 9 patents and 1 software copyright associated with OOS system have been assigned to us by Hubei Power Plant through attribution of intellectual property and this was rolled out to all subsidiary coal-fired power companies.

148 patents By the end of 2016, the Company held 148 patents, among which, 108 were granted and 30 pending

The amount of money invested in technology accounted for



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Be bold and Dare to Be the First

Bravo! Remarkable! With the courage, wisdom and efforts, you increased the automation degree and accuracy of coal quality acceptance, prevented management risks associated with fuel acceptance, enhanced the credibility of the Company, improved the working environment, promoted the skill level of fuel acceptance and became a successful pioneer in the field.



Member of the National Coal Standardization Technical Committee of China, Commission of China Society for Electrical Engineering Liu Zhiping

The cost of fuel accounts for a large portion of the total cost of a power plant. The management and control of fuel cover various aspects such as sample collection, sample preparation and sample analysis, and all these require manual operation and are subject to human factors. How to eliminate the influence of human factors in fuel management? How to guarantee the authenticity, accuracy and reliability of data regarding the quality, price and quantity of the purchased coal and the coal that's finally burnt and the inventory coal in production and operation? These were the major difficulties faced by domestic thermal power companies and the only solution available was to implement the intelligent fuel management and control system. However, there were few successful applications in China, and most people either were sceptical about its feasibility or held the idea that the performance of the technology was premature or unstable. For this reason, the intelligentisation of fuel management and control was considered an untouchable "crab" in this case and scared many power companies away.

Northeast China Region went beyond the traditional way of thinking. With field surveys and broad investigations conducted by professionals, the Northeast China Region decided to be the pioneer and adopted the intelligent fuel management and control system in its subsidiary Panjin Power Plant in April 2016.

The Northeast China Region and Panjin Power Plant set up a joint special project team, analysed the situation in a comprehensive way, adopted the divide-and-conquer technique, checked the rules and regulations, verified various data and discussed the construction plan item by item so as to make sure the final plan will be reviewed and approved by the experts in one go.

After six months of construction, the system, including the full- automatic sample preparation system, sample packaging and transfer system, automatic sample storage and inspection system, automatic test data extraction system, entrance guard and video monitoring system and management and control platform, was functioning as expected. With the deployment of the system, Panjin Power Plant realized "two separations" and "two centralizations", the separation between human and machine and between human and data; the centralization of







deployment and management and control for the collection, preparation and testing of coal sampling. To be more specific. the separation between human and machine enabled automatic collection, preparation, packaging and transfering of sample and preparation of reference sample with one click and ensured zero manual operation throughout the process. The separation between human and data allowed automatic reading of various measurements and test data and automatic verification of test data with no human interference.

With the centralized deployment of sample collection, preparation and testing equipment and facilities, the transfer distance of coal sample was shortened and the centralized management and control supported the remote control and centralized video monitoring of sample collection, preparation and testing equipment and facilities.

The complete set was tested and certified by the Northeast Quality Inspection Centre for Thermal Coal and successfully accepted on 28 December 2016. In addition, one copyright for computer software and two national patents for utility models were granted by the National Copyright Administration for the system. This signalled the victory won by CR Power as a pioneer and an important step towards construction of intelligent power plants.

Focus on Excellence to Gain High-Quality Returns

Develop an innovative business model

While striving continuously to improve unit efficiency and performance, we also shouldered our responsibilities and thoughts creatively, shifted our focuses towards other possible and available resources and explored possible new business models and new areas for profit growth so as to achieve a win-win situation where the social responsibility and company performance are in line.



02 Environmental responsibility



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Lay a Solid Foundation to Enhance Management

Standardization & IT

To adapt to the requirements of management reform and business development, we have set up a Management Improvement and Standardization Committee and promoted the management improvement through defining controls and management interfaces, combing through management process, establishing standard systems, adjusting information systems and reinforcing business support.



Management control systems

The integrated ERP management system combined the ERP solutions for thermal power and new energy and enabled full business integration. The adjusted organization structure served as a basis for the adjustment to and optimisation of combined management systems, comprehensive budget system, 5C Report system and human resources system. The EAM system allowed full coverage on all production units, including thermal power and new energy businesses.

Business systems

We implemented the full process of e-bidding on the platform, and established standardized and transparent online bid opening, bid evaluation and bidding processes. We also launched the electricity retail system of South China Region and made continuous optimisation. In addition, we released the mobile app "RunGongZuo" and upgraded the mobile office system comprehensively.

Process and standard

Focus on Excellence to Gain High-Quality Returns

Lean Management and Benchmark Establishment

Plant construction benchmarking and lean management are the tools of our excellent operation system and cost control ability, it helps improve and optimise various indicators associated with production, technology and the economy, promote cost reduction and efficiency enhancement, standardization and talent cultivation, enhance overall operation efficiency and management performance of the Company and reinforce the competitive advantage in the market so as to overcome various challenges in an effective manner.



The Publication of Indices of Wind Power Operation 2015 and the 10th Annual Meeting of National Wind Power Generation Technology Collaboration Network were held by the CEC on September 28-29, 2016. The key Indices for 2015 domestic wind power generation and operation were released during the meeting and the competition results in terms of production and operation Indices of various wind farms were published. A total of 13 new energy projects conducted by CR Power (including Dongxing, Guben, Fengming, Chaonan projects) won prizes and CR Power delivered the speech titled "Lean Management of CR Power: Construction of Benchmark Wind Farms" during the event.





The company-level kick-off meeting of pilot construction of benchmark power plant for 2016 was held on 29 August 2016. We concluded the construction of benchmark power plants in 2015, deployed the implementation plan for construction of benchmark power plants in 2016 and put forward the overall requirements for lean management and construction of benchmark power plants, which required full coverage, overall design, systematic thinking, detailed process, quantified benchmarks, tool application, "Three Basics" (grass-root construction, basic work and basic skill training) management, fine operation, standardized popularization, regular promotion, humanity care, performance assessment, innovation breakthrough and intelligent improvement.

Mutually beneficial synergies and Win-win Situations

Within the diversified businesses of China Resources Group, we have coordinated with CR Cement, CR Microelectronics, CR Textile, CR Snow Breweries and CR Pharmaceutical to conduct direct power supply businesses, conducted in-depth cooperation with CR Land in construction of smart communities and carried out comprehensive cooperation with CR Gas in the fields of multi-energy complementation and electricity retail so as to realize mutual benefit.

Case

CR Power has entered into a framework agreement on power supply with CR Cement on 21 December 2016 and the amount of electricity that will be transacted in 2017 is about 2.8 TWh. Currently, various Regions of CR Power have carried out cooperation with CR Cement in terms of power supply throughout the nation under the guidance of the said framework agreement. The power supply and electricity retail transactions conducted under the framework agreement will contribute to improve the utilisation hours and use ratio of power plants so as to enhance the profitability and operating efficiency of power plants. According to the statistics, so far the total amount of electricity contracted between various businesses under China Resources Group in 2017 has reached approximately 3.6 billion kWh.

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Risk Control for Asset Security

We attached great importance to the compliance with laws and regulations, managed and administered businesses in accordance with national laws and regulations as well as rules governing Hong Kong Listed companies on the HKEX, established the decision making bodies, including the Board of Directors, the Executive Committee and the Investment Preliminary Reviewing Team, strictly implemented collective decision making systems characterized by the "3+1" policy (i.e. three important considerations and one large commitment), continuously improved rules of procedures, systems and processes such as the Rules of Meeting Procedures of Management Team, reinforced supervision and monitoring of compliance and made sure every big decision made by the Company is compliant, scientific and correct.

We reinforced the construction of a disciplinary supervision unit, implemented full-time supervisor system from the holding company to various Regions, strengthened integrity education and training of managers, conducted integrity interview with principal leaders and newly-promoted managers of all departments in 2016, accepted and verified various reports and clues, implemented disciplinary execution and accountability carefully, carried out compliance supervision proactively and tightened up the management, monitoring and supervision of bidding and purchasing processes.

We are a commissioned operator for state-owned assets and shareholders' assets. To ensure the security of corporate assets, we continuously reinforced the construction of risk management and control systems, gave full play to the functions of legal, audit and supervision departments, committed to create a long-term risk prevention and control mechanism integrating management before, during and after event, and explored and built the framework integrating OPP internal control and risk management with organization, process and system as its core elements. In 2016, we completed 27 audits, discovered 528 issues, put forward more than 540 pieces of improvement suggestions for rectification, issued 3 risk warnings regarding major risk events, and held 12 people liable for major violation of disciplines. In addition, we organized 24 units to conduct internal evaluation based on three core elements from the perspective of design and execution. Based on the evaluation results, the internal control was well implemented in most of the units.

We set up organizations and institutes such as the Preliminary Investment Review Committee, the Post-investment Evaluation Committee, the Audit Reform Committee and the Asset Optimisation Team, which report directly at the management meetings of the Company, and formed special trans-department organizations led by corporate management meetings directly, which provide the Company with strong support in effective decision-making regarding asset optimisation, and post-investment evaluation. In 2016, the pass rate of projects reviewed by the Preliminary Investment Review Committee was 88%, among the projects which passed the preliminary review, mainly were clean energy projects, thus the scientificity and the strategic compliance of project investments.



Strategic Driving Force We have been strategy oriented and led the system to operate effectively through excellent management and operation during the balance of risk and opportunity so as to ensure achievement of strategic goal. **Risk Management**

We have developed the risk awareness and established implementation mechanism of internal control responsibility by revolving around "organization, process and system", focusing on the process and taking job responsibility as the entry point.



The 2016 Annual Meeting of Law-based Corporate Governance was held on 17 October 2016 to exchange and share the experience accumulated and achievements made by the Company in the field of promoting legal management, lawsuit management, legal dispute and accountability of state-owned enterprises, corporate secretary and corporate governance. The prosecutor from People's Procuratorate of Shenzhen Municipality was invited to make a report analysing anti-corruption cases of state-owned enterprise employees and set requirements and made deployment regarding promotion of legal thinking and legal awareness of managers, further improvement of corporate systems and processes and reinforcement of construction of basic management.

PEOPLE-ORIENTED CULTURE

Enhances Cohesion

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The superior man preserves benevolence and propriety in his heart. The benevolent man loves others. The man of propriety shows respect to others. He who loves others is constantly loved by them. He who respects others is constantly respected by them.

