華電國際電力股份有限公司

Huadian Power International Corporation Limited*

*(A Sino-foreign investment joint stock company limited by shares incorporated in the People's Republic of China (the "**PRC**"))*

(Stock Code: 1071)

2018 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of Huadian Power International Corporation Limited* (the "**Company**") hereby announces the summary of the unaudited interim consolidated financial results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2018 (the "**Period**") prepared in accordance with the International Accounting Standards 34 "Interim Financial Reporting".

FINANCIAL AND BUSINESS SUMMARIES

- Power generation amounted to approximately 95.82 million MWh, representing an increase of approximately 8.18% over the corresponding period in 2017;

- The on-grid power sold amounted to approximately 89.47 million MWh, representing an increase of approximately 8.01% over the corresponding period in 2017;

- Turnover amounted to approximately RMB41,242 million, representing an increase of approximately 13.23% over the corresponding period in 2017;

- Profit attributable to equity shareholders of the Company for the Period amounted to approximately RMB1,041 million; and

- Basic earnings per share was approximately RMB0.106.

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

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

The Group's interim financial statements for the Period are unaudited, but they have been reviewed by BDO Limited, the auditor of the Company, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The unmodified review report addressed by the BDO Limited to the Board will be included in the interim report to be despatched to the Company's shareholders in due course. The audit committee of the Company (the "**Audit Committee**") has also reviewed the 2018 interim results and the relevant financial information of the Group.

MAJOR ASSETS

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

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

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

	Name of power plant/company	**Installed capacity** *(MW)*	**Equity interest held by the Company**	**Generating units**
1	Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
2	Shiliquan Plant	2,120	100%	2 x 660 MW + 2 x 330 MW + 1 x 140 MW
3	Laicheng Plant	1,200	100%	4 x 300 MW
4	Shuozhou Thermal Power Branch	700	100%	2 x 350 MW
5	Huadian Zouxian Power Generation Company Limited ("**Zouxian Company**")	2,000	69%	2 x 1,000 MW
6	Huadian Laizhou Power Generation Company Limited ("**Laizhou Company**")	2,000	75%	2 x 1,000 MW
7	Huadian Weifang Power Generation Company Limited ("**Weifang Company**")	2,002.4	45%	2 x 670 MW + 2 x 330 MW + 2.4 MW
8	Huadian Qingdao Power Generation Company Limited ("**Qingdao Company**")	1,220	55%	1 x 320 MW + 3 x 300 MW
9	Huadian Zibo Thermal Power Company Limited ("**Zibo Company**")	950	100%	2 x 330 MW + 2 x 145 MW
10	Huadian Zhangqiu Power Generation Company Limited ("**Zhangqiu Company**")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
11	Huadian Tengzhou Xinyuan Thermal Power Company Limited ("**Tengzhou Company**")	930	93.257%	2 x 315 MW + 2 x 150 MW
12	Hudian Longkou Power Generation Company Limited ("**Longkou Company**")	880	84.31%	4 x 220 MW

Name of power plant/company		Installed capacity *(MW)*	Equity interest held by the Company	Generating units
13	Huadian Ningxia Lingwu Power Generation Company Limited (“**Lingwu Company**”)	3,320	65%	2 x 1,060 MW + 2 x 600 MW
14	Sichuan Guang’an Power Generation Company Limited (“**Guang’an Company**”)	2,400	80%	2 x 600 MW + 4 x 300 MW
15	Huadian Xinxiang Power Generation Company Limited (“**Xinxiang Company**”)	1,320	90%	2 x 660 MW
16	Huadian Luohe Power Generation Company Limited (“**Luohe Company**”)	660	75%	2 x 330 MW
17	Huadian Qudong Power Generation Company Limited (“**Qudong Company**”)	660	90%	2 x 330 MW
18	Anhui Huadian Suzhou Power Generation Company Limited (“**Suzhou Company**”)	1,260	97%	2 x 630 MW
19	Anhui Huadian Wuhu Power Generation Company Limited (“**Wuhu Company**”)	1,320	65%	2 x 660 MW
20	Anhui Huadian Lu’an Power Generation Company Limited (“**Lu’an Company**”)	1,320	95%	2 x 660 MW
21	Hangzhou Huadian Banshan Power Generation Company Limited (“**Hangzhou Banshan Company**”)	2,415.7	64%	3 x 415 MW + 3 x 390 MW + 0.7 MW
22	Hangzhou Huadian Xiasha Thermal Power Company Limited (“**Xiasha Company**”)	246	56%	1 x 88 MW + 2 x 79 MW
23	Hangzhou Huadian Jiangdong Thermal Power Company Limited (“**Jiangdong Company**”)	960.5	70%	2 x 480.25 MW
24	Huadian Zhejiang Longyou Thermal Power Company Limited (“**Longyou Company**”)	406	100%	2 x 127.6 MW + 1 x 130.3 MW + 1 x 19.5 MW + 1 MW

	Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
25	Hebei Huadian Shijiazhuang Thermal Power Company Limited ("**Shijiazhuang Thermal Power Company**")	475	82%	2 x 200 MW + 3 x 25 MW
26	Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("**Yuhua Company**")	600	100%	2 x 300 MW
27	Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("**Luhua Company**")	660	90%	2 x 330 MW
28	Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) ("**Pingshi Power Company**")	725	100%	2 x 300 MW + 1 x 125 MW
29	Tianjin Huadian Fuyuan Thermal Power Company Limited ("**Fuyuan Thermal Power Company**")	400	100%	2 x 200 MW
30	Huadian Hubei Power Generation Company Limited ("**Hubei Company**") *(Note)*	5,876.4	82.56%	2 x 680 MW + 1 x 660 MW + 2 x 640 MW + 6 x 330 MW + 1 x 300 MW + 40 x 2 MW + 216.4 MW
31	Fengjie Plant	1,200	100%	2 x 600 MW

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

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

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

Details of controlled renewable energy generating units are as follows:

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

Name of power plant/company		Installed Capacity *(MW)*	Equity interest held by the Company	Generating units
8	Huadian Power International Ningxia New Energy Power Company Limited ("**Ningxia New Energy Company**")	1,311.5	100%	147 x 2 MW + 665 x 1.5 MW + 20 MW
9	Hebei Huadian Guyuan Wind Power Company Limited ("**Guyuan Wind Power Company**")	290.5	100%	167 x 1.5 MW + 40 MW
10	Hebei Huadian Kangbao Wind Power Company Limited ("**Kangbao Wind Power Company**")	330	100%	48 x 2 MW + 136 x 1.5 MW + 30 MW
11	Huadian Laizhou Wind Power Company Limited ("**Laizhou Wind Power Company**")	40.5	55%	27 x 1.5 MW
12	Huadian Laizhou Wind Power Generation Company Limited ("**Laizhou Wind Company**")	48	100%	24 x 2 MW
13	Huadian Laizhou Wind Energy Power Company Limited ("**Laizhou Wind Energy Company**")	99.6	55%	48 x 2 MW + 2 x 1.8 MW
14	Huadian Changyi Wind Power Company Limited ("**Changyi Wind Power Company**")	97.5	100%	24 x 2 MW + 33 x 1.5 MW
15	Huadian Longkou Wind Power Company Limited ("**Longkou Wind Power Company**")	99.3	65%	23 x 1.5 MW + 6 x 2.5 MW + 24 x 2 MW + 1 x 1.8 MW
16	Huadian Zaozhuang New Energy Power Generation Company Limited ("**Zaozhuang New Energy Company**")	60	100%	25 x 2 MW + 10 MW

Name of power plant/company	Installed Capacity *(MW)*	Equity interest held by the Company	Generating units
17 Longkou Dongyi Wind Power Company Limited ("**Longkou Dongyi Wind Power Company**")	30	100%	20 x 1.5 MW
18 Huadian Shandong New Energy Company Limited ("**Shandong New Energy Company**") *(Note 1)*	315.5	100%	144 x 2 MW + 3 x 1.9 MW + 1 x 1.8 MW + 20 MW
19 Huadian Xuwen Wind Power Company Limited ("**Xuwen Wind Power Company**")	99	100%	48 x 2 MW + 2 x 1.5 MW
20 Huadian Xiaxian Wind Power Company Limited ("**Xiaxian Wind Power Company**")	100	100%	50 x 2 MW
21 Huadian Ningxia Ningdong Shangde Solar Power Company Limited ("**Shangde Solar Company**")	10	60%	10 MW
22 Huadian Zhangjiakou Saibei New Energy Generation Company Limited ("**Zhangjiakou Saibei New Energy Company**")	4	100%	4 MW
23 Huadian Ningbo New Energy Generation Company Limited ("**Ningbo New Energy Company**")	10	100%	10 MW
24 Huadian Huzhou New Energy Power Generation Company Limited ("**Huzhou New Energy Company**")	15	100%	15 MW

