THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Prospectus, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, for example: your stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and, if in the UK, is authorised under the Financial Services and Markets Act 2000 ("FSMA") (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction). This Prospectus, which has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority, has been prepared in connection with the proposed application for admission of the H-Share Subscription Shares to be issued by the Company to the standard listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange Group plc's ("London Stock Exchange") main market for listed securities.

A copy of this Prospectus, which comprises a prospectus relating to Datang International Power Generation Co. Ltd., prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 85 of FSMA, has been delivered to the FCA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

The Company's A-Shares are listed on the Shanghai Stock Exchange. The Company's H-Shares are listed on (i) the Hong Kong Stock Exchange and (ii) are admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. Application will be made to the Financial Conduct Authority for all of the H-Share Subscription Shares to be admitted to the standard listing segment of the Official List and to London Stock Exchange for their admission to trading on the London Stock Exchange Plc's Main Market for listed securities.

It is expected that Admission will become effective and that dealings in the H-Share Subscription Shares will commence, at 8.00 a.m. on 22 March 2019.

The Directors, whose names appear on page 31 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Investors should read this entire document and in particular, the matters set out under the heading "Risk Factors" on pages 18 to 26 of this Prospectus, when considering an investment in the Company.

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)

Admission of 2,794,943,820 H-Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities

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There will be no public offering of the H-Share Subscription Shares.

United States

The H-Share Subscription Shares have not been, and will not be, registered under the Securities Act, or under any securities laws of any state or other jurisdiction of the United States. The H-Share Subscription Shares may not be offered, directly or indirectly, into or within the United States, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission (the"**SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Date: 18 March 2019

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PART I: SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". The Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all of the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
Element	*Disclosure Requirement*	*Disclosure*
A.1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating such prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2.	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. No consent has been given by the Group or any person responsible for drawing up this document to the use of this document for subsequent resale or final placement of securities by financial intermediaries.
Section B – Issuer		
Element	*Disclosure Requirement*	*Disclosure*
B.1	Legal and commercial name	The Company's legal and commercial name is Datang International Power Generation Co. Ltd., ("**Datang**" or the "**Company**")
B.2	Domicile and legal form	The Company is a sino-foreign joint stock limited company, incorporated in the People's Republic of China on 13 December 1994, with stock code 00991. Its registered office is at No. 9 Guangningbo Street, Xicheng District, Beijing, 100033, the People's Republic of China ("**PRC**"). The principal legislation under which the Company operates is the Company Law of the People's Republic of China 2013.
B3	Issuer's current operations & principal activities	The Company is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair, maintenance and commissioning of power equipment and power related technical services. The Company mainly provides services in the PRC. The Company is one of the largest independent power generation companies in the PRC. The businesses of the Company and its subsidiaries cover 18 provinces, municipalities and autonomous regions across the country. Its installed thermal power capacity is concentrated in the Beijing-Tianjin-Hebei region and

		southeast coastal areas. Its hydropower projects are mainly located in the southwest region and its wind farms and photovoltaic systems are widespread in regions with abundant resources. The Company is principally engaged in thermal power generation, hydropower, wind power and other forms of power generation, and is also engaged in businesses related to coal, transportation and recycling. The Company's main assets, including its operating projects and projects under construction, are located in eighteen provinces, cities and autonomous regions such as Beijing, Tianjin, Hebei, Inner Mongolia, Shanxi, Zhejiang, Guangdong, Jiangsu, Chongqing, Jiangxi, Shanxi, Fujian, Liaoning, Ningxia, Yunnan, Sichuan, Gansu and Qinghai.
B4a	Significant recent trends affecting the Company and the industry in which it operates	During the nine month period to 30 September 2018, the Group achieved a total profit before tax of RMB4,129 million, representing an increase of RMB1,136 million over the nine month period to 30 September 2017. During the six month period to 30 June 2018, the Group achieved a total profit before tax of RMB2,869 million, representing an increase of RMB1,319 million or 85.09% over the six month period to 30 June 2017. The main reasons for the change were: firstly, power generation in the first half of the year increased by 13.199 billion kWh year on year, resulting in an increase in profits of RMB2,037 million; secondly, the average on grid price (tax inclusive) recorded a year-on year increase of RMB9.19/MWh, resulting in an increase in profits of RMB1,106 million; thirdly, the unit cost of fuel for thermal power achieved RMB204.69/MWh, a year-on-year increase of RMB7.40/MWh, resulting a corresponding decrease in profits of RMB790 million; fourthly, the finance costs increased year on year, resulting in a corresponding decrease in profits of RMB435 million, mainly due to the year-on year increase in finance scale and the interest expenses of the new power generating units were included in profit or loss. During the year to 31 December 2017, the Group reported a total profit before tax from continuing operations amounting to approximately RMB3,324 million, representing a decrease of approximately 60.62% over the year to 31 December 2016. Net profit attributable to shareholders of the Company amounted to approximately RMB1,708 million, while net loss attributable to shareholders of the Company for the year 2016 amounted to approximately RMB2,754 million. The decrease in the Group's total profit before tax from continuing operations was mainly due to a significant year-on-year increase in unit price of standard coal for the current period. The power generation segment of the Company realised a total profit of approximately RMB2,921 million in 2017, representing a year-on-year decrease of approximately RMB6,021 million. During the year to 31 December 2016, the Group reported a total profit before tax from continuing operations amounting to approximately RMB8,441 million, representing a decrease from continuing operations approximately 15.07% over 2015. Net loss attributable to shareholders of the Company amounted to approximately RMB2,754 million, while net profit attributable to shareholders of the Company for the year 2015 amounted to approximately RMB2,788 million. The decrease in the Group's profit before tax was mainly due to the loss caused by disposal of coal-to-chemical business segment and related projects. The power generation segment of the Company realised a total profit of approximately RMB8,942 million in 2016, representing a year-on- year decrease of approximately RMB4,205 million. Thermal power (including combustion engine) realised a total profit of approximately RMB7,847 million, representing a year-on-year decrease of approximately RMB4,450 million. During the year to 31 December 2015, the Group reported a total profit before tax amounting to approximately RMB6,544 million (restated to RMB9,939 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing an increase of approximately 26.53% over 2014. Net profit attributable to shareholders of the Company amounted to approximately RMB2,788 million, representing an increase of 57.73% over the Previous Year. The increase in the Group's profit before tax was mainly due to a decrease in fuel costs and financial costs. The power generation segment of the Company realised a total profit of RMB13,147 million, representing a year-on-year increase of RMB725 million. Thermal power (including combustion engine) realised a total profit of RMB12,300 million, representing a year-on-year increase of RMB23 million.
B.5	Description of the Company's group and the Company's	The Company is a sino-foreign joint stock limited company, incorporated in the Peoples Republic of China on 13 December 1994, with stock code 00991. Its registered office is at No. 9 Guangningbo Street, Xicheng District, Beijing, 100033, the PRC.