Talent is always a top priority for company development. Human capital is a company's most valuable asset. It is crucial to treat every employee with benevolence and a kind heart. Companies should respect all employees for their characteristics, their soul, realise their potential, and care about their needs. Only this way, can we foster solidarity and cohesion, so that employees would be willing to stick and grow with the company in the good times and the bad, and respond to the current difficulties with the enterprise.

People-oriented Culture Enhances Cohesion

Human capital is the root of organizational success. We always pursue growth with employees and protect their rights according to law, ensure employees' safety and health, and provide them with training and developmental opportunities for a balance between work and life, via continuously improving relevant mechanisms. Meanwhile, we also enable employees to improve their performance and self-value. As at the end of 2016, the Company had 33,604 employees, including 5,673 female employees, accounting for 16.88% of the total number of employees; and 51 female managers, accounting for 5.4% of the total number of managers.





Protect Employees' Rights

We respect and protect employees' benefits and rights, and strictly abide by the Labour Law, the Labour Contract Law, the Law on the Protection of Women's Rights and other laws and regulations. In 2016, 100% of the employees signed labour contracts, with 100% social security coverage. No major labour disputes occurred during the year.

We continue to improve the salaries and benefits system. In addition to pension, medical, unemployment and other social insurance and housing provident funds for employees, we buy additional business insurance for employees and their families. Meanwhile, we adhere to the employment policy of equality between the sexes and among nationalities, protect employee's right to take vacations, and combat discrimination and slave labour in any form. Furthermore, we strictly implement the Law of Occupational Disease Prevention and occupational disease prevention laws and regional regulations. We provide employees with regular physical examinations and physical examinations for special type of work with health records filed, to continue to improve employees' working environment and ensure their occupational health and safety, resulting in no occurrence of occupational diseases for consecutive years.

Guarantee Employees' Safety

We are people-oriented and we continuously construct CR Power's EHS (Environmental protection, energy conservation and emission reduction, occupational Health and Safety) System, enhance the management, control and supervision over safe production, strictly implement an EHS responsibility system, systematically conduct EHS risk assessment, EHS demonstration bases, safe conducts watch, standard compliance, NOSA fivestar management, safety inspection, training and other work, to continuously improve the spot working environment and the reliability of equipment, improve safety awareness and the ability of all employees, and reinforce the safety foundation. No major safety occurred during the year. The trend of safe production was steady overall and the Company invested approximately RMB 480 million into safe production during the year.

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Improve EHS organization and system

In 2016, we have timely established and improved the EHS organizations at all levels based on CR Power's regional management reform. EHS heads and EHS supervisors have been assigned at all regions, who will guarantee a smooth operation of the EHS system. Meanwhile, CR Power has renewed and modified the Management Measures for EHS Accountability, Measures for EHS Information Transmission and Report Management, and Management Measures for EHS Rewards and Punishment (Trial) to safeguard steady and efficient progress in our EHS management and relevant works.



Execution of EHS Responsibility Documents

Safety evaluation:

With the focus on accident prevention and based on early safety assessment and considering factors including major hazards, occupational health and outsourcing projects, we established the EHS risk control system and EHS risk assessment standards. Meanwhile, we conducted EHS risk assessment for 9 thermal power plants, 9 wind farms and 1 coal mine, discovering 4,154 problems. Via followup solutions and rectification within a deadline, the health level of the facilities and the working environment were clearly improved.

Compliance check:

We deployed and conducted examination and rectification for EHS compliance, with a focus on relevant licenses and certificates essential for production and operation of grass-root enterprises, implementation of relevant approval documents, implementation of fire, environment, safety and occupational health conditions, as well as checking of license holding special operators and regular inspections on special equipment. We rectified any incompliance in a timely manner so as to ensure the compliance for organizational and individual behaviours.



Execution of EHS Responsibility Documents

Construction of EHS demonstrative base:

We examined the evaluation standards for demonstrative bases, summarized their experience for promotion and application, clarified the direction for the next stage of development, and pushed grass-root enterprises to continuously improve EHS management.

NOSA five-star management:

NOSA construction was in full swing in thermal plants. In the meantime, NOSA construction was on trial operations in new energy and coal business units. The measures aimed at creating an advanced management mode of CR Power and enhance the overall safety and sound management to realize the target of zero environmental pollution, zero report of occupational diseases and zero accidents. As at the end of 2016, there were two subsidiary companies that passed the NOSA five-star acceptance, 14 subsidiary companies that passed the NOSA four-star review and 10 subsidiary companies that passed the NOSA three-star acceptance.
People-oriented Culture Enhances Cohesion



China Resources Power (Fuyang) Co., Ltd. has started a wave of allround examinations over maintenance and technical modification, safe operations, environmental protection equipment operating maintenance, logistics and security, fire prevention and fighting, and on-duty arrangement for holidays.



China Resources Power (Lianyuan) Co., Ltd. has been subject to a complete inspection of works like implementation of key EHS tasks, execution of the document system, safety inspection and event progress, traffic safety, and occupational health.



China Resources Power (Lianyujiang) Co., Ltd. and China Resources Power (Hunan) Co., Ltd. launched a special project to check hidden danger for pressure vessel and pressure piping.



After more than 10 hours of emergency repair through the day and night, the faulted cable for Lufeng Line 3 of Lufeng Wind Farm was restored back to normal operation before the Meranti typhoon landed.



Learning from Accidents, Preventing and Controlling Potential Risks

In May 2016, Liuzhi Power Plant in Southwest China Region encountered an accident, whose a worker was injured by falling from height in unit 1 of the New Coal-fired Unit, and subsequently died in hospital. After the accident, the company immediately convened relevant units and persons to analyse the accident by factors including human, object and environment. The CR Power Bulletin on Recent Fall Accident was released, notifying all affiliated units to learn from the accident. While continuing to tighten safety control over construction, maintenance, and technical transformation, the "Three Same Time" (design, construction and operation) rule must be strictly followed. Safety training on employees and stakeholders and outsourcing project operation management will be taken to another level. All units must try their best to prevent accidents from happening, and guarantee safe production. Liuzhi Power Plant has started special inspection and rectification plan for on-site construction safety. By enhancing site supervision and management and identifying and solving hidden danger in daily operation, the plant has formed a closed loop of safety in a timely manner.

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Improve EHS emergency system

In accordance with national laws and regulations, we continuously improve the existing emergency plan system, forming a threegrade plan system from the headquarters and down to regional project companies shall be responsible for preparing a comprehensive emergency plan and special emergency plan. In 2016 we revised and completed the Comprehensive Emergency Plan for EHS Accidents for CR Power, which passed internal review and assessment by the expert panel of the State Energy Administration.



Anti-terrorist emergency drill featuring fire-fighting and defence linkage and participation of local police at China Resources Power (Wenzhou) Co., Ltd.

Emergency rescue drill for object strike accident at China Resources Power (Hunan) Maintenance Co., Ltd.



Emergency response drill for electric shock at the tower base and fire in ring main unit at Yantai Maintenance Base at Daliuxing Wind Farm



Emergence response drill for major source of danger (ammonia station) leaking at Xuzhou Huaxin Power Co., Ltd.



People-oriented Culture Enhances Cohesion

Strengthen safety education and training

We attached great importance to improving EHS awareness and skills of all employees to consolidate their EHS basic abilities. In 2016 we conducted targeted requirement surveys and launched relevant training sessions based on the survey findings. We provided an accumulation of 532,197 hours of training for all employees, and 379,394 hours for relevant personnel.



Performance indicators	Unit	2014	2015	2016
Input in safety production	RMB10,000	56,029	47,982	37,696
Personal injury accidents	No.	6	5	3
General equipment accidents	No.	0	0	0
Major equipment accidents	No.	0	0	0
Equivalent availability factor	%	92.08	91.35	90.54
Unplanned outage Times	Per unit	21	29	20
Number of certified safety managers	Persons	1,634	1,771	1,831
Number of certified safety engineer	Persons	132	170	200



Training on Safety Behaviour Observation in Northeast China Region



Training on obtaining certificate for safe production management in Central China Region





In 2011, China Resources Power (Honghe) Co., Ltd. started the building of NOSA EHS five-star management system. By the end of 2011, the company qualified for 3-star, and its 4-star the following year. In 2015, it became the first in the China Resources Power family to be a NOSA five-star company, and lasted for three consecutive years. All these results show that Honghe company is levelling up its management of EHS.

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Promote Employee Growth

While attaching importance to employees' development and optimising methods to check and evaluate talent, we promote the pilot project of dual-channel job qualification for professionals, carry out grass roots management and professional training systems, and optimise a comprehensive and business-oriented performance management and a salary incentive system.

We enhanced the training intensity for employees and further improved managerial and specialised training sessions, internal training and development courses. As at the end of 2016, the Company had 244 certified internal trainers, covering 32 courses for common skills, basic-level management and professional industry-ralated courses; conducted the China Resources leadership training camp for our future stars, first "CR Power Voyage" training course for international talent, and other training projects; officially released 13 drafts of professional learning maps for thermal power and finished 9 drafts of professional learning maps for hydropower. The company invests a total of RMB 9.82 million in training.

	2014		2015		2016		
Туре	Number of Trainees	Per capita hours	Number of Trainees	Per capita hours	Number of Trainees	Per capita hours	
Senior management	5,321	24.8	2,236	10.8	2,248	12.6	
Middle management	45,465	54.2	57,653	18.3	42,396	18.5	
Employees	112,328	42.3	112,328	15.97	203,848	13.9	

Case



CR Power is accelerating its international development under the "Belt and Road" initiative and "Dual Engines and Two Wings" group strategy. The global talent training program was launched as part of its commitment to fostering a team geared for overseas business operations. In July 2016, "Hundred Talent" international talent reserve plan started, along with the first "CR Power Voyage" training course. After 213 class hours in 33 days, 38 trainees have passed the international engineering exam and IELTS speaking test. The course covers 17 overseas subjects, including project development, international business, investment analysis, and comprehensive management. A batch of trainees has been seconded for work in the International Business Department. China Resources Power is the first in the group to train talents with global vision.

People-oriented Culture Enhances Cohesion



"Future Star" training camp for new employees



Training of internal trainer



Special Training Camp for On-duty Monitoring in New Energy



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Care for Employees

While focusing on humanistic care, we promote normalized "love-out-reaching" activities and established an assistance fund for needy employees. In 2016, nearly RMB 2 million was invested to help some underprivileged employees with their medical and living problems.

