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大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00991)

ANNOUNCEMENT OF 2017 INTERIM RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB30,048 million, representing an increase of approximately 2.91% over the first half of 2016.
- Total profit before tax amounted to approximately RMB1,795 million, representing a decrease of approximately 48.54% over the first half of 2016.
- Net profit attributable to equity holders of the Company amounted to approximately RMB1,092 million, representing a decrease of approximately 36.11% over the first half of 2016.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0820, representing a decrease of RMB0.0464 per share over the first half of 2016.

I. COMPANY RESULTS

The board of directors (the "**Board**") of Datang International Power Generation Co., Ltd. (the "**Company**") hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the "**Group**") prepared in conformity with International Financial Reporting Standards ("**IFRS**") for the six months ended 30 June 2017 (the "**Period**"), together with the unaudited consolidated operating results of the first half of 2016 (the "**Corresponding Period Last Year**") for comparison. Such operating results have been reviewed and confirmed by the Company's audit committee (the "**Audit Committee**").

Operating revenue of the Group for the Period was approximately RMB30,048 million, representing an increase of approximately 2.91% as compared to the Corresponding Period Last Year. Total profit before tax amounted to approximately RMB1,795 million, representing a decrease of approximately 48.54% over the Corresponding Period Last Year. Net profit attributable to equity holders of the Company was approximately RMB1,092 million, representing a decrease of approximately 36.11% as compared to the Corresponding Period Last Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0820, representing a decrease of RMB0.0464 per share as compared to the Corresponding Period Last Year.

II. MANAGEMENT DISCUSSION AND ANALYSIS

The Company is one of the largest independent power generation companies in the People's Republic of China (the "**PRC**"). Power generation businesses of the Company and its subsidiaries in operation or under construction are mainly distributed across 18 provinces, municipalities and autonomous regions throughout the country, whereby coal-fired power generators of the Company are centralised in Beijing-Tianjin-Hebei and south eastern coastal areas, while most of the hydropower projects are located in the south west region. Wind power and photovoltaic power are distributed across the country in areas with abundant resources.

In the first half of 2017, in the face of complex situations such as the in-depth advancing of the reform in power system and the severe condition regarding coal power maintenance, supply and price control, the Company focused on the target of being "an industry leader of world-class standard", adhered to the main line of "comprehensive quality improvement", actively adapted to the changes of national policies and market situation, proactively pushed forward production and operation management, comprehensively implemented the forging ahead strategy, strived for efficient power generation, controlled and maintained the coal price at a favourable level and adopted advanced benchmark in fees reduction. The Company remarkably accomplished all tasks of the first half of 2017 with improvements, laying a solid foundation for realisation of "a year of comprehensive progression".

A. Review of Businesses

1. Continuously strengthening production safety management and control. The Company always adheres to the fundamental position of safety production and maintains a high-tension safety management. The Company insists on controlling minor matters to prevent the occurrence of material matters, regarding attempts as realised matters, giving zero tolerance to potential safety hazards, strictly holding accountability and upgrading evaluation of safety issues. The Company has thoroughly implemented standardised team building, persistently strengthened the safety awareness and techniques of all employees, and fulfilled the power preservation task in "two sections", "two conferences" and the "Belt and Road Initiatives" summit forums. The Company spared no efforts on managing competition of large generating units, promoting positive economic operation of generating units through competition, and improving the technical level of personnel. Eight 600MW generating units won awards, representing an increase of four awards over the Corresponding Period Last Year. Nine 300MW generating units won awards, representing an increase of five awards over the Corresponding Period Last Year. Six generating units from enterprises such as Tuoketuo Power Generation Company, Wushashan Power Generation Company, Panshan Power Generation Company and Zhangjiakou Power Plant won awards in the national reliability units appraisal. As part of our continuous efforts to promote technological innovation, the Company obtained 12 innovation patents in total and 120 new utility model patents in the first half of 2017.