<table>
<tr><td></td><td>position therein</td><td>The Company is the ultimate parent company of the Group comprised of the Company and its subsidiaries from time to time.

The Company is one of the largest independent power generation companies in the PRC and the Group is principally engaged in thermal power generation, hydropower, wind power and other forms of power generation, and is also engaged in businesses related to coal, transportation and recycling.</td></tr>
<tr><td>B.6</td><td>Major shareholders</td><td>As at 15 March 2019 (being the Latest Practicable Date prior to the publication of this Prospectus), so far as is known to the Company by virtue of notifications made to it pursuant to the Disclosure Guidance and Transparency Rules, the following persons, other than Directors, hold directly or indirectly three percent. or more of the issued share capital of the Company:
<table>
<tr><td></td><td colspan="3"><u>Interest as at the date of this document</u></td><td colspan="2"><u>Interest following admission</u></td></tr>
<tr><td>Name of Shareholder</td><td>Class of Shares</td><td>No. of Shares Held</td><td>Approx % to Total Issued Share Capital of the Company (%)</td><td>Number of Shares</td><td>% of issued share capital</td></tr>
<tr><td rowspan="2">CDC (together with its subsidiaries)</td><td>A shares</td><td>6,549,445,120</td><td>35.39</td><td>6,549,445,120</td><td>35.39</td></tr>
<tr><td>H shares</td><td>3,275,623,820</td><td>17.7</td><td>3,275,623,820</td><td>17.70</td></tr>
<tr><td>Tianjin Jinneng Investment Company</td><td>A shares</td><td>1,296,012,600</td><td>7.00</td><td>1,296,012,600</td><td>7.00</td></tr>
<tr><td>Hebei Construction & Investment Group Co., Ltd.</td><td>A shares</td><td>1,281,872,927</td><td>6.93</td><td>1,281,872,927</td><td>6.93</td></tr>
<tr><td>Beijing Energy Investment Holding Co., Ltd.</td><td>A shares</td><td>1,260,988,672</td><td>6.81</td><td>1,260,988,672</td><td>6.81</td></tr>
<tr><td>JP Morgan Chase & Co.</td><td>H shares</td><td>218,104,188</td><td>1.18</td><td>218,104,188</td><td>1.18</td></tr>
</table>
As at 15 March 2019 (being the Latest Practicable Date prior to the publication of this Prospectus), the Company is aware of the following interest of the Directors in the issued share capital of the Company:
<table>
<tr><td>Director</td><td>A Shares</td><td>Percentage of existing Share capital</td></tr>
<tr><td>Mr. Liu Jinzhen</td><td>9,100</td><td>0.000068%</td></tr>
</table>
Save as set out above in the case of CDC and its subsidiaries, the Company is not aware of any person who, immediately following Admission could, directly or indirectly, jointly or severally, exercise control over the Company.

All Shareholders have the same rights as regards voting rights in respect of the share capital of the Company.</td></tr>
</table>

<table>
<tr><td>B.7</td><td>Key financial information</td><td>
The table below sets out the Group's summary financial information for the year to 31 December indicated. The financial information has been extracted without material adjustment from the audited and undiluted financial statements of the Group for the relevant period. The financial information for the year ended 31 December 2015 is shown as it has been restated following the adoption of certain new and revised international financial reporting standards in the report for the year ended 31 December 2016.
<table>
<tr><td></td><td>2017</td><td>2016</td><td>2015</td></tr>
<tr><td></td><td>RMB million (unless otherwise stated)</td><td>RMB million (unless otherwise stated)</td><td>RMB million (unless otherwise stated)</td></tr>
<tr><td>Operating revenue from continuing operations</td><td>64,608</td><td>57,292</td><td>60,050</td></tr>
<tr><td>Operating revenue from discontinued operations</td><td>-</td><td>1,833</td><td>-</td></tr>
<tr><td>Profit before tax from continuing operations</td><td>3,324</td><td>8,441</td><td>9,939</td></tr>
<tr><td>Net profit/(loss) attributable to shareholders of the Company</td><td>1,708</td><td>(2,754)</td><td>2,788</td></tr>
<tr><td>Net loss from discontinued operations attributable to shareholders of the Company</td><td>-</td><td>(6,026)</td><td>-</td></tr>
<tr><td>Total comprehensive income for the year attributable to owners of the Company</td><td>1,772,128</td><td>(2,778,850)</td><td>2,778,266</td></tr>
<tr><td>Total comprehensive income for the year attributable to non-controlling interests</td><td>737,778</td><td>4,639,202</td><td>472,633</td></tr>
<tr><td>Total comprehensive income for the year</td><td>2,509,906</td><td>1,860,352</td><td>3,250,899</td></tr>
<tr><td colspan="2">Basic earnings/(loss) per share (RMB)</td><td colspan="2"></td></tr>
</table>
</td></tr>
</table>

From continuing operations	0.1283	0.2458	0.2094
From discontinued operations	-	(0.4527)	-

Total non-current assets	214,490,927	213,270,503	281,970,749
Total current assets	21,440,916	20,194,918	26,524,690
TOTAL ASSETS	235,931,843	233,465,421	308,495,439
Equity attributable to owners of the Company	41,759,348	39,984,321	45,297,483
Non-controlling interests	18,425,484	18,844,672	18,286,856
Total equity	60,184,832	58,828,993	63,584,339
Proposed dividends	1,665,604	-	2,262,706
Total non-current liabilities	113,063,433	117,270,850	169,129,761
Total current liabilities	62,683,578	57,365,578	75,781,339
Total liabilities	175,747,011	174,636,428	244,911,100
TOTAL EQUITY AND LIABILITIES	235,931,843	233,465,421	308,495,439
NET CURRENT LIABILITIES	(41,242,662)	(37,170,660)	(49,256,649)