	2	2014		015	2016	
Supporting statistics	Persons (families)	Amount (RMB10,000)	Persons (families)	Amount (RMB10,000)	Persons (families)	Amount (RMB10,000)
Underprivileged employees receiving support	1,419 persons	104.83	467 persons	106.27	586 persons	81.11
Underprivileged employee families visited	664 families	20.89	367 families	16.01	337 families	40.28
Children from underprivileged employee families	123 persons	26.16	50 persons	7.67	68 persons	9.36
Sick employees receiving assistance	311 persons	104	63 persons	14.79	266 persons	57.3

We respect the employees' family responsibilities and needs of spiritual culture by holding trainings, sports games, family interaction, after-hour associations and other fun activities, enabling employees to relax their minds and bodies, gain exercise to become strong and healthy and get a feeling of warmth after work, allowing them to work with a higher degree of enthusiasm.



People-oriented Culture Enhances Cohesion

Love and Passion

🚺 Story



The Labour Union of the Power Generation Department at Xuzhou Tongshan Power Plant received a thank-you note from Jiangsu Cancer Hospital, which expressed sincere gratitude to CR employees and people in all walks of life for saving his life. This is the story:

Liu Hua, major operator for centralized control in Tongshang Power Generation Department, is a skillful and meticulous young worker. While doing his jobs, he also helps new joiners, earning the respect of his colleagues. During this Spring Festival, he remained at his post to ensure safe and economical operation of power generation units. Unfortunately, an abnormal lump was found in his neck area by his wife, a medical worker. After a series of examinations at Shanghai Huashan Hospital, Liu was diagnosed with malignant throat cancer.

Liu kept the disease a secret without troubling his colleagues, and asked for a two-month leave when he had the lump removed at Huashan Hospital. Liu suffered a lot from radiotherapy after the surgery. Besides, his oesophagus was half excised, and could only swallow liquids via nasal feeding, which added great pain to his weak body. Liu is confident and positive about life while fighting the disease. Despite all of this, he is still very much concerned about his work and colleagues. Li Guanhua, shift supervisor of the Generation Department, learnt about Liu's condition, and his financially-challenged family through phone messaging: his aged parents with chronic diseases in his rural hometown, and a three-month old child. The huge surgery cost (RMB 150,000) and other treatment cost created a great burden to Liu. Li Guanhua immediately reported this situation to the Company and requested donations to support Liu and his family. The idea was supported.

"We cannot give up even with a bit of hope! Let's pass on our love to save lives and raise hope." On April 9, a donation proposal was issued by the Labour Union to all company employees. The donation campaign was launched via WeChat, SMS and websites, and donation boxes were set in places like staff canteens, office buildings and department offices. Everyone from General Manager, management members to employees in all departments, labour unions and union groups actively donated money. Some employees of other CR Power plants in Xuzhou and contractors also made a donation.

Love spreads with warm spring breeze. On April 17, a total donation of RMB 89,520was sent to Liu and his family.

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HONESTY AND INTEGRITY TO

Achieve Win-win Results

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Sincerity is the way of the heavens The attainment of sincerity is the way of men

-Mencius • Li Lou (I) - Warring States • Mencius

As a traditional virtue of Chinese ethnic people, sincerity is the foundation underlying all efforts to settle down and get on with the pursuit and the foundation of making friends for individuals. It is also the way to administer state affairs well and ensure national security. Mencius, in his topic of conscientiousness of sincerity, regarded sincerity as the natural law and regarded the pursuit of sincerity as the rule of men. As interpersonal communication relies on keeping a promise inviolate, the cooperation between an enterprise and its partner should be conducted based on sincerity, to establish a character from sincerity and be reliable due to sincerity, as well as conduct cooperation with a responsibility of mutual benefits and win-win results.

Honesty and Integrity to Achieve Win-win Results

The development of a company requires trust between partners for win-win results, and this is a perfect strategy in the era of a knowledge-driven economy. CR Power values strategic cooperation by continuously expanding and strenghtening the cooperative field and space. CR Power, together hand in hand with its partners, performs on social responsibilities and promotes mutual benefits, win-win results and social progress.

Strategic Cooperation to Pursue a Win-win Situation for All

With the idea of cooperation for mutual benefit and win-win results, we actively built a strategic sharing mechanism and cooperation platform among governments, enterprises, specialised institutes and scientific research institutions, to give full play to the strengths in thermal power construction and operation, energy conservation and emissions reduction, and the development of clean energy, to expand the field of cooperation, strengthen the level of cooperation, complement each other's resources and advantages, and realize a mutual and sustainable development.



On 18th February, 2016, CR Power entered into an agreement with Guangdong Qingyuan People's Government on building a 1,000 MW new energy base. CR Power will leverage its overall strengths and advantages in both management and experience to deliver excellent performance. Investment in Qingyuan will cover more regions and grow in size. By playing an active role in Qingyuan's green energy industry, CR Power will contribute to the economic development and people's livelihood locally.



On 21st November, 2016, Fuyao Group became a strategic power & energy partner of CR Power. Drawing on respective strengths and sharing resources, both companies will see a series of strategic cooperation projects in power purchase and retail, energy efficiency management, power distribution, and other relevant fields.



CR Power and Jiuquan Iron and Steel Group Co., Ltd. (JISCO) met on 23rd December, 2016 for strategic cooperation on new energy projects in Gansu, generation rights replacement and equity cooperation, power retail, and thermal power plant management experience exchange. They have signed a Memorandum of Understanding.



On 26th December, 2016, CR Power and China Electric Power Research Institute (CEPRI) signed a framework agreement on strategic cooperation. Combing CR Power's current new energy businesses and utilising CEPRI's technical capability and resource platform in new energy, the two partners will seek cooperation in fields such as "building capability to certify wind power testing and detection", "development and application of big data warning technologies for wind power", "application of predicting technologies for wind resources and wind power", and "distributed new energy and application of smart microgrid technologies".

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Run Business with Good Faith and Build a Chain of Responsibilities

We insist on honesty and integrity, strictly comply with the standards and requirements as a listed company and improve management and operation competency to continuously create value for shareholders.

In our business activities, we adhere to a philosophy of fairness and competitiveness, comply with industry standards and commercial ethics, consciously maintain market order, and firmly resist unfair competition such as bid rigging, predatory pricing, channel resource monopolies and improper cross-subsidization. We established the Department of Procurement and Bidding. Meanwhile, we have successively issued some management systems for the Company including the Management Measures for Bidding and Procurement, Direction for Setting Measures for Evaluation of Bidding and Procurement Projects, Management Measures for Suppliers, Management Measures for Bidding Supervision, Management Measures for Bidding Complaints, to conduct bidding and procurement according to laws and regulations. Furthermore, the Legal Department will audit the relevant bidding contracts and put forward legal advice, to ensure a sunshine purchase mechanism, processes and systems, and avoid commercial bribes and corruption.

We adhere to integrating the concepts and requirements of social responsibility into the management of the supply chain while setting ourselves as an example to others and running business with good faith, to assess, select, regularly evaluate and pick excellent suppliers from product quality, service level, contractual capacity, human labour rights, occupational health and safety, environmental protection and other dimensions, conduct responsible procurement, and advance partners in the supply chain to perform social responsibilities. For instance, in the bidding processes, we consider quality management system qualification, environmental management system certification and occupational safety and health management system (OSHMS) certification as the obligatory requirements. Any bidders falling below these requirements will be rejected or given lower scores, to encourage bidders to perform their social responsibilities. In 2016, 95% of bidders participating in the centralized bidding passed the certification of these three systems; the Company's responsible procurement rate recorded at 100% for consecutive years, and the performance rate of economic contracts has also recorded at 100%.

🚺 Case

Complete e-tendering

CR Power's first all-electric tendering project, "China Resources Power Hunan Co., Ltd. EPC Project for Ultra-low Emission, Desulphurization and Dedusting of Particulate", was held successfully from 28th November to 1st December, 2016. Shouzheng e-Tendering Platform and supporting tools enable an all-electric tendering process, covering everything from the beginning to the end, like tender notice, tender document preparation and issue, bidding document preparation, bidding, tender opening, tender evaluation, evaluation report generation, and clarification. This marks a successful attempt of CR Power to shift from traditional tendering to an electronic solution. The platform enables a safer, normative approach that is efficient and convenient to tendering, and can better support and serve tendering for all regions. This prepares CR Power well for fair, just, and open tendering.

Customer Orientation to Facilitate Transformation

As China opens its retail-side power market, CR Power will also participate in power retail, and achieve its transformation from a generator and coal enterprise to an integrated provider of energy services. CR Power is devoted to becoming an international integrated energy service provider trusted by the public and favoured by the customers. By enhancing awareness of market and customer service, we strive to offer electricity, thermal energy, and coal that are safe and stable, clean and efficient, and also affordable. We will keep improving our service standards for better customer satisfaction.

Honesty and Integrity to Achieve Win-win Results

CR Power Warms up the Cold and Bitter North Wind

Story

In the late October, the air in Shenyang had a frosty bite. In the President's Office of Shenyang Experimental School, President Dong seemed to be waiting for something at her desk. The phone rang, and she quickly answered it and heard the exciting voice of Director Guo, "President Dong, the test run of Dadong Campus heating project is successful! The heat is on, and it is warm now!" President Dong was relieved with this good news. The scenes of heating project construction for the past month surfaced in front of her one by one.....

In September 2016, Shenyang People's Government decided to tear down small coal-fired heaters for heating in Shenyang Experimental School, as required by the "Blue Sky Plan" and to improve Shenyang's overall environment. President Dong and students' parents were worried about this notice: if the heating could not be properly guaranteed after the boilers were shut down, teaching in the classroom and living in the dorms during the long winter would be a great problem. Emergency meeting was convened to study alternative solutions. A feasible one conforming with the governmental policy is electric heaters, but it is too expensive, and requires too much time for installation, which means the heating may not begin on time. President Dong had to report the difficulty to the local government.