2. Benchmark upgrading achieved significant results. First, the Company strived to increase power generation. As we target on the benchmark, the Company strengthened regional benchmark and same-type benchmark and strived to seize all efficient market power. The Company actively participated in market power competition, strengthened the marketing system, and continued to improved the market competitiveness. During the reporting period, power generation of the Company accumulated to 90.5765 billion kWh, representing a year-on-year increase of approximately 10.52%. Secondly, the Company controlled the coal price with all endeavours. By strengthening the coordination and synergy among specialized departments, the Company innovated fuel management model and grasped the opportunities in the coal market to reduce fuel cost through the procurement of fuels, optimization of inventories and enhancement of coal blending and mixed burning. Thirdly, the Company strengthened overall price control. The Company strengthened the comprehensiveness and rigidity of budget to strictly control the expenses of all items.

3. Consecutive breakthrough achieved in optimized development. The Company commenced the scrolling revision work for "13th Five Year Plan" development plan, actively promoted the implementation of key projects, and pursued the most favourable path for transformation and upgrading. The development of Hainan project realised breakthrough in obtaining the development right of 6.7MW distributed photovoltaic power project in Lingshui Fuli Ocean Park. During the reporting period, installed capacity of the Company was 2,756.5MW, among which two 660,000KW power generating units in Tuoketuo Power Plant (Phase V) successfully commenced operation, becoming the largest thermal power plant in the world. Three 650,000KW power generating units in Changheba Hydropower Station commenced production, becoming the largest hydropower station in service of the Company.

4. Steady advancement in capital operation. The Company optimized the structure of property rights, revitalised existing assets and realised preservation and appreciation of assets. During the reporting period, the Company has completed equity transfer of 2.31% equity interest in China Continent Property & Casualty Insurance Company Ltd. and 100% equity interest in Chongqing Yuneng Yangzi Electricity Company Limited, and the revenue from such transfers amounted to approximately RMB238 million and RMB21.52 million, respectively, while the recovered capital amounted to approximately RMB408 million and RMB23.68 million, respectively. The Company has completed the reply on the first round of feedback from the China Securities Regulatory Commission (the "**CSRC**") on the non-public issuance of A shares and H shares.

5. Firm progression of the Party building work. The Company fully utilized its political advantage as a central enterprise and integrated the strengthening of Party leadership with the enhancement of corporate governance. The Company has also clarified the statutory position of Party Committee in the corporate governance structure by including the general requirements of the Party building work for state-owned enterprises into the articles of association in accordance with the requirements of the Organisation Department of the CPC Central Committee and the SASAC of the State Council. Relevant issues were considered and approved by the Board and at the second extraordinary general meeting for the year 2017 of the Company.

B. Major Financial Indicators and Analysis

1. Operating Revenue

During the Period, the Group realised an operating revenue of approximately RMB30,048 million, representing an increase of approximately 2.91% over the Corresponding Period Last Year, among which revenue from electricity sales was approximately RMB27,130 million, representing an increase of approximately RMB2,068 million or approximately 8.25% over the Corresponding Period Last Year. The increase in electricity sales revenue was mainly due to the increase in demand for on-grid electricity which caused the operating revenue to increase by approximately RMB2,588 million.

2. *Operating Costs*

During the Period, total operating costs of the Group amounted to approximately RMB26,255 million, representing an increase of approximately RMB3,878 million or approximately 17.33% over the Corresponding Period Last Year. Among which, fuel cost accounted for approximately 58.58% of the operating costs, and depreciation cost accounted for approximately 20.98%. Since the unit price of standard coal for power generation increased by approximately RMB224.71/tonne over the Corresponding Period Last Year, the fuel costs increased by approximately RMB4,442 million.

3. *Net Finance Costs*

During the Period, finance costs of the Group amounted to approximately RMB2,860 million, representing a decrease of approximately RMB866 million and approximately 23.25% over the Corresponding Period Last Year. The year-on-year decrease in finance costs was mainly due to reduction of liability scale arising from equity transfer of the coal-to-chemical and the related projects and effective reduction of the scale of interest-bearing liabilities and consolidated financing costs through adjusting liability structure and obtaining preferential interest rate.