The table below sets out summary details of the unaudited financial information for the nine month period ending on 30 September 2017 and 2018. On 1 April 2018, the Company obtained the control rights of Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd., from China Datang Corporation Ltd., the controlling shareholder of the Company. The above transactions constitute a business combination under common control. According to the requirements of the Accounting Standards for Business Enterprises, the Company made retrospective adjustments to the financial data of the corresponding period of the previous year:

				Unit: '000 Currency: RMB
	At the end of the reporting period	At the end of the previous year		Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	**283,849,456**	278,851,863	235,673,786	1.79
Net assets attributable to equity holders of the Company	**47,396,485**	51,895,964	41,478,513	-8.67
	Beginning of the year to the end of the reporting period (Jan–Sep)	Beginning of the previous year to the end of the previous reporting period (Jan–Sep)		Increase/decrease as compared to the corresponding period of the previous year (%)
		After adjustment	Before adjustment	
Net cash flows generated from operating activities	**17,026,519**	16,074,537	14,491,069	5.92
Operating revenue	**69,099,317**	61,490,575	47,643,966	12.37
Net profit attributable to equity holders of the Company	**1,761,558**	1,535,871	1,909,298	14.69
Net profit attributable to equity holders of the Company after excluding non-recurring profit/loss items	**1,709,629**	1,653,586	1,653,586	3.39
Return on net assets(weighted average)(%)	**3.42**	2.89	4.69	Increased by 0.53 percentage point
Basic earnings per share (*RMB/share*)	**0.1050**	0.1154	0.1434	-9.01

Diluted earnings per share (*RMB/share*)	**0.1050**	0.1154	0.1434	-9.01

Unit: '000 Currency: RMB		
Item	**Closing Balance**	**Opening Balance**
Total current assets	**34,374,705**	27,808,419
Total non-current assets	**249,474,751**	251,043,444
Total assets	**283,849,456**	278,851,863
Total current liabilities	**81,968,249**	75,961,788
Total non-current liabilities	**135,661,678**	131,061,472
Total liabilities	**217,629,927**	207,023,260

	2018	2017
	RMB'000 (unaudited)	RMB'000 (unaudited and restated)
Operating revenue	45,543,434	39,314,192
Total operating costs	(39,628,325)	(35,361,849)
Operating profit	5,915,109	3,952,343
Profit before tax	2,869,421	1,550,271
Profit for the period	**2,098,246**	**1,000,359**
Earnings per share		
Basic and diluted (RMB cents)	7.65	6.75
Total comprehensive income for the period	**2,085,025**	**973,878**
Profit for the period attributable to:		
Owners of the Company	1,216,838	898,612
Non-controlling interests	881,408	101,747
	2,098,246	**1,000,359**

Total comprehensive income for the period attributable to:		
Owners of the Company	1,202,778	872,131
Non-controlling interests	882,247	101,747
	2,085,025	**973,878**

Operating Revenue

During the nine month period to 30 September 2018, the Company's operating revenue was RMB69,099,317 million, representing an increase of approximately 12.37% over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, the Group realised an operating revenue of approximately RMB45,543 million, representing an increase of approximately 15.84% over the six month period to 30 June 2017, among which revenue from electricity sales was approximately RMB40,871 million, representing an increase of approximately RMB3,132 million or approximately 8.30% over the six month period to 30 June 2017. The increase in electricity sales revenue was mainly due to the year-on-year increase in power generation and on-grid power generation of the Company in the six month period to 30 June 2018 of approximately 11.23% and 11.21% respectively over the six month period to 30 June 2017.

During the year to 31 December 2017, the Group realised a consolidated operating revenue from continuing operations of approximately RMB64,608 million, representing an increase of approximately 12.77% over 2016, among which, revenue from electricity sales increased by approximately RMB6,712 million over 2016. Profit before tax from continuing operations amounted to approximately RMB3,324 million, representing a decrease of approximately 60.62% as compared to 2016. Basic earnings per share from continuing operations attributable to shareholders of the Company amounted to approximately RMB0.1283, while basic earnings per share from continuing operations attributable to shareholders of the Company amounted to approximately RMB0.2458 for the year 2016.

During the year to 31 December 2016, the Group realised a consolidated operating revenue from continuing operations of approximately RMB57,292 million, representing a decrease of approximately 4.59% over 2015, among which, revenue from electricity sales decreased by approximately RMB3,690 million over the Previous Year.

During the year to 31 December 2015, the Group realised a consolidated operating revenue of approximately RMB61,890 million (restated to RMB60,050 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing a decrease of approximately 11.83% over 2014, among which, revenue from electricity sales decreased by approximately RMB7,033 million over 2014.

Operating Costs

During the nine month period to 30 September 2018, total operating costs of the Company amounted to approximately RMB66,432 million, representing an increase of approximately RMB6,363 million over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, total operating costs of the Group amounted to approximately RMB39,628 million, representing an increase of approximately RMB4,266 million or approximately 12.07% over the six month period to 30 June 2017, among which, fuel cost accounted for approximately 60.67% of the operating costs, and depreciation cost accounted for approximately 16.06%, which was mainly due to the year-on-year increase of RMB3,065 million in fuel cost. The main reasons for the increase in fuel cost were: firstly, thermal power generation increased by 9,641 million kWh year on year, resulting in an increase in fuel cost of approximately RMB1,756 million; secondly, the sales of heat increased by 13.4155 million GJ year on year, resulting in an increase in fuel cost of approximately RMB374 million; thirdly, the unit price of standard coal for power generation and heat supply increased by RMB24.05/tonne year on year, resulting in an increase in fuel cost of approximately RMB861 million.

During the year to 31 December 2017, total operating costs of the Group relating to continuing operations amounted to approximately RMB56,768 million, representing an increase of approximately RMB12,644 million or 28.66% over 2016. Among which, fuel cost accounted for approximately 57.76% of the operating costs, and depreciation cost accounted for approximately 19.84% of the operating costs.