	Name of power plant/company	Installed Capacity *(MW)*	Equity interest held by the Company	Generating units
25	Hebei Huarui Energy Group Corporation Limited ("**Huarui Company**") *(Note 2)*	99	100%	48 x 2 MW + 2 x 1.5 MW
26	Huadian Suzhou Biomass Energy Power Generation Company Limited ("**Suzhou Biomass Energy Company**")	25	78%	2 x 12.5 MW

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

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

ADDITIONAL INSTALLED CAPACITY

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

Projects	Category	Capacity *(MW)*
Zaozhuang New Energy Company	Photovoltaic Power	10
Wuxue New Energy Company	Photovoltaic Power	40
Shandong New Energy Company	Photovoltaic Power	10
Suixian Photovoltaic Power Generation Company	Photovoltaic Power	40
Huangshi Photovoltaic Branch Company	Photovoltaic Power	6.4
Shuiluohe Company	Hydropower	46
Weifang Company	Photovoltaic Power	2.4
Total		**154.8**

PROJECTS UNDER CONSTRUCTION

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic conditions and electricity demand

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

(2) Power generation

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

(3) Turnover and profit

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

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

(4) Major operating expenses

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

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

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

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

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

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

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

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

(5) Other revenue and net income

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

(6) Finance costs

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

(7) Share of results of associates and joint ventures

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

(8) Income tax

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

(9) Pledge and mortgage of assets

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

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

(10) Indebtedness

As at 30 June 2018, the total borrowings of the Group amounted to approximately RMB105,574 million, of which borrowings denominated in US dollars and Euro amounted to approximately US$64 million and approximately EUR13 million, respectively. The liabilities to assets ratio was approximately 73.32%, representing a decrease of 0.56 percentage points compared to the end of 2017. Borrowings of the Group were mainly of floating rates. In addition, the closing balance of super short-term debentures payable, medium-term notes payable (including the portion due within one year), debt financing instruments issued through non-public offering to target subscribers (including the portion due within one year) and obligations payable under finance lease amounted to approximately RMB8,883 million, RMB10,067 million, RMB3,499 million and RMB2,847 million, respectively.

(11) Contingent liabilities

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

(12) Cash and cash equivalents

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

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

BUSINESS OUTLOOK

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

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

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

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

SIGNIFICANT EVENTS

(1) Amendments to articles of association

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

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

(2) Change of auditors

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

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

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

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

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

(L) = Long position

(S) = Short position

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

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

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

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

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

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

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

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

MATERIAL LITIGATION

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

AUDIT COMMITTEE

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

CORPORATE GOVERNANCE

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

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

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

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

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

– The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited for Directors and Supervisors and the Code on Trading in Securities of Huadian Power International Corporation Limited for Employees, which are on terms no less lenient than those set out in the Model Code.

– In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and has stipulated the Terms of Reference for the Strategic Committee.

– The Audit Committee comprises five members, including two non-executive directors and three independent non-executive directors.

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

As at the date of this announcement, the Board comprises:

Zhao Jianguo (Chairman, Non-executive Director), Chen Bin (Vice Chairman, Executive Director), Wang Yingli (Vice Chairman, Non-executive Director), Tian Hongbao (Executive Director), Gou Wei (Non-executive Director), Chu Yu (Non-executive Director), Zhang Ke (Non-executive Director), Ding Huiping (Independent Non-executive Director), Wang Dashu (Independent Non-executive Director), Wang Chuanshun (Independent Non-executive Director) and Zong Wenlong (Independent Non-executive Director).