4. *Profit and Net Profit*

During the Period, total profit before tax of the Group amounted to approximately RMB1,795 million, representing a decrease of approximately 48.54% over the Corresponding Period Last Year. Among which, the power generation segment recorded an accumulated profit of approximately RMB1,409 million, representing a decrease of approximately 77.01% over the Corresponding Period Last Year. During the Period, net profit attributable to equity holders of the Company amounted to approximately RMB1,092 million, representing a decrease of approximately 36.11% over the Corresponding Period Last Year.

5. *Financial Position*

As at 30 June 2017, total assets of the Group amounted to approximately RMB232,053 million, representing a decrease of approximately RMB1,412 million as compared to the end of 2016. The decrease in total assets was primarily attributable to the decrease in property, plant and equipment.

Total liabilities of the Group amounted to approximately RMB172,203 million, representing a decrease of approximately RMB2,433 million over the end of 2016.

Equity attributable to equity holders of the Company amounted to approximately RMB41,050 million, representing an increase of approximately RMB1,066 million over the end of 2016. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB3.08, representing an increase of approximately RMB0.08 per share over the end of 2016.

6. Liquidity

As at 30 June 2017, the assets-to-liabilities ratio of the Group was approximately 74.21%. The net debt-to-equity ratio (i.e. (loans + long-term bonds – cash and cash equivalents)/total equity) was approximately 224.41%.

As at 30 June 2017, cash and cash equivalents of the Group amounted to approximately RMB4,710 million, among which deposits equivalent to approximately RMB168 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Period.

As at 30 June 2017, short-term loans of the Group amounted to approximately RMB24,043 million, bearing annual interest rates ranging from 2.35% to 4.35%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB91,352 million and long-term loans repayable within one year amounted to approximately RMB8,188 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.35% to 4.90%.

Loans equivalent to approximately RMB945 million were denominated in US dollar. The Group pays close attention to foreign exchange market fluctuations and cautiously assessed risks.

7. Welfare Policy

As at 30 June 2017, the number of staff of the Company totalled 18,400. The Company has adopted the basic salary system focusing on the basis of position-points salary distribution and a variety of incentive mechanisms so as to implement policies such as providing allowance for employees who live in remote areas and allowance for leaders.

The Company is concerned about training of its staff. The Company relies on a three-tier management organisational structure and implements an all-staff training scheme for various levels. During the Period, the Company has implemented 13 training programmes with 16 sessions in total, training 3,935 person-times. The Company also attended 25 training programmes with 38 sessions held by the group company, and trained 1,970 person-times. The Company completed the assessment on professional technique qualifications for the year 2016 for 1,522 employees, and organised and participated in the BRICS Skills Development and Technology Innovation Competition – International Welding Competition (the 5th Arc Cup), and won the second class award in the competition. The Company organised and participated in the Youth Enterprise Trainer Competition of China Datang Corporation and was awarded the champion and the first runner-up, and organised four Safety Production Personnel Safety Production Knowledge Examinations of the Company.

C. Outlook for the Second Half of 2017

In the second half of 2017, the Company will encounter more complicated situation with arduous tasks. The Company will adhere to benchmark upgrading and top-quality guidance, ensure safety production, strengthen the increase in power generation and cost reduction and control, promote optimization of development, and strive to achieve all targets and tasks in realising “a year of comprehensive progression”.

1. Committed to maintain safety production. The Company insists on maintaining safety production as the precondition and basis of all work, and further implemented the concept of “overall safety” as well as adhered to the upgrading and assessment of safety production so as to effectively consolidate the foundation of safety production. The Company will continue to promote the overall improvement of production management, maintain the A grade power generation units in terms of reliability throughout the country and national generating unit competition so as to create the efficiency benchmarking for outstanding generating units throughout the country. Performing favorable political undertakings, the Company shall ensure the perfect power maintenance work during the 19th National Congress, strengthen capability of emergency response, and continue to advance technological innovation.

2. Committed to increase power generation. The Company motivated the initiatives in increasing power generation of accountable entities in all levels, continued to seize benchmark as the supporting point, spared no effort to achieve plans for basic numbers and occupation of power in the market, optimised power marketing system construction and talent team building, actively developed power market, optimized market response mechanism, strengthened overall planning and coordination, focused on power replacement, power transformation and power optimising adjustment.