Director Zhang of Dadong District Environmental Protection Bureau remembered that there was heating pipeline just one km away along the Shenyan Line, which is laid by Shenyang China Resources Thermal Power Co., Ltd. for the motor city. But Zhang feared that the company would not be willing to supply heat for the school, which had low heating demand and high heat loss due to long distance. However, Zhang finally decided to have a try at the company. Huang Huawei, General Manager of Shenyang China Resources Thermal Power Co., Ltd., after learning the situation explained by Zhang, brought hope to the bureau and the school, "CR Power is not only an operator of energy resources, but a public company that is responsible for the community where it operates. We will not sit tight after knowing your heating difficulty. We will reply as soon as possible after discussing it on our meeting." The reply was quick: CR Power decides to supply heat for the school.



was already mid-September when the heating pipeline It. interconnection for Shenyang Experimental School was finally approved. Only less than two months remaining before the heating is planned to start. Facing so many tasks to be completed in a very short time, the thermal power company immediately got in touch with the design organization and road administration for preparation, including checking underground pipe system, confirming materials required, executing field surveys, and examining relevant drawings. On 29th September, the Northeast China Region approved its construction scheme, and constructors were mobilized for the project. On 1st October, the heating pipeline linking project officially started. During the construction, the thermal power company, constructors and the school worked closely for overall interests. Safety disclosure and technical disclosure proceeded simultaneously. Precise construction and delivery allowed the pipeline to avoid underground optical cables for communication, tap water, natural gas, and oil pipes. The construction saw both supervision on safety and technology, and tracking of safety and quality. In late October, the pipeline installation was completed smoothly in advance.

The ringing school bell interrupts President Dong's memory images. Putting herself together, she got up and left her office. She wants to see for herself the smile on students' faces when the heat is on. She wants to touch the heater with her own hands, and feel the warmth from CR Power.



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06 Community responsibility

Thumb Up for Heating Company's WeChat Official Account

Story

My name is Sun Zhenping, I live with my family in the Broadcasting & Television Bureau Residential Quarter. For a two-income family like us, paying the winter heating fee is a time-consuming worry. Asking for a leave during working hours will cause work delay, while paying the fee at banks during holidays requires long queues. If we are late in paying the fee, the heating will not be available on time.

When the heating period was drawing near this year, I saw the notice of the fee charge on the newspaper, TV and the bulletin board. Compared to previous years, a QR code appeared for the first time, and we were informed that the heating fee can be paid via the WeChat Official Account, and we even could apply for suspension online. I was excited, and immediately scanned the code to follow the account. It also publishes notices on test



Teacher of Cangzhou No. 7 Secondary School **Sun Zhenping**

In the past, thermal power users were troubled by the queuing time to pay their fees at the bank, whose service hall was occupied by customers applying for heating suspension. Clerks had to work overtime to input these applications. The heating company under Cangzhou China Resources Thermal Power Co., Ltd. conducted a survey on applying Internet technologies in payment and suspension application. After measuring service expenses, methods of responsibility, and service convenience, the Company selected WeChat as the platform of fee paying and suspension applying.

After development of two months, the Cangzhou Heating Company's WeChat Official Account was launched on 14th September. It supports the application for suspension, fee payment, and notices publication. The platform was brought to the attention more than 60,000 users in just two months thanks to a combination of promotion measures like media communication, notices posted in the communities, reposting by all employees and WeChat Official Accounts of residential communities.

When the suspension application function was first introduced to the public, users were frustrated by delayed SMS feedback, and questioned about the platform convenience. To solve this problem timely, the WeChat Official Account operators and Tencent worked together to modify the system and guaranteed quick SMS feedback. Tencent also assigned one supervisor for the account business. Every day, the platform usage will be taught in the company's hall, and users can learn how to use it step by step.

The WeChat Official Account not only makes it convenient for users, but also improves business efficiency. A total of 7,953 users applied to suspend heating

run and maintenance, and basic information about heating. I tried to pay the fee via WeChat that night. Each step is clearly explained: query information first, then verification of the information, and finally the transfer of the money, all done in just a few minutes! During leisure hours, I would browse for heating information on the WeChat account, which mainly publishes issues about winter heating. I learn a lot from it, and would repost some articles to my circle of friends. Soon, a friend called to tell me that he just applied to suspend heating for a vacant house with WeChat -- so convenient!

I really appreciated the heating company for implementing such a convenient, fast, and effective solution to free us from running around and waiting in queue for fee payment. I thank CR Power Cangzhou Thermal Power Co., Ltd. for always thinking for us all the time.



supply via WeChat in the 2016-2017 heating period, and RMB 54,826,000 of heating fees was collected online, the 2nd largest payment channel. The WeChat Official Account also motivates users to pay the fees timely. As of the end of October 2016, fees collected amounted to RMB 59,840,000 more than that of the same period of last year, and the difference grew to RMB 61,640,000 by the end of November. On December 31, a total of RMB 354 million was collected, about RMB 49.03 million more than that of the last year. The subscription rate was higher than the goal set at the beginning of the year. The heating company also publishes timely information that users care about on the WeChat Official Account. Such practice reduces the number of users' consulting calls, which falls by 31% compared to that of the last year.

The launch of the WeChat Official Account contributes to win-win results: fees paying and suspension applying are now easy and convenient for users; banks now deal with less workload, and fee collectors have less work to do; and heating fees collection process is completed much more quicker.

Cangzhou China Resources Heating Company always prioritises its users and is committed to providing users with convenient, quick, and satisfactory services. CR Power will never stop improving its heating services!!

Honesty and Integrity to Achieve Win-win Results

Open Communications to Improve the Public Opinion Environment

The Company pays attention to public opinion and is happy to listen carefully to comments and requests, which are used to improve and ensure a correct developmental direction. We keep an honest, cooperative and open mind and strive to build good relations with the media by disclosing information within scope as permitted as a publicly listed company. We also try our best to satisfy the interview requirements put forward by the media according to reporting requirements. We take the initiative to invite the media, non-governmental organizations, communities, students and warm-hearted netizens to visit companies under CR Power, so that they will in person experience and truly understand the philosophy, measures and effect of green development of the Company and that more people can comprehensively and objectively understand CR Power.

Meanwhile, in order to fit in with the communication characteristics of the new social media age, we innovatively create both official Wechat account and website platforms to help strengthen the publicity and promotion of the ideas relating to green and environmental protection, operation and development, work progress, and enterprise culture, as well as actively build up CR Power's corporate image of sincerity, strength and responsibility, to create a sound media environment for the Company's sound development.



On 24th August, China Resources Power Hubei Co., Ltd. welcomed "Experience Life in Plant" Open Day event. A total of 60 students and teachers from Wuhan University visited the power plant to learn about issues like power generation, energy conservation and emission reduction, environmental protection, and social responsibility performance of the plant. Students' questions like "particulate from the cooling tower" and "particulate pollution" were answered one after one patiently. The teachers and students changed their previous impressions regarding the heavy pollution and loads of dust coming from the thermal power plants. Their new impression of coal-fired power plants is that they are modern, new, and green.



China Resources Power (Haifeng) Co., Ltd. held a two-day "Youth Fellowship" Open Day during 13th-14th August, 2016. The event aims to build a platform for young employees to communicate with each other, and for the public to get to know the green development, environmental protection, technological innovation, social responsibility performance, and clean development of the power plant. More than 130 youths were brought together from Shanwei Development and Reform Commission, Entry-Exit Inspection and Quarantine Bureau, People's Hospital, Maternal and Child Care Service Centre, Guangzhou-Shenzhen Railway, and Haifeng company.



On 20th September, 2016, CR Power Guangyi Wind Farm held an "Experience Green Plant" Open Day event for the public. Nearly 30 people, including representatives from propaganda departments, TV stations, and scheduling centre at Electricity Bureau of Linwu County, Chenzhou and all walks of life were invited to the farm for a close-up understanding of the power generation principles and advanced technologies. They learned the charm of clean energy, and saw our commitment to green development.

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On 12th August, Xuzhou (Tongshan) China Resources Power Co., Ltd. welcomed the "Going to Work with My Parents" Open Day event, which aims to enhance ties between the company and its employees' family members, and help them to understand better the working environment and tasks of the employees. Nearly 50 employees and their children participated in the event. Kids drew down their new impressions of the power plant with brushes, and wrote down words they wanted to tell their parents.

LOVE OUTREACH TO

Shape a Warm World

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He who gains common good of society shall bear the suffering of society He who enjoys the blessing of society shall share the misery of society

——Edict on Disapproval of the Designation from Wang Cun, Xinchu Zhongdafu and Shangshu Youcheng (a High Official in Feudal China) by Su Shi (Northern Song Dynasty)

China's economy has achieved great development and strong support from the state and society which are inseparable for the development of every Chinese enterprise. China, as a country with a population of 1.3 billion; however, faces many difficulties at present and in the future. Therefore, enterprises need to make an effort in achieving their own development and create economic value. Meanwhile, they also need to consciously assume the responsibility to share the burdens of the state and participate in social poverty alleviation, to allow the public to share in the fruits of development and work hand in hand to move towards common prosperity.

Love Outreach to Shape a Warm World

Government responsibility

We strictly implement national policies, operate our businesses with integrity and abide by all applicable laws, and fulfil our obligations to pay taxes. In 2016, we paid a total of RMB 9.309 billion in taxes. In addition, we make efforts to create job opportunities. In 2016, we employed another 2,283 people, including 411 fresh university graduates.

Public Welfare and Charity

Apart from self-development, CR Power has long been committed to programs for public good, like making people's lives better and boosting the healthy development of local economies and communities. In 2016, CR Power contributed to student aid, poverty alleviation, disaster relief, environmental protection, joint construction of communities, volunteer activities, and construction of hope towns in impoverished areas of China together with CR Group. A total of about RMB 95,519,700 was donated over the past year.



Support for Education:

Aid for Tibet:

In response to China's electricity aid for Tibet, CR Power has contributed RMB 150 million aid fund during the "13th Five-year" period. Meanwhile, CR Power has solved outstanding problems related to power utilisation in remote off-grid regions, supported the construction of regional renewable energy network, and satisfied Tibet's needs for electricity development in building a moderately prosperous society. The first batch of aid fund (RMB 75 million) was paid in 2016. Nujiang Prefecture faces an issue of lagging behind in terms of education and talent shortage. CR Power strives to support Nujiang in economic and social development, with an aim to end the poverty problem that has been passed down for generations. Starting from 2016, CR Power has donated RMB 10 million each year for five consecutive years to help impoverished students to receive a college education.

From 2007 to 2016, CR Power has been donating to the "Hebei China Resources Student Education Fund" RMB 3 million for ten consecutive years, and helped 10,000 poor college students in top ten Hebei colleges to graduate smoothly.

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Lianyuan Power Plant in Central China Region was part of the village support team organized by Loudi Commission of Economy and Informatization. It carried out support and relief work in Changchong Village, Longtang Town, Lianyuan City, and donated RMB 200,000 as the initial fund for local targeted poverty alleviation campaign.