During the year to 31 December 2016, total operating costs of the Group relating to continuing operations amounted to approximately RMB44,124 million, representing a decrease of approximately RMB231 million or 0.52% over 2015. Among which, fuel cost accounted for approximately 50.45% of the operating costs, and depreciation cost accounted for approximately 24.45% of the operating costs.

During the year to 31 December 2015, total operating costs of the Group amounted to approximately RMB48,575 million (restated to RMB44,335 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing a decrease of approximately RMB8,570 million or 15.00% over 2016. Among which, fuel cost accounted for approximately 45.85% of the operating costs, and depreciation cost accounted for approximately 23.37% of the operating costs. Since the standard coal unit price of the Company for power generation decreased by RMB45.37/tonne over 2014, the fuel cost for power generation of the Company decreased by RMB1,949 million as a result. In addition, on-grid power generation decreased over the previous year, resulted in a decrease of RMB3,264 million in fuel cost.

Net finance costs

During the nine month period to 30 September 2018, finance costs of the Group amounted to approximately RMB5,662 million, representing an increase of approximately RMB621 million over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, finance costs of the Group amounted to approximately RMB3,769 million, representing an increase of approximately RMB435 million or approximately 13.04% over the six month period to 30 June 2017. The year on-year increase in finance costs was mainly due to the increase in finance scale of this year over the six month period to 30 June 2017 and the interest expenses recognised in profit or loss of new power generating units.

During the year to 31 December 2017, finance costs of the Group relating to continuing operations amounted to approximately RMB5,909 million, representing an increase of approximately RMB310 million or approximately 5.54% over the Previous Year. The increase was primarily due to the inclusion of the interest expense of new operating units into the finance costs for the Year.

During the year to 31 December 2016, finance costs of the Group relating to continuing operations amounted to approximately RMB5,599 million, representing a decrease of approximately RMB 1, 357 million or approximately 19.51% over the Previous Year. The reason for the decrease was primarily due to the reduction in liability scale through debt restructuring.

During the year to 31 December 2015, finance costs of the Group amounted to approximately RMB7,975 million (restated to RMB6,956 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing a decrease of approximately RMB729 million or approximately 8.38% over the previous year. The reason for the decrease was primarily due to the downward adjustment to the interest rate for loan by the central bank for three times in 2015.

Total profit and net profit/loss

During the nine month period to 30 September 2018, the Group achieved a total profit before tax of RMB4,129 million, representing an increase of RMB1,136 million over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, the Group achieved a total profit before tax of RMB2,869 million, representing an increase of RMB1,319 million or 85.09% over the six month period to 30 June 2017. The main reasons for the change were: firstly, power generation in the first half of the year increased by 13.199 billion kWh year on year, resulting in an increase in profits of RMB2,037 million; secondly, the average on grid price (tax inclusive) recorded a year-on year increase of RMB9.19/MWh, resulting in an increase in profits of RMB1,106 million; thirdly, the unit cost of fuel for thermal power achieved RMB204.69/MWh, a year-on-year increase of RMB7.40/MWh, resulting a corresponding decrease in profits of RMB790 million; fourthly, the finance costs increased year on year, resulting in a corresponding decrease in profits of RMB435 million, mainly due to the year-on year increase in finance scale and the interest expenses of the new power generating units were included in profit or loss.

During the year to 31 December 2017, the Group reported a total profit before tax from continuing operations amounting to approximately RMB3,324 million, representing a decrease of approximately 60.62% over the Previous Year. Net profit attributable to shareholders of the Company amounted to approximately RMB1,708 million, while net loss attributable to shareholders of the Company for the year

2016 amounted to approximately RMB2,754 million. The decrease in the Group's total profit before tax from continuing operations was mainly due to a significant year-on-year increase in unit price of standard coal for the current period. The power generation segment of the Company realised a total profit of approximately RMB2,921 million, representing a year-on-year decrease of approximately RMB6,021 million.

During the year to 31 December 2016, the Group reported a total profit before tax from continuing operations amounting to approximately RMB8,441 million, representing a decrease from continuing operations approximately 15.07% over the Previous Year. Net loss attributable to shareholders of the Company amounted to approximately RMB2,754 million, while net profit attributable to shareholders of the Company for the year 2015 amounted to approximately RMB2,788 million. The decrease in the Group's profit before tax is mainly due to the loss caused by disposal of coal-to-chemical business segment and related projects. The power generation segment of the Company realised a total profit of approximately RMB8,942 million, representing a year-on- year decrease of approximately RMB4,205 million. (Thermal power (including combustion engine) realised a total profit of approximately RMB7,847 million, representing a year-on-year decrease of approximately RMB4,450 million.)

During the year to 31 December 2015, the Group reported a total profit before tax amounting to approximately RMB6,544 million (restated to RMB9,939 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing an increase of approximately 26.53% over 2014. Net profit attributable to shareholders of the Company amounted to approximately RMB2,788 million, representing an increase of 57.73% over the Previous Year. The increase in the Group's profit before tax is mainly due to the decrease in fuel costs and financial costs. Power generation segment of the Company realised a total profit of RMB13,147 million, representing a year-on-year increase of RMB725 million. (Thermal power (including combustion engine) realised a total profit of RMB12,300 million, representing a year-on-year increase of RMB23 million.)

Financial position

As at 30 September 2018, total assets of the Group amounted to approximately RMB283,849 million, representing an increase of approximately RMB4,998 million as compared to that at the end of 2017.

As at 30 June 2018, total assets of the Group amounted to approximately RMB283,397 million, representing an increase of approximately RMB4,287 million as compared to that at the end of 2017. The increase in total assets was primarily attributable to the receipt of funds from equity financing and short-term bond. Total liabilities of the Group amounted to approximately RMB217,712 million, representing an increase of approximately RMB10,680 million over the end of 2017, which was due to the residual of the consideration payable for the acquisition of equity interest in Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. from China Datang Corporation Ltd. ("**CDC**") by the Company during the Period.

As of 31 December 2017, total assets of the Group amounted to approximately RMB235,932 million, representing an increase of approximately RMB2,467 million over the Previous Year. The increase in total assets was mainly due to the new investments for the current period. Total liabilities of the Group amounted to approximately RMB175,747 million, representing an increase of approximately RMB1,111 million over the Previous Year. The increase in total liabilities was mainly due to the increase in corresponding liabilities caused by the new investments for the current period. Equity attributable to shareholders of the Company amounted to approximately RMB41,759 million, representing an increase of approximately RMB1,775 million over the Previous Year. Net asset value per share attributable to shareholders of the Company amounted to approximately RMB3.14, representing an increase of approximately RMB0.14 per share over the Previous Year.