Beijing, the PRC
28 August 2018

* *For identification purposes only*

I. SUMMARY OF FINANCIAL INFORMATION IN THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRSs

The consolidated financial information set out below is extracted from the report on review of unaudited condensed consolidated financial statements prepared under IFRSs of the Group as set out in its 2018 interim report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018
(Expressed in Renminbi)

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(CONTINUED)*

For the six months ended 30 June 2018
(Expressed in Renminbi)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018
(Expressed in Renminbi)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

At 30 June 2018

(Expressed in Renminbi)

	Notes	At 30 June 2018 RMB'000 (unaudited)	At 31 December 2017 RMB'000 (audited)
Current liabilities			
Bank loans		**30,509,065**	36,100,608
State loans		**5,843**	8,944
Other loans		**4,127,720**	4,954,220
Short-term debentures payable		**8,882,741**	6,059,239
Long-term debentures payables- current portion		**6,093,285**	6,493,146
Amount due to the parent company		**142,033**	64,295
Obligations under finance leases	11	**851,961**	791,590
Trade creditors and bills payable	12	**15,969,264**	18,042,924
Other payables		**6,552,731**	7,580,928
Financial liabilities at fair value through profit or loss		**69,972**	–
Tax payable		**204,429**	221,431
		73,409,044	80,317,325
Net current liabilities		**(48,698,489)**	(55,156,723)
Total assets less current liabilities		**145,553,531**	138,660,381
Non-current liabilities			
Bank loans		**62,006,124**	53,513,930
Loans from shareholders		**1,778,666**	1,778,666
State loans		**59,262**	61,373
Other loans		**7,087,092**	6,855,191
Long-term debentures payable		**7,472,758**	10,058,115
Obligations under finance leases	11	**1,994,549**	2,209,517
Long-term payables		**355,676**	414,852
Provisions		**113,269**	108,912
Deferred government grants		**1,181,703**	1,246,431
Deferred income	13	**2,688,396**	2,732,905
Deferred tax liabilities		**2,381,345**	2,457,838
Retirement benefit obligations		**19,835**	20,858
		87,138,675	81,458,588
Net assets		**58,414,856**	57,201,793

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

At 30 June 2018
(Expressed in Renminbi)

	Notes	At 30 June 2018 RMB'000 (unaudited)	At 31 December 2017 RMB'000 (audited)
Capital and reserves			
Share capital		**9,862,977**	9,862,977
Reserves		**33,914,633**	33,046,182
Total equity attributable to equity shareholders of the Company		**43,777,610**	42,909,159
Non-controlling interests		**14,637,246**	14,292,634
Total equity		**58,414,856**	57,201,793

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

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

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

2. Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statement for the year ended 31 December 2017, except for the adoption of new standards as following, which effective as of 1 January 2018. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective:

Adoption of new or revised IFRSs – effective 1 January 2018

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

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

IFRS 9 Financial Instruments

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

(a) Classification

Debts instruments

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

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

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

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

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

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

- the objective of the business model is to hold the asset to collect the contractual cash flows and to sell financial assets; and

- the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

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

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

Equity instruments

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

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

(b) Measurement

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

Financial assets measured at amortised cost

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

Equity instruments classified as fair value through profit or loss

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

Financial assets at fair value through profit or loss

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

(c) Impairment

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

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

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

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

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

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

(d) Transition

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

IFRS 15 Revenue from Contracts with Customers

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

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

(i) Electricity income is recognised at a point in time when electricity is supplied to the power grid companies;

(ii) Heat income is recognised at a point in time when heat is supplied to customers; and

(iii) Sales of coal is recognised at a point in time when control of the coal is transferred to the customer, generally on delivery of products to the customers and the customer has accepted the goods in accordance with the sales contract.

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

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

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

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

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

Note:

(a) Financial assets at fair value through profit or loss in relation to the equity investments were previously classified as available-for-sale financial assets. The fair values of these financial assets are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(b) Contract liabilities in relation to the advance consideration received from customers for contracts were previously included in other payables.