To build a harmonious community and shoulder social responsibility, Jiaozuo Longyuan Power Plant in Central and West China Region donated RMB 120,000 to the Charity Association of Bo'ai County. The donation was used to repair infrastructures in Baishan Village and Yanzhuang, and care for the elderly.



Dengkou Power Plant in Northern China Region launched a public benefit event "Let's Celebrate Mid-Autumn Festival Together!" and sent gifts and blessings to seniors in a local nursing home.



Fengrun Power Plant in Northern China Region visited seniors in a local nursing home and brought supplies like rice and noodles.



Super typhoon Nepartak brought torrential rain to Minqing county, Southeast China's Fujian Province. Many houses collapsed; roads and bridges destroyed; water and electricity supply and communication system disrupted. More than 1,000 people were trapped in the flood. Immediately after the disaster, Southeast China Region rushed to the heart of the disaster area and delivered relief supplies including 1,000 boxes of pure water, 200 boxes of instant noodles and 4 tonnes of rice to the victims.

Love Outreach to Shape a Warm World

Joint Community Development

We attach importance to community relations in regions where we operate and extensively promote joint construction of harmonious communities. Combining local characteristics and advantages of the Company, we select related projects to invest in, provide employment and training opportunities for local people, and purchase local raw and auxiliary materials as much as possible, to effectively promote regional economic development and the construction of the ecological civilization.



Under a unified arrangement with CR Group, Wujianfang Power Plant in Northern China Region seeks to drive economic and social development in West Ujimqin Banner with energy development. A new pattern of regional economic development, which combines circular economy, industrial tourism and grassland tourism, is established for a harmonious relationship between enterprises and herdsmen. Officials and herdsmen in nearby Su Mu and Ga Cha were invited to visit CR Power's power plants, and they extended sincere gratitude to CR Group for investing in and developing their local economy.

Case

Xuwen Fulai Wind Power Project was located near Qujie, Xiayang and Qianshan of Xuwen County in Zhanjiang, and started construction in February 2015. Besides green economic development, the project has also created many job opportunities. Ke Tingyao from Dongshan Village Jinhe Town has worked as a driver for Project Department for two years. "The wind farm has created many jobs for local residents who can find a good job at nearby wind farms instead of travelling a long way to the Pearl River Delta. I did farm work after leaving the army. Now I have a stable job and insurance benefits, and my living standard has been greatly improved." said Ke.



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Shoulder Responsibilities under the "Survived Willow Spirit"

Story

On 16th December, 1920, "Haiyuan County witnessed a M8.5 earthquake which was never seen before in history. All of a sudden, the hills tottered and the earth quaked. The sky was red, and a tornado swept across like ten thousand horses. The epicentre intensity reached 12 degrees, a shock as great as 1,200 atomic bombs. More than 270,000 people died. In this epic natural disaster, five ancient willow trees from the Ming Dynasty were torn apart due to ground surface rupture and yet, green leaves still grow from these fragmented trees. "Survived Willow" has been symbolized as a commitment to achieve continuous self-improvement. The best thing in life is to make friends! Deep in the mountains amid broad Haiyuan, CR has performed their responsibilities of a stateowned enterprise and built fraternal friendship with the local people. Though we didn't spend a long time together, we saw tenacity and courage in them. We really appreciate their attitude in supporting industrial development, education and poverty relief. CR people are helping Haiyuan just like building their own homeland. Haiyuan is our common homeland. We believe that we will present a brighter future to Haiyuan!



Vice Mayor of Haiyuan County, Ningxia **Jin Zhonghe**





Haiyuan is a county of Zhongwei located in the central-southern part of the Ningxia Hui Autonomous Region. It is an arid mountainous area and old revolution base where Hui nationality inhabits. It is also a key area for poverty alleviation. The remote county is inconveniently located and sparsely populated. In 1972, Haiyuan was recognized by the United Nations Development Programme as one of the least likely regions for human survival due to continuous sand storms every year from April to June, high altitude, bitter cold and bad water quality. As China issues policies to fight against poverty in its remote areas, CR, a state-owned enterprise, has earned firm trust from the government of the Ningxia Hui Autonomous Region. At the end of 2013, CR Power established a cooperation framework with the local government to build 1,000 MW of wind power resources.

The 300 MW Wind Power Project in Haiyuan Xihua Mountain is a key poverty alleviation program of CR Power in 2016. Faced with severe living and working conditions, our construction team encountered unimaginable challenges and obstacles. As the project is located in remote mountainous areas, production materials and subsistence goods are hardly accessible. A team of 14 members stationed are there like indomitable weeds. Despite poor conditions, they wrote a legend with extraordinary strength and perseverance. On 24th December, 2016, the project finally came on stream. Wind turbines in the vast wasteland rotate, retelling past stories. The installed capacity of new energy resources in Northern China Region has topped 1,000 MW. In the least likely regions for human survival, CR Power grows and sets a good example for performing social responsibilities.

According to the support plan of CR Group, CR Power will donate another RMB 2 million upon the construction of every 50 MW of wind farms. The donation will be used to build "CR Non-commercial Forest" in Haiyuan, mainly cash trees. Upon the completion of all wind farms in Haiyuan, an aggregate amount of RMB 40 million will be given to local forest project. Currently, the cash forest corresponding to the 300 MW Wind Power Project in Xihua Mountain is put in place, with a total investment of RMB 12 million.

Love Outreach to Shape a Warm World

CR Power for Fire Control

June 7, 2016 23:41

A water tank fire truck rushed out of the east gate of China Resources Power Hubei Co., Ltd., and Wang Xiaobin, leader of CR Fire Control Team, sat in from Emergency Response Centre of Chibi Fire Brigade. "A serious fire outbreak in Tianjiao Supermarket and Tianjiao Hotel in the downtown area, please send your quickly phoned the General Manager, who instructed him to lead the team for rescue while ensuring personal safety.

Seven team members were organizing their suits in the fire truck. Xiao Su bit his lips, glancing at his squad leader Zhang Jin who was checking the equipment of other members. Zhang walked to Su, tightened the belt of his safety helmet and tapped him on the shoulder. "This is your first task, take it easy. Follow orders and follow what you do in training," said Zhang.

23:53

The fire truck arrived at the scene. Tianjiao Supermarket and Tianjiao Hotel (three levels) was on fire. Black smoke was rolling up, and the co-pilot seat. Two minutes ago, he the second and third floors were received a call alert for joint operation devoured by the raging fire. Wang Xiaobin guickly lined up members, and requested the rescue command group for instructions. "Spray water from the east" -- all members quickly Fire Control Team for backup!" Wang moved into right positions for this order.

23:58

his forehead. Suddenly, he heard a towards the fire. shout from remote onlookers "Look, CR Fire Control!" He looked down at the "CR Power Fire Control" on his suit and picked up the pace.

June 8 00:05

Xiao Su threw the fire hose in his Everything was ready. Zhang Jin and hands and wiped off sweat from another member held the water gun



CR Power Fire Control Team has long been a partner for joint operation. It is an important fire fighting force with rapid response and strong ability. CR Power Fire Control Team has supported us in many operations in 2016, e.g. Yongsheng Rubber Plant in February, Radio and Television Centre in April, Tianjiao Supermarket in June, Cotton and Linen Plant in September, and Highway Service Area in October. They ensured a faster and more timely response! We really appreciate their contribution!

> Chibi Fire Brigade Captain Sun Xianfeng

I would never forget the day on 17th February, 2016! I called the police immediately after I noticed the fire at about 3:00 that afternoon. I was so anxious seeing the raging fire. Surprisingly, China Resources Fire Control Team came the earliest. As soon as they arrived at the plant, they cut off the main power source and guided field staff to move away flammable rubber, to prevent fire from spreading. Together with Chibi Fire Brigade, they put out the fire. The fire was so close to burn down the goods worth RMB 3 million. I never expect I will be saved by a power supplier. We should really learn from CR Power!



Chibi Yongsheng Rubber Limited

Director Wang

0102030405Responsibility
managementEnvironmental
responsibilityShareholder
responsibilityEmployee
responsibilityPartner
responsibilityOf
responsibility



Captain Sun of Chibi Fire Brigade rushed and said aloud, "Wang, ask your men to lay a fire hose towards the west." Some members including Xiao Su followed. As the fire was completely put out, embers were also swept away. Luckily, no one got injured. When our members were sorting out fire extinguishers, Captain Sun came up, "You are really a great help. Thank you for your support!" Wang smiled and responded, "This is our responsibility, and we're honoured. This year, we have participated in several tasks under your guidance, and learnt lots of professional knowledge and accumulated valuable experience." After nearly 6 hours of rescue, the team started to return. Every team member was tired out and closed their eyes for a rest. Xiao Su was excited, playing rescue scenes in his mind. He looked at his phone and couldn't wait to call his family. The day broke outside the window. Bright light in the power plant nearby guided members back home!



One night in October 2016 impressed me the most. It was 7:00 at night, and a truck was on fire and then exploded in Chibi Service Area along the Beijing-Hong Kong-Macau Expressway. It was very dangerous because the gas station was just around. Every member was under great pressure. We kept on running, and did our best to put out the fire after more than three hours. When the fire was finally put out, we finally relaxed and realized that we were soaked and ached all over. Since 2004, we have conducted more than 100 rescue tasks, saving 95 victims, evacuating 320 people, and recovering a direct or indirect economic loss of over RMB 10 million. All our members have done a great job! We appreciate very much their dedication. For us, every task represents a test. With many tests, we have grown up to a professional and reliable team where everyone faces challenges bravely and holds responsibly to their positions.



Squad Leader of Fire Brigade at China Resources Power Hubei Co., Ltd. Tian Shijun



Leader of Fire Brigade at China Resources Power Hubei Co., Ltd.