As of 31 December 2016, total assets of the Group amounted to approximately RMB233,465 million, representing a decrease of approximately RMB75,030 million over the Previous Year. The decrease in total assets was mainly due to the disposal of coal-to-chemical business segment and related projects by the Group. Total liabilities of the Group amounted to approximately RMB174,636 million, representing a decrease of approximately RMB70,275 million over the Previous Year. Of the total liabilities, non-current liabilities decreased by approximately RMB51,859 million over the Previous Year. The decrease in total liabilities was mainly due to the disposal of coal-to-chemical business segment and related projects by the Group. Equity attributable to shareholders of the Company amounted to approximately RMB39,984 million, representing a decrease of approximately RMB5,313 million over the Previous Year. Net asset value per share attributable to shareholders of the Company amounted to approximately RMB3.00, representing a decrease of approximately RMB0.40 per share over the Previous Year.

		As at 31 December 2015, total assets of the Group amounted to approximately RMB308,495 million, representing an increase of approximately RMB967 million over the previous year. The increase in total assets was mainly due to the increase in construction in progress and investment in fixed assets as a result of the development strategy implemented by the Group. Total liabilities of the Group amounted to approximately RMB244,911 million, representing an increase of approximately RMB841 million as compared with that of the end of 2014. Of the total liabilities, non-current liabilities increased by approximately RMB1,541 million as compared with that of the end of 2014. The increase in total liabilities was mainly due to the increase in borrowings and amount of debentures of the Group to support daily operation and infrastructure development. Equity attributable to shareholders of the Company amounted to approximately RMB45,297 million, representing an increase of approximately RMB1,132 million over the previous year. Net asset value per share attributable to shareholders of the Company amounted to approximately RMB3.40, representing an increase of approximately RMB0.08 per share as compared with that of the end of 2014. **Significant change** There has been no significant change in the financial or trading position of the Group since 30 September 2018, the date as at which the interim financial information contained in Part VII (Historical Financial Information) has been prepared.
B.8	Key *pro forma* financial information	Not applicable. No pro forma financial information is included in this Prospectus.
B.9	Profit forecast	Not applicable. There are no profit forecasts.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit report on the historical financial information incorporated by reference into this Prospectus.
B.11	Working capital insufficiency	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, which is at least for the period of 12 months from the date of this Prospectus.
Section C – Securities		
Element	*Disclosure Requirement*	*Disclosure*
C.1	Type and class of securities being admitted to trading	H-Shares of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars and which application is being made to be listed on the London Stock Exchange to be traded in pounds sterling. The ISIN (LSE) number for the H-Share Subscription Shares is HK00991. This document relates not only to the application to the admission to the Financial Conduct Authority for all of the H-Share Subscription Shares admitted to the standard listing segment of the Official List and to London Stock Exchange for their admission to trading on the London Stock Exchange Plc's Main Market for listed securities, but also sets out information in relation to the existing A-Shares and H-Shares in issue and the issuance of H-Shares on 19 March 2018 (issuing 2,794,943,820 H-Shares with gross proceeds of approximately HK$6,222 million raised); and the issuance of A-Shares on 23 March 2018 (issuing 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised).

C.2	Currency of the Offer	The H-Share Subscription Shares are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars. Application is being made for the H-Share Subscription Shares to be listed on the London Stock Exchange to be traded in pounds sterling.
C.3	Number of securities in issue	As at 18 March 2019, the issued (fully paid) share capital of the Company is RMB 18,506,710,504 made up of 18,506,710,504 Shares (being 12,396,089,106 A-Shares and 6,110,621,398 H-Shares).
C.4	Rights attached to the securities	The H-Share Subscription Shares rank pari passu in all respects with the H-Shares in issue and rank in full for all dividends and distributions declared, made or paid on the share capital of the Company.
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the H-Shares.
C.6	Admission	The Company's A-Shares are listed on the Shanghai Stock Exchange. The Company's H-Shares are listed on (i) the Hong Kong Stock Exchange and (ii) are admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. Application has been made to the UK Listing Authority for the H-Share Subscription Shares to be admitted to the standard listing segment of the Official List and to the London Stock Exchange for the H-Share Subscription Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that trading in the H-Share Subscription Shares will commence on 22 March 2019.
C.7	Dividend policy	The Board understands the importance of optimising value for shareholders and believes in balancing returns to shareholders with investment in the business to support future growth. To this end, for the six months ended 30 June 2018, a final dividend of RMB0.09 per share in respect of the year ended 31 December 2017 was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared in the interim period amounted to approximately RMB1,665,604,000 (2017: nil). The Company did not declare the payment of interim dividend for the six months ended 30 June 2018. (2017: nil). Dividends and other cash distributions in respect of the H-Share Subscription Shares listed in London shall be paid in Hong Kong dollars in accordance with relevant PRC foreign exchange regulations. The exchange rate shall be calculated on the basis of the average closing exchange price of Hong Kong dollars against Renminbi issued by the People's Bank of China in each business day of the week immediately preceding the date when such dividends are declared.
Section D – Risks		
Element	*Disclosure Requirement*	*Disclosure*
D.1	Key information on the risks specific to the Group or its industry	• The Group's results of operations may be adversely affected by changes in general economic conditions in China • The Group operates in a capital-intensive business, and a significant increase in capital costs could have a material adverse effect on the Group • Government regulation of on-grid power tariffs and other aspects of the power industry may adversely affect the Group's business • If the Group's power plants receive less dispatching than planned generation, the power plants will sell less electricity than planned • Power industry reform in the PRC may adversely affect the Group's business through encouraging fluid competition and the phasing out of obsolete facilities. Failure to complete the construction of a