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

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

3. Turnover

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

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

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

4. Investment income

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

5. Finance costs

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

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

6. Profit/(loss) before taxation

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

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

7. Income tax

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

8. Other comprehensive income

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

9. Earnings/(loss) per share

(a) Basic earnings/(loss) per share

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

(b) Diluted earnings per share

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

10. Trade debtors and bills receivable

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

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

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

11. Obligations under finance leases

The Group had obligations under finance leases payable as follows:

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

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

12. Trade creditors and bills payable

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

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

13. Deferred income

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

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

14. Dividends

(a) A final dividend of RMB0.018 per share in respect of the year ended 31 December 2017 (six months ended 30 June 2017: RMB0.136 per share in respect of the year ended 31 December 2016) was declared to the equity shareholders of the Company and approved on 26 June 2018. The aggregate amount of the final dividend declared approximately amounted to RMB178 million (six months ended 30 June 2017: approximately RMB1,341 million).

(b) The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil).

15. Contingent liabilities

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

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

II. SUMMARY OF FINANCIAL INFORMATION IN UNAUDITED INTERIM FINANCIAL STATEMENTS PREPARED UNDER CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS")

The consolidated financial information set out below is extracted from the unaudited consolidated financial statements prepared under CAS of the Group as set out in its 2018 interim report.

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET (UNAUDITED)

At 30 June 2018
(Expressed in Renminbi'000)

	The Group		The Company	
Item	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017
Current assets:				
Cash at bank and on hand	**6,776,856**	7,482,162	**892,034**	1,971,054
Bills receivable and trade receivables	**10,105,317**	10,511,497	**999,288**	1,260,191
Prepayments	**371,924**	222,389	**16,853**	8,636
Other receivables	**1,523,656**	1,508,722	**13,099,866**	12,888,857
Inventories	**3,334,688**	2,871,233	**574,301**	419,336
Non-current assets due within one year	**157,858**	157,879	**173,318**	–
Other current assets	**2,331,225**	2,297,688	**281,272**	412,318
Total current assets	**24,601,524**	25,051,570	**16,036,932**	16,960,392
Non-current assets:				
Available-for-sale financial assets	**–**	241,554	**–**	26,900
Long-term receivables	**155,024**	155,032	**249,265**	244,318
Long-term equity investments	**11,256,283**	10,820,254	**49,312,699**	48,000,015
Other non-current financial assets	**280,330**	–	**27,200**	–
Fixed assets	**136,010,706**	138,886,798	**15,961,635**	16,549,285
Construction in progress	**26,721,939**	23,696,656	**2,420,112**	1,890,627
Intangible assets	**13,385,835**	13,475,990	**525,830**	538,878
Goodwill	**1,056,909**	1,056,909	**12,111**	12,111
Deferred tax assets	**332,391**	310,521	**–**	–
Other non-current assets	**2,584,272**	2,583,304	**411,055**	509,800
Total non-current assets	**191,783,689**	191,227,018	**68,919,907**	67,771,934
Total assets	**216,385,213**	216,278,588	**84,956,839**	84,732,326

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET (UNAUDITED) *(CONTINUED)*

At 30 June 2018

(Expressed in Renminbi'000)

	The Group		The Company	
Item	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017
Current liabilities:				
Short-term loans	**26,011,650**	31,697,106	**9,627,209**	13,537,209
Held for trade financial liabilities	**69,972**	–	**69,972**	–
Bills payable and trade payables	**15,997,301**	18,077,847	**2,365,116**	2,586,866
Receipts in advances	**–**	1,358,617	**–**	132,925
Contract liabilities	**255,119**	–	**43,322**	–
Wages payable	**227,695**	199,206	**32,304**	26,779
Taxes payable	**981,561**	1,012,815	**45,542**	67,379
Other payables	**5,223,879**	5,132,031	**1,574,311**	1,760,885
Non-current liabilities due within one year	**15,689,224**	16,716,752	**7,627,877**	8,877,790
Other current liabilities	**8,952,643**	6,122,951	**8,925,066**	6,094,580
Total current liabilities	**73,409,044**	80,317,325	**30,310,719**	33,084,413
Non-current liabilities:				
Long-term loans	**70,931,144**	62,209,160	**12,987,354**	7,391,702
Debentures payable	**7,472,758**	10,058,115	**7,472,758**	10,058,115
Long-term payables	**2,356,440**	2,630,584	**5,656**	5,656
Long-term wages payable	**19,835**	20,858	**–**	–
Provision	**113,269**	108,912	**–**	–
Deferred income	**3,515,463**	3,607,903	**74,467**	67,485
Deferred tax liabilities	**1,858,357**	1,904,238	**53,385**	54,118
Total non-current liabilities	**86,267,266**	80,539,770	**20,593,620**	17,577,076
Total liabilities	**159,676,310**	160,857,095	**50,904,339**	50,661,489