Wang Xiaobin

China Resources Power Holdings Company Limited • Sustainable Development Report 2016

Major Honours for Social Responsibility

No.	Honourary Title	Winner	Conferred by	Date
1	IAIR Awards 2016 "Company of the Year, Energy Sector, China"	China Resources Power Holdings Company Limited	International Alternative Investment Review (IAIR)	March 2016
2	Social Caring Awards for Green Excellence	China Resources Power Holdings Company Limited	Social Enterprise Research Institute (SERI) Asian College of Knowledge Management (ACKM)	April 2016
3	Ranked 674th in Forbes Top 2,000 Global Enterprises	China Resources Power Holdings Company Limited	Forbes	May 2016
4	2015 Golden Bee Corporate Social Responsibility China Honour Roll "Golden Bee Award – Sustainable Development"	China Resources Power Holdings Company Limited	China WTO Tribune	June 2016
5	2016 Asian Power Awards "Power Utility of the Year – China"	China Resources Power Holdings Company Limited	Asian Power	September 2016
6	2016 Asian Power Awards "Innovative Power Technology of the Year – Ultra Low Emissions Upgrading Bronze"	China Resources Power Holdings Company Limited	Asian Power	September 2016
7	Ranked 53rd in Platts Top 250 Global Energy Companies, 3rd for Independent Power Producers and Energy Traders, and 3rd among Energy Companies in the Asia-Pacific Region	China Resources Power Holdings Company Limited	Platts	September 2016
8	2016 International ARC Awards "Bronze Award – Interior Design – Energy Sector"	China Resources Power Holdings Company Limited	MerComm Inc	October 2016
9	Directors of the Year Awards for Listed Companies (SEHK- Hang Seng Indices Constituents)	China Resources Power Holdings Company Limited	The Hong Kong Institute of Directors	December 2016
10	Recognition of Excellence in Board Diversity for Listed Companies (SEHK – Hang Seng Indices Constituents)	China Resources Power Holdings Company Limited	The Hong Kong Institute of Directors	December 2016
11	Hong Kong Green Awards 2016 "Corporate Green Governance Award – Grand Award & Corporate Leadership", "Environmental, Health and Safety Award – Platinum", "Green Management Award (Corporate) – Honourable Mention", and "Sustained Performance 3 Years +"	China Resources Power Holdings Company Limited	Hong Kong Green Counci	December 2016
12	Hong Kong Green Awards 2016 "Environmental, Health and Safety Award – Platinum"	China Resources Power (Hezhou) Co, Ltd.	Hong Kong Green Council	December 2016
13	Hong Kong Green Awards 2016 "Environmental, Health and Safety Award – Gold"	China Resources Power Dengfeng Co., Ltd., China Resources Power Shouyangshan Co., Ltd.	Hong Kong Green Council	December 2016
14	NOSA Five Star Unit	Guangzhou China Resources Thermal Power Co., Ltd.	National Occupational Safety Association (NOSA)	January 2016
15	NOSA Five Star Unit	Yunnan China Resources Power (Honghe) Co., Ltd	National Occupational Safety Association (NOSA)	February 2016
16	The 5th National Power Industry Innovative Equipment Management Special Award	Guangzhou China Resources Thermal Power Co., Ltd.	China Electric Power Equipment Management Association	February 2016

No.	Honourary Title	Winner	Conferred by	Date
17	The 5th National Power Industry Innovative Equipment Management First Prize	China Resources Power Dengfeng Co., Ltd., China Resources Power Shouyangshan Co., Ltd., China Resources Power Hubei Co., Ltd.	China Electric Power Equipment Management Association	February 2016
18	Role Model for Emission Reduction and Energy Saving of the 12th Five Year Plan	China Resources Power (Wenzhou) Co., Ltd. China Resources Power Hunan Co., Ltd.	Environmental Protection	February 2016
19	2016 Quality Power Engineering in China	Tangshan Fengrun China Resources Power Co., Ltd. China Resources Power (Yichang) Co., Ltd.	China Electric Power Construction Association (CEPCA)	June 2016
20	First Prize for National Wind Farm Production and Operation Statistical indicator and Competition	China Resources Power (Shantou) Wind Energy Co, Ltd. China Resources New Energy East China Co., Ltd. Dongxing Wind Farm China Resources Power (Fuxin) Wind Energy Co., Ltd.	China Electricity Counci National Wind Power Generation Technology Collabouration Network	September 2016
21	2016-2017 Quality Engineering in China	Tangshan Fengrun China Resources Power Co., Ltd. China Resources Power (Yichang) Co., Ltd.	China Association of Construction Enterprise Management	December 2016
22	Outstanding Unit, the Sixth National Power Industry Equipment Management Competition	Tongshan China Resources Power Co., Ltd.	China Electric Power Equipment Management Association	December 2016
23	2016 Outstanding Wind Power Enterprise of Shandong Province	China Resources Power (Qingdao) Wind Energy Co., Ltd.	Shandong Province Electric Power Enterprise Association	January 2016
24	2015 Role Model for Power Work Safety in Hunan Province	China Resources Power Hunan Co., Ltd.	Hunan Energy Regulatory Office of National Energy Administration	January 2016
25	2015 Credible Enterprise in Environmental Protection in Hunan Province	China Resources Power Hunan Co., Ltd.	Hunan Provincial Department of Environmental Protection	May 2016
26	Henan Role Model for Harmonious Labour Relations	China Resources Power Shouyangshan Co., Ltd.	Human Resources and Social Security Department of Hunan Province, Henan Federation of Trade Unions, Henan Provincial Enterprise Confederation/Association of Enterprises, Henan Federation of Industry & Commerce	June 2016
27	Jiangsu Province Power Industry Innovative Corporate Management First Prize	Xuzhou China Resources Thermal Power Co., Ltd.	Jiangsu Electric Power Association	August 1616
28	Role Model for Energy Saving of the 12th Five Year Plan	Tongshan China Resources Power Co., Ltd.	Jiangsu Provincial People's Government	October 2016
29	Clean Production Enterprise in the Guangxi Zhuang Autonomous Region	China Resources Power (Hezhou) Co., Ltd.	Guangxi Zhuang Autonomous Region Commission of Economy and Information Technology, Department of Environmental Protection, Development & Reform Commission	December 2016

Future Outlook

2017 is crucial for implementing China's 13th Five-year Plan, and is also a key point for CR Power to transform toward innovative, green development. From a strategic perspective, we will strive for external market expansion. CR Power needs to accelerate business innovation at the right moment, promote clean energy development with different measures, and develop overseas business carefully. At the same time, CR Power must improve internal management to optimise their asset structure, leverage advantages to realize operational excellence, and enhance corporate strength to drive our transformation. Based on internal and external improvement, CR Power will promote sustainable development in business operation, economy, environment and society together with all stakeholders. This way, the Company can fulfil its mission of "maximising shareholder and employee values".

During the 13th Five Year Plan, the Company will actively follow national strategies on energy development. Targeting market and customer demands, the Company will keep a firm position in Hong Kong, contribute to seize the market and go beyond into international markets. With a focus on innovative transformation and green development, CR Power will enhance system cost control and quality resource access, and increase corporate competitiveness in an all-rounded way. That will guarantee CR Power to grow into an international integrated energy service provider trusted by the public and favoured by the customers.

Shareholders responsibilities	 Operating performance continues to grow Sustainable development in 	Measures 1. Optimise business structure to accelerate new energy development; optimise inventory and strengthen system cost control to increase investment returns and competitiveness
		 Following closely national reforms in the power industry, actively develop electricity retail customers and enhance their loyalty. We will also create incremental distribution network and smart microgrids to integrate power distribution and retail We need to focus on strategic areas, promote quality overseas projects and better cultivate international talents, thus facilitating comprehensive development overseas Strengthen corporate governance as well as integrity compliance and risk control system construction, to ensure legally compliant operations of the Company as well as the quality as a growth of the Company's assets Deepen lean management, promote the construction of benchmark plants and intelligent power plants, improve the operation and management level to drive the
		internal growth of the CompanyStrengthen research into technology and the industry, centred on policy research, industry research and determination, as well as new technology tracking and promotion
Environmental responsibilities	Target	Measures
Ale		 Vigorously promote the development of wind power, complementary multiple energy sources and other new energy projects, optimise the format structure and increase the proportion of clean energy capacity New projects will be commissioned built with optimal designs to ensure that the most energy-saving and environment-friendly equipment and technologies are used, to lay a foundation for the following economic operation
		 Perform environmental assessment and ecological protection well in project construction Operate environmentally-friendly equipment in strict accordance to national regulations, to ensure discharge is up to standard
		 Increase capital investment in energy saving and environmental protection and accelerate the "ultra-low emissions" transformation of coal-fired units, to further reduce energy consumption and pollution emissions targets

Employees' responsibilities



Partners' responsibilities



Target

Target

Communities' responsibilit



Target

Appendices

Key Performance Index

Development performance

Performance Index	Unit	2012	2013	2014	2015	2016
Total assets	HK\$ bn	177.790	213.865	225.648	208.086	200.111
Gross generation	bn kWh	169,601	189,980	190,866	196,121	196,773
Total heat generation	kGJ	40,059.24	44,889.08	52,119.99	59025.68	65,190.5
Attributable installed capacity	MW	25,271	26,921	31,331	34,731	36,184
Raw coal output (Affiliated and joint operated coal mines)	10,000t	1,684	1,462	1,165	1,390	1,474

Economic performance

Performance Index	Unit	2012	2013	2014	2015	2016
Turnover	HK\$ bn	62.436	69.582	70.681	71.436	66.213
Operating profit	HK\$ bn	12.005	17.505	15.220	20.008	16.355
Net profit attributable to owners of the Company	HK\$ bn	7.419	11.016	9.215	10.025	7.708
Return on invested capital (ROIC)	%	8.09	9.60	9.30	10.40	7.30
Return on equity (ROE)	%	14.73	18.51	13.57	14.15	11.02
Debt to capitalization ratio	%	54.8	52.2	53.9	51.4	55.1
Ratio of value maintenance and appreciation of state-owned assets	%	113.8	120.2	108.9	100.2	97.3
Operating net cash flow	HK\$ bn	19.00	23.188	26.500	31.989	22.295
Research input	RMB 10,000	-	5,000	1,000	3,900	4,318.76
Number of new patents	Item	_	47	6	39	40

Environmental performance

Performance Index	Unit	2012	2013	2014	2015	2016
Clean energy mix of attributable installed capacity	%	7.83	11.99	12.48	13.28	14.15
Net generation coal consumption rate	g/kWh	320.11	315.19	310.53	306.98	305.0
Power consumption rate of factories	%	6.09	5.97	5.86	5.79	5.75
Installation rate of desulphurization device in coal-fired thermal power plants (%) (Note 1,3)	%	97.77	100	100	100	100*
Installation rate of denitrification device in coal-fired thermal power plants (%) (Note 1,3)	%	46.30	79.93	100.00	100	100*
Total investment in environmental protection	RMB bn	0.649	0.726	0.763	1.706	1.798
Investment in energy conservation, emissions reduction and technical transformation	RMB bn	0.240	0.669	0.728	1.586	1.776
Nitrogen oxides emission rate (Note 2,3)	g/kWh	1.36	0.96	0.51	0.26	0.20*
Sulphur dioxide emission rate (Note 2,3)	g/kWh	0.49	0.43	0.32	0.22	0.13*
Carbon dioxide emission rate	g/kWh	494.75	483.39	480.33	476.58	856.31
Particulates emission rate (Note 2,3)	g/kWh	0.22	0.14	0.07	0.04	0.02*
Chemical oxygen demands	Ton	72.76	56.13	42.79	63.26	89.80
Natural gas consumption	Million cubic meters	176.07	162.49	168.52	162.58	193.59
Diesel consumption	Million litres	14.50	10.50	12.11	25.71	18.75