		power plant on time and in accordance with the legal requirements may have had an adverse effect on the group's business and financial condition. • Power plant development, acquisition and construction is a complex and time-consuming process • Operation of power plants involves many risks, and the Group may not have adequate insurance to cover the economic losses if any of the Group's power plants' ordinary operations is interrupted • Disruptions in coal supply and its transportation as well as increases in coal prices may adversely affect the normal operation of the Group's thermal power plants • The Group's hydropower business is dependent on hydrological conditions. If hydrological conditions are unfavourable or below the Group's estimates, the Group's power generation, and therefore the Group's revenue, may be substantially below the Group's expectations • The commercial viability and profitability of the Group's wind farms depend on the PRC government's policies and regulatory framework supporting renewable energy development • If the PRC Government adopts new and stricter environmental laws and additional capital expenditure is required for complying with such laws, the operation of the Group's power plants may be adversely affected and the Group may be required to make more investment in compliance with these environmental laws • Natural disasters and other factors may result in accidents or business interruption, which may materially and adversely affect the Group's business, results of operations and financial condition • The generation of wind power depends heavily on suitable wind conditions. If wind conditions are unfavourable or below the Group's estimates, the Group's power generation, and therefore the Group's revenue, may be substantially below the Group's expectations • The Group may fail to keep pace with technological changes in the rapidly evolving renewable energy industry or may render the group's operations less competitive and result in an adverse effect on the group's business, results of operation and financial condition
D.3	Key information on the risks specific to the securities	• An investment in the Group is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. • A prospective investor should be aware that the value of an investment in the Group may fluctuate as it is determined by market pricing and is subject to the risks inherent in investing in equity securities. • The market price of the H-Shares will be influenced by a large number of factors, which could include, but not be limited to, the performance of both the Group's and its competitors' businesses, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of H-Shares, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Group may go down as well as up and that the market price of the H-Shares may not reflect the underlying value of the Group. • Secondary market price of shares of the Company will not only be affected by fundamental factors, including business environment, financial position and industry development prospect, but also can be affected by various macroeconomic factors political factors, investor sentiment, stock market conditions and other factors. • The H-Shares may trade at a discount to their respective Net Asset Value per share for a variety of reasons, including market conditions, liquidity concerns or the actual or expected performance of the Group.
Section E – Offer		
Element	*Disclosure Requirement*	*Disclosure*

E.1	Total net proceeds and estimated total expenses	The net proceeds raised from the H-Share Issuance, after deducting the related expenses, amounted to approximately HK$6,205.7 million. The net proceeds raised from the A-Share Issuance, after deducting the related expenses, amounted to approximately RMB8,319 million. The total expenses of the H-Share Issuance were HKD 15,800,000.
E.2a	Reason for offer and use of proceeds	1. Enhancing core competitiveness of principal businesses In recent years, economic development of the PRC has entered a new normal state where as the power generation and consumption entered a phase of adjustment. Against this background, while pro-actively striking a balance between stable growth and structural adjustment, enhancing the structural reformation of the supply side, accelerating the cultivation of new development momentums and enhancing its advantages in traditional capacities, the Company will accelerate the progress of structural adjustments and realise the clean, efficient, sustainable development of power generation principal business by centering the quality and effectiveness enhancement aiming to upgrade the power generation industry and taking technological innovation as a driving force. In light of the above, the Company has carried out the Non-public Issuance to fund the construction of power plant projects and repay borrowings for project infrastructures which is the implementation of its established development strategies. This further reinforces advantages of the Company in its principal businesses and enhance its core competitiveness in power business, which are essential for its long-term sustainable development and resistance of market risks. 2. Enhancing capital structure and reducing financial risks The proceeds from the Non-public Issuance of H-Share Subscription Shares are intended to be used for construction of power plants and repayment of borrowings for project infrastructures which, in recent years, the Company has been financing mainly through bank borrowing. Its gearing ratio stood at 74.78% as of 30 September 2016, and its interest expenses amounted to RMB11.281 billion for 2015. Through the Non-public Issuance, the gearing ratio of the Company has been reduced, which will help optimise the capital structure, and reduce finance costs and financial risks. 3. Enjoying further support from CDC The increase in shareholding demonstrates CDC's confidence in the Company. With the increase in shareholding, the interests of CDC would be further integrated with the performance of the Company, thus CDC would be willing to provide further support to the Company, including but not limited to (a) providing insights on industry policy interpretation, (b) providing credit enhancement such as letter of support with which the Company may raise funds more easily if needed, and (c) potentially more contribution from CDC in the circumstance of equity issuance pro rata to existing shareholders, which will be beneficial to the long-term development of the Company. The support would comply with the compliance requirement of the Company as a listed entity.
E.3	Terms and conditions of the offer	On 28 November 2016, the Company entered into the A-Share Subscription Agreement with CDC pursuant to which the Company conditionally agreed to allot and issue and CDC conditionally agreed to subscribe in cash for 2,794,943,820 A-Share Subscription Shares (subject to adjustment) at the A-Share Issue Price of RMB3.56 per A-Share Subscription Share (subject to adjustment), raising gross proceeds of approximately RMB9,950 million (the "**A-Share Issuance**"). Immediately after the entering into of the A-Share Subscription Agreement, the Company entered into the H-Share Subscription Agreement with CDOHKC pursuant to which the Company conditionally agreed to allot and issue and CDOHKC (a wholly-owned subsidiary of CDC) conditionally agreed to subscribe in cash for 2,794,943,820 H-Share Subscription Shares (subject to adjustment) at the H-Share Issue Price of HK$2.12 per H-Share Subscription Share (subject to adjustment), raising gross proceeds of approximately HK$5,925 million (the "**H-Share Issuance**"). Following the application of the adjustment provisions, the number of H-Share Subscription Shares remained unchanged but the issue prior was increased to HK$2.226 per share. The A-Share Issuance and the H-Share Issuance were inter-conditional upon each other. In order to provide more flexibility on the entity that was to be used by CDC to subscribe for the H-Share Subscription Shares, improve the efficiency and thereby facilitate the completion of the H-Share Issuance, on 6 January 2017, the Company, CDC and CDOHKC entered into the H-Share Subscription Amendment Agreement pursuant to which CDC or its nominated wholly owned subsidiary substituted CDOHKC as