3. Committed to cost control. Optimizing fuel procurement strategy, the Company strengthened the procurement of high-quality coal with long-term agreements, actively expanded the source of coal in low-price market, practically implemented depth coal blending and mixed burning, and made use of "one policy for one plant" to optimise coal blending and mixed burning scheme in order to ensure the enhancement of efficiency. Persisting in the "austere life" concept, insisting on effectiveness of dedicate management, establishing scientific benchmark analysis, benchmark notification and benchmark evaluation mechanism, the Company genuinely realised cost reduction in the entire procedure in earlier stage, infrastructure, production and management, strengthened the bid for regulatory management, and reduced material procurement cost.

4. Committed to promote development. Insisting on the primary task of development, the Company optimized and adjusted thermal power structure, accelerated the development of non-hydro renewable energy, and steadily expanded the international market. Strengthening development of projects and controlling the process of key construction projects, the Company endeavoured to create exquisite projects with "low cost, short construction period, good quality and high efficiency". The Company strengthened the coordination of approval on directed increase of issuance of shares of the Company and optimized the issuance scheme, so as to ensure the smooth implementation of the directed increase of issuance of shares of the Company.

III. SHARE CAPITAL AND DIVIDENDS

1. Share Capital

As at 30 June 2017, the total share capital of the Company amounted to 13,310,037,578 shares, divided into 13,310,037,578 shares of a nominal value of RMB1.00 each.

2. Shareholding of Substantial Shareholders

To the best knowledge of the directors of the Company, the persons below held the interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") as at 30 June 2017:

Name of Shareholder	Class of Shares	Number of shares held	Approximate percentage to total issued share capital of the Company *(%)*	Approximate percentage to total issued A share capital of the Company *(%)*	Approximate percentage to total issued H share capital of the Company *(%)*
CDC *(Note 1)*	A shares	4,138,977,414	31.10	41.41	/
	A shares	8,738,600	0.07	0.09	/
	H shares	480,680,000 (L)	3.61 (L)	/	14.50 (L)
Tianjin Jinneng Investment Company *(Note 2)*	A shares	1,296,012,600	9.74	12.97	/
Hebei Construction Investment Group Co., Ltd. *(Note 3)*	A shares	1,280,872,927	9.62	12.82	/
Beijing Energy Investment Group Company Limited *(Note 4)*	A shares	1,260,988,672	9.47	12.62	/

(L) = Long Position (S) = Short Position (P) = Lending Pool

Note:

1. As of 30 June 2017, CDC and its subsidiaries held a total of 4,628,396,014 issued shares of the Company, representing approximately 34.77% of the Company's total issued shares. Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan, all being non-executive Directors, are employees of CDC.

2. Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Company.

3. Mr. Cao Xin and Mr. Zhao Xianguo, both non-executive Directors, are employees of Hebei Construction Investment Group Co., Ltd..

4. Mr. Liu Haixia and Ms. Guan Tiangang, both non-executive Directors, are employees of Beijing Energy Holding Co., Ltd..

3. Dividends

The Board does not recommend the payment of any interim dividend for 2017.

4. Shareholding of the Directors and Supervisors

As of 30 June 2017, none of the directors, supervisors and chief executives of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in the SFO) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 of the SFO or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

IV. SIGNIFICANT EVENTS

1. Upon approval of the Board, Mr. Duan Zhongmin and Mr. Ying Xuejun started serving as deputy general managers of the Company from 6 January 2017.

2. On 31 March 2017, the Company convened the general meeting and class general meeting to consider and approve the proposal for the non-public issuance of A shares and H shares. On 13 April 2017 and 18 April 2017, the CSRC published the acceptance notice for the application materials of H shares and A shares, respectively. The CSRC issued the first round of feedback on the proposal for the non-public issuance of H shares and A shares, respectively, on which the Company completed the replies on 15 June 2017.

V. PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Group did not purchase, sell or redeem any of its listed securities.

VI. COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

To the knowledge of the Board, the Company complied with all the code provisions under the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Listing Rules for the Period, with the exception of the following:

During the Period, the legal action (if any) which the directors of the Company may face is covered in the internal risk management and control of the Company, and therefore insurance arrangements for directors have not been made.