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET (UNAUDITED) *(CONTINUED)*

At 30 June 2018

(Expressed in Renminbi'000)

	The Group		The Company	
Item	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017
Shareholders' equity:				
Share capital	**9,862,977**	9,862,977	**9,862,977**	9,862,977
Capital reserve	**13,166,648**	13,149,632	**13,504,396**	13,488,344
Other comprehensive income	**(33,334)**	(25,043)	**(31,283)**	(23,503)
Specific reserve	**280,069**	202,154	**208,018**	151,794
Surplus reserve	**3,079,863**	3,079,863	**3,079,863**	3,079,863
Retained earnings	**16,298,265**	15,489,318	**7,428,529**	7,511,362
Total equity attributable to equity shareholders of the Company	**42,654,488**	41,758,901	**34,052,500**	34,070,837
Minority interests	**14,054,415**	13,662,592	**–**	–
Total shareholders' equity	**56,708,903**	55,421,493	**34,052,500**	34,070,837
Total liabilities and shareholders' equity	**216,385,213**	216,278,588	**84,956,839**	84,732,326

CONSOLIDATED INCOME STATEMENT AND INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2018
(Expressed in Renminbi'000)

	The Group		The Company	
	Six months ended 30 June		Six months ended 30 June	
Item	2018	2017	2018	2017
Total operating income	**41,536,846**	36,648,213	**5,365,260**	4,669,962
Total operating costs	**40,429,730**	37,047,542	**6,010,443**	5,518,151
Less: Operating costs	**36,387,545**	33,420,590	**4,809,290**	4,646,092
Taxes and surcharges	**527,514**	456,318	**79,046**	58,406
Administrative expenses	**855,566**	750,512	**162,667**	189,106
Finance expenses	**2,659,612**	2,420,122	**817,603**	624,547
Impairment loss	**–**	–	**141,837**	–
Reversal of doubtful debts	**507**	–	**–**	–
Add: Investment income	**400,105**	295,546	**805,794**	1,772,282
Including: income from investment in associates and joint ventures	**388,873**	281,127	**350,048**	276,028
Other income	**209,077**	54,206	**13,196**	2,148
Loss from changes in fair value	**22,696**	–	**69,972**	–
Operating profit/(loss)	**1,693,602**	(49,577)	**103,835**	926,241
Add: Non-operating income	**50,750**	157,856	**1,113**	3,144
Less: Non-operating expenses	**75,816**	75,445	**10,980**	38,309
Total profit	**1,668,536**	32,834	**93,968**	891,076
Less: Income tax expenses/(credit)	**458,233**	185,724	**(732)**	–
Net profit/(loss)	**1,210,303**	(152,890)	**94,700**	891,076
Attributable to equity shareholders of the Company	**986,480**	(211,860)	**94,700**	891,076
Minority interests	**223,823**	58,970	**–**	–

CONSOLIDATED INCOME STATEMENT AND INCOME STATEMENT (UNAUDITED) *(CONTINUED)*

For the six months ended 30 June 2018
(Expressed in Renminbi'000)