Performance Index	Unit	2012	2013	2014	2015	2016
Coal consumption	10,000t	6,544.00	4,708.90	4,734.50	7,158.00	7,476.65
Energy consumption per RMB 10,000 industrial added value	Ton of standard coal	17.55	13.00	11.95	10.85	12.67
Water consumption per RMB 10,000 industrial added value	Ton	496.02	364.76	368.82	336.13	371.56
Annual power consumption per capita for work	kWh	185	159	131.52	108.15	401.14
Annual water consumption per capita for work	Ton	1.01	0.97	0.55	0.38	0.11
Annual paper consumption per capita for work	kg	14.88	12.78	11.2	8.2	9.7
Wastewater discharge	g/kWh	28.49	23.73	22.66	31.88	24.79
Integrated utilisation of ash	%	93.40	96.70	97.60	96.55	97.39

Social performance

Performance Index	Unit	2012	2013	2014	2015	2016
Total taxes paid	RMB bn	6.514	10.197	9.130	9.913	9.309
Major equipment accidents	No. of accidents	0	0	0	0	0
General equipment accidents	No. of accidents	6	0	0	0	0
Personal injury and death accidents	No. of accidents	1	1	6	5	3
Unplanned outage	Times per unit	57	25	21	29	20
Safety management personnel with certificates	Person	-	-	1,634	1,771	1,831
Certified safety engineers	Person	_	-	132	170	200
Total (excluding employees associated companies)	Person	38,118	43,990	43,235	39,728	33,604
Female employees	Person	5,077	6,211	6,413	6,550	5,673
Employed people with disabilities	Person	10	10	10	10	10
Employees of ethnic minorities	Person	-	592	1,151	2,007	1,803
Social security coverage	%	100	100	100	100	100
Training coverage	%	79	89	91	89	82
Health check coverage	%	100	100	100	100	100
Paid holidays per person	Day	8	8	8	8	8
Employed newly graduates	Person	193	615	662	523	411
Charitable donations	RMB 1,000	79,760	103,710	41,060	11,820	95,520
Volunteer activities	Person	4,350	4,590	4,873	5,100	5,328

Installation rate of desulphurization device in coal-fired thermal power plants (%): The number of installed desulphurization device in coal-fired power plants.
 Installation rate of denitrification device in coal-fired thermal power plants (%): The number of installed denitration device in coal-fired power plants over the number of coal-fired power plants.

- Note 2: Nitrogen oxides emission rate (g/kWh): Nitrogen oxides emission per unit power generation Sulphur dioxide emission rate (g/kWh): Sulphur dioxide emission per unit power generation Particulates emission rate (g/kWh): Particulates emission per unit power generation Formula for calculating emission rate: emission rate=total emission/total electricity generated
- Note 3: Third party performed an independent limited assurance of the emission rate and installation rate marked with "*" and the emission rate is calculated based on the data recorded in CEMS (Continuous Emission Monitoring System) which is installed and used in the coal-fired power plants that are wholly-owned, controlled and managed by China Resources Power Holding Co., Ltd. The emission rates of sulphur dioxide, nitrogen oxide and dust of 2015 and 2016 are calculation results based on CEMS system, while those from 2012 to 2014 are based on N31 system.

Appendices

Relevant Evaluations

Government testimonials



Li Xiaopeng

Governor of Shanxi Province

We appreciate China Resources Group for their long-term active participation in Shanxi Province's economic development. China Resources Group lays claim to diversified development and excellent performance, having invested in a number of projects in Shanxi Province and contributed greatly to the Province's economic and industrial development. The construction of the Luliang Light-alloy Base is a landmark project between Shanxi province, China Resources Group and Aluminium Corporation of China Limited. It carries significant meaning for the promotion of industrial transformation and upgrade, as well as for economic advancement. We hoped that China Resources Group and Aluminium Corporation of China Limited will further ramp up investments in the Shanxi Province and speed up the construction of the project. The government of Shanxi Province will continue to provide quality services and create an excellent investment environment for China Resources Group and Aluminium Corporation of China Limited.



Yi Pengfei

Secretary of Binzhou City Party Committee

CR Power has made outstanding contributions to the economic development and social stabilization of Chenzhou. Meanwhile, CR Power considers the situation, changes production and operation modes in a proactive manner, develops new businesses in the fields like hydroelectric generation, heat supply and power distribution and electricity retail, explores circular economy development models such as mixed combustion of solid waste, and sets an example as an enterprise which has the courage to bring forth new ideas and take social responsibilities, demonstrating immense strength in terms of technology, brand impact, talents building, synergic competition and business management. With the resource superiority, we hope that CR Power will continue to increase investments in Chenzhou and deepen the cooperation between Chenzhou and CR Power in the new economic situation. Government departments of Chenzhou at different levels will strive to create a favourable investment and construction environment and support CR Power to successfully carry out and complete the project so as to realize resources sharing and achieve a win-win situation.



Lin Guan

Mayor of Hezhou City

With sound environmental management which meets the ultra-low emission standard and a green, clean and tidy plant site, Hezhou CR Circular Recycling Economy Industry Demonstration Zone has set an example for other enterprises to follow. Meanwhile, CR Power also makes great contribution to the growth of local GDP, creation of job opportunities and increase of taxes and provides Hezhou with innovating ideas regarding green circular development. We hope that we can exploit the opportunity brought by pilot reform of power distribution and electricity retail, come up with an overall planning, start to make breakthrough in the fields of electricity, automobile and water management, expand upstream and downstream industrial chains, carry out end-to-end investment promotion, strengthen, improve and expand industrial clusters and further develop the demonstration zone in the future.



Zheng Liansheng Mayor of Xinzhou City

We appreciate that CR Power chose to make investments in Xinzhou. The investment project conducted by CR Power in Xinzhou carries significant meaning for promotion of local economy and we hope to speed up the construction of Ningwu Project and the development and utilisation of clean energy. The government of Xinzhou always sticks to the idea of putting service first, provides enterprises and projects with good service proactively, helps investment enterprises to solve difficulties and problems encountered during the progress of projects and creates a favourable investment environment. We hope that CR Power will further bring their advantages into full play and speed up the construction of the project so that it can yield economic and social returns as soon as possible.



Liu Chengming Secretary of Ganzi Prefecture Party Committee

The Party Committee and the Government of Ganzi Tibetan Autonomous Prefecture welcome CR Power and other members of China Resources Group to visit and invest in Ganzi. As a well-known enterprise with comprehensive strength, China Resources has obvious advantages in many areas such as market, fund and management. Currently, Ganzi has reached a crucial stage in accelerating development and overcoming poverty and difficulties and we hope that the group members of China Resources will combine the corporate strength with local advantages, find the right entry point, carry out full cooperation with Ganzi in various areas, and set up and implement cooperation projects as soon as possible. To achieve these, the Party Committee and the government of Ganzi Tibetan Autonomous Prefecture will proactively create a favourable cooperation environment for the enterprises.

Media testimonials



CR Guangzhou Thermal Plant is supplying Liye Industrial Park in Dongchong Town with centralized heating, which not only increases efficiency of energy utilisation and reduces pollution associated with energy use, but also helps to improve the infrastructure of the Park, ensures production safety of the enterprises, satisfies the need for industry transformation and upgrading of the Park and builds a winwin situation between the Government, the enterprises, the heat users and the communities.

——CR Guangzhou Thermal Plant Invested RMB 100 Million to Make Contributions to Energy Saving and Emission Reduction

http://www.gd.xinhuanet.com/newscenter/ 2016-12/30/c_1120222977.htm



Entering into CR Power's Dengfeng Power Plant, the first thing caught our attention was a large-scale green landscape. There was a display screen showing real-time emission data. According to the display screen, the emission of NOx, SOx and particulates were maintained below 40 mg/cubic meter, 25 mg/cubic meter and 3 mg/ cubic meter respectively, and all environmental data are superior to the values set in the national ultra-low emission standard.

------Visit to Ultra-low Emission Coal-fired Power Plant Shows Real Emission Data Outshine Pollutant Emission Standard

http://newpaper.dahe.cn/jrab/html/2016-08/17/content_62392.htm



Central and West China Region of CR Power bravely took responsibilities in the Specific Project of Transforming Henan's Coalfired Units into Ultra-low Emission Units and was the first to complete the transformation of ultra-low emission units of all subsidiary coal-fired power plants. As a remarkable achievement made in the first year of China's 13th Five-Year Plan, it not only served as China Resources' active response to the national environmental protection policies, but also demonstrated the firm altitude and determination of the Central and West China Region towards protecting our blue sky and green water.

——Central and West China Region of CR Power First Achieves Ultra-low Emission for All Subsidiary Coal-fired Power Plant at Provincial Level

http://newpaper.dahe.cn/hnrb/html/2016-08/29/content_66735.htm



The garden-style China Resources (Xuzhou) Electric Power Co., Ltd. manifests its uniqueness as the start point of CR Power with advanced design of the front area of the factory, IKEA-style staff canteen, a variety of trees and plants, and secondary separation between production area and office area. After climbing to the top of the boiler platform of Unit 5 of CR Xuzhou, our journalists found no soot formation on the protective cover wrapping around the steam pipeline. The accompanying staff from CR Xuzhou told us that "this is not for show. As a demonstration of our fine management, the pipelines are maintained clean and stainless to ensure safe operation of the units."