During the Period, the nomination committee, the remuneration and appraisal committee, the audit committee and the strategic development and risk control committee set up by the Company carried out their work in accordance with their respective terms of reference. Their terms of reference have covered the responsibilities required to be performed by the code provisions A.5.2, B.1.2 and C.3.3 of the Code. Only differences in expressions or sequence exist between such terms of reference and the aforesaid code provisions.

VII. COMPLIANCE WITH THE MODEL CODE

Upon specific enquiries made to all the directors and in accordance with the information provided, the Board confirmed that all directors have complied with the requirements set out in the Model Code as set out in Appendix 10 to the Listing Rules during the Period.

VIII. AUDIT COMMITTEE

The Audit Committee has reviewed the accounting standards adopted by the Group with the management of the Company. They have also discussed matters regarding internal controls and the financial statements, including the review of the financial report of the Group for the Period.

The Audit Committee considers that the financial report of the Group for the first half of 2017 has complied with the applicable accounting standards, and that the Group has made appropriate disclosures thereof.

By Order of the Board
Ying Xuejun
Secretary to the Board

Beijing, the PRC, 15 August 2017

As at the date of this announcement, the Directors of the Company are:

Chen Jinhang, Liu Chuandong, Wang Xin, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Liu Haixia, Guan Tiangang, Liu Jizhen, Feng Genfu*, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu**

* *Independent non-executive directors*

A. FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS PREPARED UNDER IFRS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Six months ended 30 June	
	Note	**2017**	2016
		RMB'000	*RMB'000*
		(unaudited)	*(unaudited)*
Operating revenue	4	**30,047,916**	29,198,539
Operating costs			
Fuel for power and heat generation		**(15,371,879)**	(8,836,603)
Fuel for coal sales		**(7,425)**	(154,227)
Depreciation		**(5,509,563)**	(6,372,036)
Repairs and maintenance		**(523,459)**	(686,116)
Salaries and staff welfare		**(1,512,634)**	(1,633,328)
Local government surcharges		**(504,338)**	(297,748)
Others		**(2,825,578)**	(4,396,592)
Total operating costs		**(26,254,876)**	(22,376,650)
Operating profit		**3,793,040**	6,821,889
Shares of profits of associates		**612,966**	99,974
Shares of (losses)/profits of joint ventures		**(38,822)**	180,072
Investment income		**5,061**	86,299
Other gains		**259,938**	–
Interest income		**22,563**	25,589
Finance costs	6	**(2,859,649)**	(3,725,733)
Profit before tax		**1,795,097**	3,488,090
Income tax expense	7	**(460,131)**	(1,436,411)
Profit for the period		**1,334,966**	2,051,679

	Note	Six months ended 30 June 2017	2016
		RMB'000	*RMB'000*
		(unaudited)	*(unaudited)*
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Fair value gain/(loss) on available-for-sale financial assets		**14,939**	(43,997)
Share of other comprehensive loss of associates		**(37,132)**	(19,479)
Exchange differences on translating foreign operations		**(4,381)**	922
Income tax on items that may be reclassified to profit or loss		**93**	191
Other comprehensive loss for the period, net of tax		**(26,481)**	(62,363)
Total comprehensive income for the period		**1,308,485**	1,989,316
Profit for the period attributable to:			
Owners of the Company		**1,092,019**	1,709,340
Non-controlling interests		**242,947**	342,339
		1,334,966	2,051,679
Total comprehensive income for the period attributable to:			
Owners of the Company		**1,065,538**	1,646,977
Non-controlling interests		**242,947**	342,339
		1,308,485	1,989,316
		RMB	*RMB*
		(unaudited)	*(unaudited)*
Earnings per share			
Basic and diluted	8	**0.0820**	0.1284