Item	The Group Six months ended 30 June **2018**	 2017	The Company Six months ended 30 June **2018**	 2017
Other comprehensive income, net of tax	**(8,578)**	(1,791)	**(7,780)**	(3,717)
Other comprehensive income attributable to equity shareholders of the Company, net of tax	**(8,291)**	(1,654)	**(7,780)**	(3,717)
(i) Items that may not be subsequently reclassified to profit or loss:	**–**	–	**–**	–
(ii) Items that may be subsequently reclassified to profit or loss:	**(8,291)**	(1,654)	**(7,780)**	(3,717)
(1) Shares of other comprehensive expense that may be subsequently reclassified to profit or loss of investees accounted for under the equity method	**(8,291)**	(3,961)	**(7,780)**	(3,717)
(2) Net fair value gain on available-for-sale investments	**–**	2,307	**–**	–
Other comprehensive income attributable to minority interests, net of tax	**(287)**	(137)	**–**	–
Total comprehensive income	**1,201,725**	(154,681)	**86,920**	887,359
Attributable to equity shareholders of the Company	**978,189**	(213,514)	**86,920**	887,359
Minority interests	**223,536**	58,833	**–**	–
Earnings/(loss) per share				
Basic earnings/(loss) per share *(RMB/Share)*	**0.1**	(0.021)	**N/A**	N/A
Diluted earnings per share *(RMB/Share)*	**N/A**	N/A	**N/A**	N/A

III. RECONCILIATION OF THE FINANCIAL STATEMENTS PREPARED UNDER CAS AND IFRSs

Effects of major differences between the CAS and IFRSs on net profit and net assets attributable to equity shareholders of the Company are analysed as follows:

		Profit for the year attributable to equity shareholders of the Company		Net assets attributable to equity shareholders of the Company	
		Six months ended 30 June		30 June	31 December
		2018	2017	2018	2017
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Amounts under CAS		**986,480**	(211,860)	**42,654,488**	41,758,901
Adjustments:					
Business combination involving entities under common control	(i)	**(121,893)**	(123,289)	**2,625,626**	2,747,519
Government grants	(ii)	**16,797**	16,797	**(370,780)**	(387,577)
Maintenance and production safety funds	(iii)	**80,033**	64,699	**13,990**	13,995
The equity interest in an associate being passively diluted		**4,053**	–	**–**	–
Taxation impact of the adjustments		**30,751**	30,513	**(562,883)**	(593,637)
Attributable to minority interests		**45,091**	42,298	**(582,831)**	(630,042)
Amounts under IFRSs		**1,041,312**	(180,842)	**43,777,610**	42,909,159

Notes:

(i) According to the accounting policies adopted in the Group's financial statements prepared under IFRSs, assets and liabilities acquired by the Group during business combination, irrespective of whether such business combination is involving entities under common control or not, are measured at the fair value of identifiable assets and liabilities of the acquiree at the date of acquisition. In preparing the consolidated financial statements, the respective financial statements of subsidiaries are adjusted based on the fair value of individual identifiable assets and liabilities at the date of acquisition. The excess of purchase consideration paid by the Company over its share of fair value of identifiable net assets of the acquired was recognised as goodwill.

In accordance with CAS, assets and liabilities acquired by the Group in business combination involving entities under common control are measured at their carrying value at the date of combination. The excess of carrying value of purchase consideration paid by the Company over its share of carrying value of identifiable net assets of the acquiree for business combination involving entities under common control reduces the share premium of capital reserve or retained profits.

In addition, according to CAS, in respect of business combination involving entities under common control, when preparing consolidated financial statements, the opening balances as well as the comparative figures of the financial statements should be adjusted as if the current structure and operations resulting from the acquisitions had been in existence since prior periods (no earlier than the later of both parties were under common control).

(ii) According to IFRSs, conditional government grants should be first recorded in long-term liabilities and amortised to profit or loss using the straight line method over the useful lives of the relevant assets after fulfilling the requirements from the government in respect of the construction projects.

According to CAS, government grants related to assets (required to be recorded in capital reserve pursuant to the relevant government notice) are not recognised as deferred income.

(iii) Pursuant to the relevant PRC regulations for coal mining companies, the funds for production maintenance and production safety are accrued by the Group at fixed rates based on coal production volume. Provision for maintenance and production funds is recognised as expense in profit or loss with a corresponding adjustment to the specific reserve. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve back to retained earnings.

According to IFRSs, coal mining companies are required to set aside an amount to a fund for production maintenance and production safety through transferring from retained earnings to specific reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of such expenses whereas specific reserve is offset against retained earnings to the extent of zero.