		the H-Share Subscription Shares Subscriber and CDOHKC relinquished all its rights and obligations as a party to the H-Share Subscription Agreement and ceased to be a party thereof. The resolutions approving the H-Share Issuance were duly passed by way of poll at the extraordinary general meeting of the Company and the A-Share class meeting and the H-Share class meeting held at 1608 Conference Room of the Company at No. 9 Guangningbo Street, Xicheng District, Beijing, the People's Republic of China on Friday, 31 March 2017, at 9.30 a.m., 10.30 a.m. and 11 a.m. respectively. Following the satisfaction of all the conditions to the H-Share Issuance, completion of the H-Share Issuance took place on 19 March 2018 (after trading hours). Pursuant to the H-Share Subscription Agreement, 2,794,943,820 H-Share Subscription Shares have been allotted and issued to the H-Share Subscription Shares Subscriber, i.e. CDOHKC, at the H-Share Issue Price of HK$2.226 per H-Share Subscription Share. The gross proceeds raised from the H-Share Issuance amounted to approximately HK$6,221.5 million. The net proceeds raised from the H-Share Issuance, after deducting the related expenses, amounted to approximately HK$6,205.7 million. The net H-Share Issue Price was approximately HK$2.220 per H-Share Subscription Share. Immediately after the completion of the H-Share Issuance, the total issued shares of the Company was 16,104,981,398, divided into 9,994,360,000 A-Shares and 6,110,621,398 H-Shares.
E.4	Material interests	Upon completion of the A-Share Issuance and the H-Share Issuance, the number of Shares held by the CDC Group (including CDC, CDFC and CDOHKC) increased from 4,628,396,014 (representing approximately 34.77% of the issued share capital of the Company immediately before completion of the A-Share Issuance and the H-Share Issuance) to 7,423,339,834 (representing approximately 46.09% of the enlarged issued share capital of the Company immediately after completion of the A-Share Issuance and the H-Share Issuance). CDC was the controlling shareholder of the Company immediately before completion of the A-Share Issuance and the H-Share Issuance and remains as the controlling shareholder of the Company upon completion of the A-Share Issuance and the H-Share Issuance. The A-Share Subscription Shares subscribed by CDC under the A-Share Issuance are subject to a lock-up period of 36 months from the completion date of the A-Share Issuance.
E.5	Name of person selling securities / lock up agreements	The H-Share Subscription Shares Subscriber shall not trade or transfer any of the H-Share Subscription Shares within 36 months from the completion of the H-Share Issuance (being 19 March 2018), save for transfer to subsidiaries of CDC (regardless of whether such subsidiaries are directly or indirectly held or wholly owned or controlled) in accordance with PRC laws, other laws applicable to the Company and the listing rules of the jurisdictions in which the Shares of the Company are listed provided that the transferee shall also comply with such lock-up undertaking. In the event the CSRC and the stock exchanges on which the Shares of the Company are listed have different requirements for lock-up period, the H-Share Subscription Shares Subscriber shall comply with such requirements. The H-Share Subscription Shares Subscriber may pledge or create encumbrances over all or part of the H-Share Subscription Shares during the above lock-up period provided that any transfer resulting for the enforcement of such pledge or encumbrances shall comply with such lock-up undertaking.
E.6	Dilution	The 2,794,943,820 H-Share Subscription Shares represent approximately 53.78% of the total number of Subscription Shares and approximately 15.10% of the total number of issued Shares as enlarged by the A-Share Issuance and the H-Share Issuance. The 2,401,729,106 A-Share Subscription Shares represent approximately 46.22% of the total number of Subscription Shares and approximately 12.97% of the total number of issued Shares as enlarged by the A-Share Issuance and the H-Share Issuance. The shareholding interests of the existing public Shareholders were diluted by approximately 10.57 percent immediately upon completion of the A-Share Issuance and the H-Share Issuance.
E.7	Estimated expenses charged to the investor by the Group	No expenses have been charged to any investor in respect of the A Share Issuance and H-Share Issuance.

PART II: RISK FACTORS

Any investment in H-Shares is subject to a number of risks. Before making any investment decision, prospective investors should carefully consider the factors and risks attaching to an investment in H-Shares, together with all other information contained in this document including, in particular, the risk factors described below. Some of these risk factors apply to carrying on the Group's business generally, while others are specific to the Group. They are not set out in any order of priority. Additional risks and uncertainties currently unknown to the Company, or that it currently believes to be immaterial for taking investment decisions, may also have an adverse (or materially adverse) effect on the Group's business. If a combination of the following risk factors materialise, the Group's business, financial condition and/or operational performance could be materially adversely affected. In such case, the trading price of the H-Shares may decline and potential investors may lose all or part of their value. An investment in H-Shares is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Accordingly, prospective investors are recommended to obtain independent financial advice from an adviser authorised under FSMA (or another appropriately authorised independent professional adviser) who specialises in advising upon investments. Investors should consider carefully whether an investment in the H-Shares is suitable for them in light of the information in this document and their personal circumstances.

RISKS RELATING TO THE GROUP

Macroeconomic risk

Power generation is a foundational industry which provides energy and power for the operation of a national economy and its market demand is closely related to the national macroeconomic development. Changes in the economic cycle affect the demand for electricity. If macroeconomic growth slows down, the overall demand for electricity from the national economy will decrease, thereby affecting sales of electricity. The cycle of macroeconomic development and the cyclical changes in the economic development of both the PRC and particularly of the regions covered by the power generation business of Datang Power and its subsidiaries will affect the production and operation of the Company and impact its financial position and results of operations.

RISKS RELATING TO THE PRC POWER INDUSTRY

The Group's results of operations may be adversely affected by changes in general economic conditions in China

The power generation sector in China is significantly influenced by China's economic conditions and the economic measures undertaken by the PRC Government. To date, the Group's results from operations and business growth have benefited from the rapid economic growth and industrialisation in China, which has led to increased business prosperity across the power generation sector. Demand for the Group's electricity could be affected by numerous factors, many of which are beyond its control, including but not limited to:

- an economic downturn in China or any regional market in China;
- economic policies and initiatives undertaken by the PRC Government; and
- changes in the PRC or regional business or regulatory environment affecting the power generation sector.

These factors could result in a decrease in nationwide electricity demand, and may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in a capital-intensive business, and a significant increase in capital costs could have a material adverse effect on the Group

The Group operates in a capital-intensive industry. Developing, acquiring or investing in new power projects, and developing or expanding existing power plants require substantial capital, and the capital investment required therefor generally varies based on the cost of the necessary fixed assets. The price of such equipment and/or civil construction works may increase if the market demand for such equipment or works is greater than the available supply, or if the prices of key component commodities and raw materials used to build such equipment increase. Other factors affecting the amount of capital investment required include, among others, construction costs and finance expenses. A significant increase in the costs of developing and constructing the Group's energy facilities could have a material adverse effect on the Group's business, financial condition or results of operations. There are no restrictions on the use of capital resource that have affected, or may affect the operations of the Company.