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	Note	**At 30 June 2017**	At 31 December 2016
		RMB'000	*RMB'000*
		(unaudited)	*(audited)*
ASSETS			
Non-current assets			
Property, plant and equipment		**180,616,415**	182,921,995
Investment properties		**515,256**	549,727
Intangible assets		**1,980,111**	1,988,652
Development costs		**11**	21
Investments in associates		**14,214,519**	8,562,286
Investments in joint ventures		**964,619**	6,629,938
Available-for-sale financial assets		**4,832,696**	4,991,091
Long-term entrusted loans to an associate		**30,477**	25,188
Deferred tax assets		**3,556,165**	3,420,216
Other non-current assets		**3,988,255**	4,181,389
Total non-current assets		**210,698,524**	213,270,503
Current assets			
Inventories		**2,709,809**	2,766,573
Accounts and notes receivables	9	**8,917,827**	8,003,721
Prepayments and other receivables		**4,439,961**	4,416,631
Tax recoverable		**388,472**	367,970
Current portion of long-term entrusted loans to an associate		**100,000**	100,000
Current portion of other non-current assets		**75,687**	11,656
Cash and cash equivalents and restricted deposits		**4,722,296**	4,528,367
Total current assets		**21,354,052**	20,194,918
TOTAL ASSETS		**232,052,576**	233,465,421

	Note	At 30 June 2017	At 31 December 2016
		RMB'000	*RMB'000*
		(unaudited)	*(audited)*
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the Company			
Share capital	10	**13,310,038**	13,310,038
Reserves		**22,121,213**	31,160,431
Retained earnings/(accumulated losses)		**5,618,608**	(4,486,148)
		41,049,859	39,984,321
Non-controlling interests		**18,799,341**	18,844,672
Total equity		**59,849,200**	58,828,993
Non-current liabilities			
Long-term loans		**91,351,963**	90,166,116
Long-term bonds		**15,435,369**	15,426,755
Deferred income		**1,691,852**	1,783,656
Deferred tax liabilities		**558,019**	563,261
Other non-current liabilities		**8,393,875**	9,331,062
Total non-current liabilities		**117,431,078**	117,270,850
Current liabilities			
Accounts payables and accrued liabilities	11	**18,338,119**	20,396,471
Taxes payables		**782,266**	887,815
Dividends payables		**649,460**	633,461
Short-term loans		**24,043,379**	11,010,175
Short-term bonds		**–**	14,182,902
Current portion of non-current liabilities		**10,959,074**	10,254,754
Total current liabilities		**54,772,298**	57,365,578
Total liabilities		**172,203,376**	174,636,428
TOTAL EQUITY AND LIABILITIES		**232,052,576**	233,465,421
NET CURRENT LIABILITIES		**(33,418,246)**	(37,170,660)

Notes:

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

At 30 June 2017, a significant portion of the funding requirements of the Company and its subsidiaries (collectively referred to as the "**Group**") for capital expenditures was satisfied by short-term borrowings. Consequently, at 30 June 2017, the Group had net current liabilities of approximately RMB33.42 billion. The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB285.27 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these condensed consolidated financial statements on a going concern basis.

These condensed consolidated financial statements should be read in conjunction with the 2016 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2016.

These condensed consolidated financial statements are presented in Renminbi, which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand ("**RMB'000**"), unless otherwise stated.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. IFRSs comprise International Financial Reporting Standards ("**IFRS**"); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not have any significant effect on the condensed consolidated financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted. The Group has not early adopted any new or amended standards that has been issued but is not yet effective.

3. DISPOSAL OF A SUBSIDIARY

Pursuant to an agreement dated 5 June 2017 entered into between a subsidiary of the Company, Yuneng (Group) Company Limited and independent third parties, Yuneng (Group) Company Limited disposed of 100% interest in a wholly-owned subsidiary, Chongqing Yuneng Yangzi Power Company Limited for a total cash consideration of RMB23,681 thousand, resulting in a gain on disposal of RMB21,523 thousand.

4. OPERATING REVENUE

An analysis of the Group's operating revenue for the period is as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Sales of electricity	**27,130,370**	25,062,406
Heat supply	**1,119,244**	988,158
Sales of coal	**8,063**	77,583
Sales of chemical products	**–**	1,498,604
Others	**1,790,239**	1,571,788
	30,047,916	29,198,539

5. SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the "**Senior Management**") perform the function as chief operating decision makers. The Senior Management reviews the internal reporting of the Group in order to assess performance and allocate resources. Senior Management has determined the operating segments based on these reports.