------CR Power in Jiangsu: Green Upgrades Lead to Increased Strength

http://paper.people.com.cn/zgnyb/html/2016-07/18/ content_1696656.htm



With CR Power, CR Snow Breweries and CR Cement, Hezhou CR Circular Recycling Economy Industry Demonstration Zone creates a chain connecting the electricity, consumer goods, construction and building materials, modern agriculture and logistics industries. The Zone successfully minimises the emission through comprehensive circular utilisation of industrial wastes, pollutants and energies from different industries. Unlike traditional industrial park, the Zone has a pleasant and green environment. The observers who visited the Zone spoke highly of its beautiful landscape and bright and clean working place and said it had changed their impression of power plants. ——ET Net (Hong Kong)

http://www.etnet.com.hk/ad2016/CR_Power/landing/index.html

江苏经济报

Following data shows the efforts and determination made by Yixing China Resources Thermal Power Co., Ltd. towards environmental protection: a total of RMB 130 million have been invested in environmental protection facilities since its formation, among which, RMB 95 million were invested in the past two years; the annual operation cost has been increased by more than RMB 20 million since 2014. Tremendous input into environmental protection leads to satisfactory environmental improvement. Compared to 2013, Yixing's PM2.5 decreased by more than 10% and the urban air quality of Yixing ranked first in Jiangsu Province in 2015. ——The Vanished Jinyi Bridge

http://www.cr-power.com/news/news3/201602/t20160219_376239.html

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Employee Testimonials



Fan Renjie

Deputy Director of Property Management Department, Hunan China Resources Power Liyujiang Co., Ltd.

I have been working at Liyujiang Power Plant for over 30 years and witnessed every reform and transformation it had made in the past 30 years. I felt that there is an element of selflessness embedded in the culture of Liyujiang Power Plant and most of my colleagues embodied the quality of sweet osmanthus (having no aspiration for fame, reward or gain and making contribution selflessly). The staff of our Plant always give support, work hard and make contributions, regardless who their leader is, and devote considerable efforts to carry forward our cause and forge ahead into the future to write the endless aspiring story of Liyujiang Power Plant.



Kong Hao

Spot Inspector, Maintenance Base of New Energy Operation and Maintenance Company (Yishui) The year 2016 was a harvest year for China Resources. I feel very proud that I develop from an ingenuous rookie who just graduated from school to a qualified CR Power employee. Being inspired and motivated by CR Power employees' spirit of hard work, I overcame a series of difficulties and challenges to grow into a professional and eventually achieved my "small goals" by standing on the shoulders of giant CR Power.



Zhang Zhen

Corporate Culture Manager, China Resources Power Jiangsu Maintenance Co., Ltd. A seed is bound to grow in sunshine and rain and in this case, they symbolize our motherland and CR. We're lucky enough to grow with CR through all difficulties and obstacles and become a popular enterprise. CR is like a big family filled with motherly love, and a spiritual symbol to us. I respect CR deep in my heart.



Zhang Shasha

In-process inspector of denitration and deamination working area, CR Power (Xilin Gol) Co., Ltd.

As a CR Power employee, I feel proud of living and working at the Xilin Gol Prairie in Inner Mongolia. Blue skies, green grassland and a magnificent power plant create a colourful masterpiece-like painting. In such pleasing and dreamy landscape, the team members of Wujianfang power station build strong friendship, work hard and make joint endeavour. Every employee interprets the spirit of being gold, motivated, ambitious and persistent with quite practical action. As a newly joined member, I was deeply inspired by this spirit.



Pei Chunli

Head and Party Branch Secretary of Comprehensive Mechanized Coal Mining Team, Shanxi China Resources Daning Energy Co., Ltd.

As a miner of coal company of China Resources and the person in charge of a frontline team working at mines, my biggest responsibility and the thing I pay most attention to is the safety of mining workers. When I see them coming back from the pit safely, I feel that I have completed my task successfully and when I see them talking cheerfully and humorously in the restroom, I feel that they are stable emotionally. Deep down, they are creators of corporate value. Thanks to the adherence to the policies of people orientation and continuous improvement of working environment of borehole operation, and every effort made by the Company to moderate and eliminate various safety risks, the safety of our mining workers are guaranteed, making us relieved and gratified.



Chen Changjian

Engineer in Charge of Fuel, CR Power Xiantao Co., Ltd.

We have encountered numerous difficulties and challenges such as limited time, weak foundation, and heavy task on our way to building the "Benchmarking Plant". However, our staff was not afraid of difficulties and faced the challenges with great courage. For example, we built the sample area by constructing one floor in three days, and we have all staff participating in and committed to the construction of "Benchmark Plant". Consequently, we were able to bring our EHS performance to a new level and take on an entirely new look for the plant in a short time. The creation of a miracle is based on the high aspiration and ambition and CR Power embodies the spirit of aiming high. I feel I am full of positive energy in such an energetic team.

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esearch Center for Corporate Social Responsibility Chinese Academy of Social Sciences

Rating Report on the China Resources Power Sustainable Development Report 2016

Upon the request of China Resources Power Holdings Company Limited, the "Chinese Expert Committee on CSR Report Rating" invited experts to form rating team to rate the "China Resources Power Sustainable Development Report 2016" (hereinafter referred to as"the Report"). I. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 3.0) and Rating Standard on Corporate Social Responsibility Reporting for Chinese Enterprises (2014).

Rating process

(1) The panel for process appraisal makes interview to key members of the Report preparation team and examines materials related to the preparation process;

(2) The rating group draws up the rating report based on its appraisal made toward the preparation process and information disclosure of the Report. (3) The rating report is submitted to and signed by both the vice-chairman of the Expert Committee and head of the rating group.

III. Rating results

Process Management($\star \star \star \star \star$)

Setting up the Sustainability Committee, the Board Office took the lead in setting up the report preparation team, the President and the Vice President were responsible for the reporting key point control and direction. The preparation team was responsible for the identification of stakeholders, and collected opinions of stakeholders by consultation meeting, carrying out questionnaire surveys, and conducting interviews. The substantive issues were identified in accordance with major corporate matters, national policies, industry benchmarking analysis, and stakeholder engagement. The Company planned to release the report via official website and to present the print and online versions of report, video-based report, and so on, achieving outstanding performance in the aspect of process.

Materiality($\star \star \star \star \star$)

The Report systematically disclosed key industrial issues relating to macro policy, guaranteeing power supply, work safety management, promoting green power, environmental assessment on new projects, saving energy and resources, developing recycling economy, decreasing "Three Waste" discharging and governing environment issues around factories, and the information was adequate and detailed, achieving outstanding performance in the aspect of materiality.

$Completeness(\bigstar \bigstar \bigstar \bigstar)$

The main contents of the Report disclosed 87.5 percent of core indicators of the industry from the aspects of "Social Responsibility Leads to Sustainable Development"," Dedicated Efforts to Beautify the Environment", "Focus on Excellence to Gain High-quality Returns", "people -oriented Culture Enhances Cohesion", "Honesty and Integrity to Achieve Win-win Results" and "Love Outreach to Shape a Warm World" achieving leading performance in the aspect of integrity. $\mathsf{Balance}(\bigstar\bigstar\bigstar\bigstar\bigstar)$

The Report disclosed detailed negative indicator information such as the "asset-liability ratio", "personal injury and death accidents", "unplanned outages", "general equipment accidents", "major equipment accidents", "occupational diseases", and briefed the causes and countermeasures of a falling accident in Liuzhi Power Plant in Southwest China Region by case study, achieving outstanding performance in the aspect of balance. Comparability(★★★★★)

Comparability(*****) The Report disclosed 72 key indicators including "total gross generation"," turnover"," net generation standard coal consumption rate", "energy consumption per RMB10,000 industrial added value"," total taxes" and charitable donations" for three years in a row, and conducted horizontal comparison on "average utilization hours for wind power plant"," ultra-low emission units scale" and " production costs reduction per ton of coal", achieving outstanding performance in the aspect of comparability.

Readability($\star \star \star \star \star$)

The report clearly demonstrates how the corporation takes the responsibility of innovation transformation and green development by concentrating on the main theme "Green energy, moist life", the main clue "Change" and the main aspects: responsibility management, environment, shareholders, partners, employees and others. The traditional culture and the main business of the corporation are embedded in the innovated cover sheet and the starts of every chapter. Meanwhile, every chapter based on several stories of responsibility to state the practice of organization responsibility. this way not only advertise chapter theme of the report, it also increase the interesting of the report for readers; The report has high readable performance through fresh design, balanced color, accurate vocabulary and appropriate design of chapters. Innovativeness(*** * * * ***)

The CSR report of CR Power starts with an issue called "10 Most Significant Accomplishment for CR Power in 2016", systematically demonstrate the annual performance of corporate executives and help the stakeholders to grasp the main theme of the report; build the <social responsibility work management standards> to further strengthen the CSR work management Capacity and reporting level; Update the methods of report transmission, strengthen the dissemination and the communication value of the report through the WeChat version, simplified version, video version and other forms; embedded the stakeholders' testimony all around the report, Significantly enhance the objectivity and persuasiveness of the report and make the report ommittee on has leading innovation performance.

Overall rating($\star \star \star \star \star$)

According to the assessment of the rating team, the "China Resources Power Sustainable Development Report 2016" was awarded a rating of five-star. It is an outstanding CSR report. IV. Suggestions for improvement

The data of industry core indicators shall be increased, so as to further improve the reporting Completeness.

Team leader: Wang Zhi Xuan, member of leading party group and full-time vice chairman of China Electricity Council Team member: Zhang En, deputy director of Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy Process evaluator: Wang Zhimin





Vice-chairman of Chinese Head of the rating group Expert Committee on CSR Report





Scan QR code to view rating files of China Resources Power

Appendices

Readers' Feedback

Dear reader:

Thank you for taking the time reading *Sustainable Development Report 2016 of China Resources Power Holdings Company Limited.* To improve our work on social responsibility and preparation of the report, we would like to hear your valuable comments and suggestions. Please answer the following questions and submit it to us via the following way:

Fax: +86-755-82691500

1.	/hat's your overall evaluation of the report?					
	🗌 Very Good 🛛 Good 💭 Average 🗌 Poor 💭 Very Poor					
2.	Do you think this report reflects the impact that CR Power has on the economy, environment and society?					
	Yes Average No					
3. What's your overall evaluation of CR Power's communication with stakeholders?						
	🗌 Very Good 🗌 Good 🔲 Average 🗌 Poor 🗌 Very Poor					
4.	What's your overall evaluation of information disclosure of the report?					
	🗌 Very Good 🗌 Good 🔲 Average 🗌 Poor 🗌 Very Poor					
5.	What's your overall evaluation of the format and design of the report?					
	🗌 Very Good 🗌 Good 🔲 Average 🗌 Poor 🗌 Very Poor					
6.	What comments and suggestions do you have for CR Power in terms of its work on social responsibility and this report					

If possible, please tell us something about yourself

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Company:

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You may send your feedback by scanning the QR code on your right-hand side.

We will take your comments and suggestions seriously and protect your feedback and personal information from third-party access.



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