Senior Management considers the business from a product perspective. Senior Management primarily assesses the performance of power generation and coal separately. Other operating activities primarily include sales of coal ash and aluminium smelting products, etc., and are included in "other segments".

Senior Management assesses the performance of the operating segments based on a measure of profit before tax prepared under China Accounting Standards for Business Enterprises ("**PRC GAAP**").

Segment profits or losses do not include dividend income from available-for-sale financial assets, gain or loss on disposals of available-for-sale financial assets and income tax expense. Segment assets do not include available-for-sale financial assets and deferred tax assets. Segment liabilities do not include current and deferred tax liabilities. Sales between operating segments are marked to market or contracted close to market price and have been eliminated at consolidation level. Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

	Power generation segment	Coal segment	Chemical segment	Other segments	Total
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Six months ended 30 June 2017					
Revenue from external customers	**28,473,053**	**8,063**	**–**	**1,566,800**	**30,047,916**
Intersegment revenue	**275,587**	**10,643,448**	**–**	**43,846**	**10,962,881**
Segment profit/(loss)	**1,409,378**	**284,316**	**–**	**(131,726)**	**1,561,968**
At 30 June 2017					
Segment assets	**210,536,516**	**10,884,830**	**–**	**12,415,158**	**233,836,504**
Segment liabilities	**167,556,106**	**5,068,230**	**–**	**8,762,537**	**181,386,873**
Six months ended 30 June 2016					
Revenue from external customers	26,222,942	80,215	1,501,591	1,393,791	29,198,539
Intersegment revenue	351,968	5,132,952	2,343	24,962	5,512,225
Segment profit/(loss)	6,129,682	(335,957)	(2,238,069)	(92,899)	3,462,757
	(audited)	*(audited)*	*(audited)*	*(audited)*	*(audited)*
At 31 December 2016					
Segment assets	211,023,241	10,195,784	–	12,588,493	233,807,518
Segment liabilities	169,094,036	4,669,594	–	8,759,322	182,522,952

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Reconciliation of segment profit or loss:		
Total profit or loss of reportable segments	**1,561,968**	3,462,757
Dividend income from available-for-sale financial assets	**–**	83,379
Gain on disposals of available-for-sale financial assets	**238,257**	–
Elimination of intersegment profits	**(18,019)**	(77,132)
IFRS adjustment on amortisation of monetary housing benefits	**–**	(1,708)
IFRS adjustment on reversal of general provision on mining funds	**12,891**	20,794
Consolidated profit before tax	**1,795,097**	3,488,090

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Revenue from major customers:		
Power generation segment		
North China Branch of State Grid Corporation of China	**4,699,307**	6,757,005
State Grid Beijing Electric Power Company	**3,224,934**	1,524,854
State Grid Jibei Electric Power Company	**2,658,977**	2,382,716
State Grid Zhejiang Electric Power Company	**2,572,435**	2,655,455
Guangdong Power Grid Corporation	**2,516,760**	2,099,499
State Grid Jiangsu Electric Power Company	**2,050,922**	1,936,133

6. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Interest expense	**3,457,216**	4,834,304
Less: amount capitalised in property, plant and equipment	**(602,368)**	(1,199,398)
	2,854,848	3,634,906
Exchange (gain)/loss, net	**(1,065)**	10,275
Others	**5,866**	80,552
	2,859,649	3,725,733

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Current tax	**601,229**	1,481,223
Deferred tax	**(141,098)**	(44,812)
	460,131	1,436,411

Income tax is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expense items, which are not assessable or deductible for income tax purposes.

The applicable People's Republic of China ("**PRC**") Enterprise Income Tax rate of the Company and its subsidiaries is 25% (six months ended 30 June 2016: 25%). Certain subsidiaries located in western region in the PRC enjoyed PRC Enterprise Income Tax rate of 15% before 2021 (six months ended 30 June 2016: 2021) when such income tax rate has changed to 25% thereafter.

In addition, certain subsidiaries are exempted from the PRC Enterprise Income Tax for two years starting from the first year of commercial operation followed by a 50% exemption of the applicable tax rate for the next three years.

8. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of RMB1,092,019 thousand (unaudited) (six months ended 30 June 2016: RMB1,709,340 thousand (unaudited)) and the weighted average number of ordinary shares of 13,310,038 thousand (unaudited) (six months ended 30 June 2016: 13,310,038 thousand (unaudited)) in issue during the period.

Diluted earnings per share

During the six months ended 30 June 2017 and 2016, the Company did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share is equal to basic earnings per share.

9. ACCOUNTS AND NOTES RECEIVABLES

The Group usually grants credit period of approximately one month to local power grid customers and coal purchase customers from the month end after sales and sale transactions made, respectively. The ageing analysis of the accounts and notes receivables is as follows:

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Within one year	**8,389,497**	7,474,919
Between one to two years	**125,129**	134,428
Between two to three years	**14,680**	227,320
Over three years	**388,521**	167,054
	8,917,827	8,003,721

10. SHARE CAPITAL

	At 30 June 2017	At 31 December 2016
	RMB'000 (unaudited)	*RMB'000 (audited)*
Registered, issued and fully paid:		
9,994,360,000 (At 31 December 2016: 9,994,360,000) A shares of RMB1 each	**9,994,360**	9,994,360
3,315,677,578 (At 31 December 2016: 3,315,677,578) H shares of RMB1 each	**3,315,678**	3,315,678
	13,310,038	13,310,038

11. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	At 30 June 2017	At 31 December 2016
	RMB'000 (unaudited)	*RMB'000 (audited)*
Accounts and notes payables	**6,071,034**	7,256,752
Other payables and accrued liabilities	**12,267,085**	13,139,719
	18,338,119	20,396,471

The ageing analysis of the accounts and notes payables is as follows:

	At 30 June 2017	At December 2016
	RMB'000 (unaudited)	*RMB'000 (audited)*
Within one year	**5,211,691**	6,586,715
Between one to two years	**435,956**	273,194
Between two to three years	**145,017**	190,362
Over three years	**278,370**	206,481
	6,071,034	7,256,752

DIFFERENCES BETWEEN FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

The condensed consolidated financial statements which are prepared by the Group in conformity with International Financial Reporting Standards ("**IFRS**") differ in certain respects from China Accounting Standards for Business Enterprises ("**PRC GAAP**"). Major differences between IFRS and PRC GAAP ("**GAAP Differences**"), which affect the net assets and net profit of the Group, are summarised as follows:

		Net assets	
	Note	**At 30 June 2017**	31 December 2016
		RMB'000 ***(unaudited)***	*RMB'000* *(audited)*
Net assets attributable to owners of the Company under IFRS		**41,049,859**	39,984,321
Impact of IFRS adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	**106,466**	106,466
Difference in accounting treatment on mining funds	(b)	**(321,110)**	(322,845)
Applicable deferred tax impact of the above GAAP Differences		**(17,975)**	(18,841)
Non-controlling interests' impact of the above GAAP Differences after tax		**(30,910)**	(30,651)
Net assets attributable to owners of the Company under PRC GAAP		**40,786,330**	39,718,450

		Net profit Six months ended 30 June	
	Note	**2017**	2016
		RMB'000 ***(unaudited)***	*RMB'000* *(unaudited)*
Profit for the period attributable to owners of the Company under IFRS		**1,092,019**	1,709,340
Impact of IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits		**–**	1,708
Difference in accounting treatment on mining funds	(b)	**(12,891)**	(20,794)
Applicable deferred tax impact of the above GAAP Differences		**866**	2,843
Non-controlling interests' impact of the above GAAP Differences after tax		**780**	590
Net profit for the period attributable to owners of the Company under PRC GAAP		**1,080,774**	1,693,687

Notes:

(a) Difference in the commencement of depreciation of property, plant and equipment

This represents the depreciation difference arose from the different timing of the start of depreciation charge in previous years.

(b) Difference in accounting treatment on mining funds

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRS, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to restricted 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 future development and work safety expenses whereas restricted reserve is offset against retained earnings to the extent of zero.