The Group expects to finance its capital expenditures principally with cash flow from operating activities, its existing cash resources and financing from other external sources. The Group's ability to obtain external financing in the future is however subject to a variety of uncertainties, including (i) obtaining the necessary PRC Government approvals to raise financing for projects; (ii) the Group's future financial condition, operating results and cash flows; (iii) the general condition of the global and domestic financial markets and changes in the monetary policy of PRC Government with respect to bank interest rates and lending policies; and (iv) credit availability from banks or other lenders, investor confidence in the Group and the continued success of the Group's power plants. In the event the Group's current resources are not sufficient for its future plans, the Group may have to seek additional financing, including equity or debt financing. There is no assurance that the Group will be able to raise the financing required for its planned capital expenditures on acceptable terms or at all. If the Group were unable to raise such financing, it may have to reduce its planned capital expenditures and delay or abandon its expansion plan, which in turn could have a material adverse effect on its business or results of operations. For avoidance of doubt, nothing contained in the foregoing prospectus in any way qualifies the working capital statement set out at paragraph 10 of part XI of this document and relates solely to the discretionary capital expenditure.

Government regulation of on-grid power tariffs and other aspects of the power industry may adversely affect the Group's business

Similar to electric power companies in other countries, the Group is subject to governmental and electric grid regulations in virtually all aspects of the Group's operations, including the amount and timing of electricity generations, the setting of on-grid tariffs, the performance of scheduled maintenance and compliance with power grid control and dispatch directives and environment protection. There can be no assurance that these regulations will not change in the future in a manner which could adversely affect the Group's business.

For example, in 2009 the PRC government started to promote the practise of direct power purchase by large power end-users. Pursuant to the circular jointly issued by the NDRC, The State Electricity Regulatory Commission ("SERC") and China National Energy Administration ("NEA") in June 2009, the direct power purchase price consists of direct transaction price, on-grid dispatch and distribution price and governmental levies and charges, in which the direct transaction price shall be freely determined through negotiation between the power generation company and the large power end-user. The price of direct power purchase is subject to demand in the power market, and may increase due to power supply shortfalls. Furthermore, the scale and mode of the transaction are also subject to the structure and level of development of the local economy. For power generation companies engaged in direct power purchase, direct power sales constitute a portion of the total power sales, thus affecting the ongrid power sales of such companies. During the year to 31 December 2016, the PRC government continued the reform of direct power purchases by large power end-users. Although a direct power purchase may act as an alternative channel for the Group's power sales, there is uncertainty as to the effect of the practice of direct power purchase over the Group's operating results. The on-grid tariff-setting mechanism is evolving with the reforming of the PRC electric power industry. There is no assurance that it will not change in the future in a manner which could adversely affect the Group's business and results of operations.

If the Group's power plants receive less dispatching than planned generation, the power plants will sell less electricity than planned

The Group's profitability depends, in part, upon each of the Group's power plants generating electricity at a level sufficient to meet or exceed the planned generation, which in turn will be subject to local demand for electric power and dispatching to the grids by the dispatch centres of the local grid companies. The dispatch of electric power generated by a power plant is controlled by the dispatch centre of the applicable grid companies pursuant to a dispatch agreement with the Group and to governmental dispatch regulations. In each of the markets the Group operates in, the Group competes against other power plants for power sales. No assurance can be given that the dispatch centres will dispatch the full amount of the planned generation of the Group's power plants. A reduction by the dispatch centre in the amount of electric power dispatched relative to a power plant's planned generation could have an adverse effect on the profitability of the Group's operations. There can be no assurance that the Group will not encounter such event in the future.

For example, in August 2007, the General Office of the State Council issued Notice of the General Office of the State Council on Forwarding the Energy-Saving and Electricity Dispatch Measures (Trial) Formulated by the NDRC and Several Other Departments (Guo Ban Fa [2007] No. 53), which provides that the energy saving and electricity dispatch shall consolidate with the development of the power market, in an effort to optimise the power market. In October 2008, the SERC approved the trial implementation of the policy of energy saving and electricity dispatch in certain pilot provinces. During the year to 31 December 2016, the PRC Government continued promoting the policy of energy saving and electricity dispatch. There can be no assurance that such implementation will not result in any decrease in the amount of the power dispatched of any of the Group's power plants in the future.

The power industry reform may affect the Group's business

In 2002, the PRC Government announced and started to implement measures to further reform the power industry, with the ultimate goal of creating a more open and fair power market. As part of the reform, five power generation companies, were created or restructured to take over all the power generation assets originally belonging to the State Power Corporation of China. In addition, two grid companies were created to take over the power transmission and distribution assets originally belonging to the State Power Corporation of China. An independent power supervisory commission, the SERC, was created to regulate the power industry. It is still uncertain as to whether any further reforms are going to be implemented and how they will impact the Group's business. 2016 was the first year of the "Thirteenth Five-Year Plan", and the PRC Government continued the reform in the power industry, especially on the optimisation and upgrading of power structure and promotion of clean and renewable energy. The further reform will intensify competition and phase out obsolete facilities, which may adversely affect the Group's business and prospects.

Power plant development, acquisition and construction is a complex and time-consuming process

The Group develops, constructs, manages and operates large power plants. The Group's success depends upon the Group's ability to secure all required PRC Government approvals, power sales and dispatch agreements, construction contracts, fuel supply and transportation and electricity transmission arrangements. Delay or failure to secure any of these could increase cost or delay or prevent commercial operation of the affected power plant. No assurances can be given that all the future projects will receive approvals in a timely fashion or at all. In addition, the PRC Government approval requirements and procedures for thermal power plant are increasingly stringent, due to national policies and related regulations promoting environmentally friendly energy. The Group believes that each of its power plants in operation and power plants under construction are in material compliance with the requirements of applicable laws and regulations. However, there can be no assurance that the Group possesses at all times adequate certificates, authorisations, licences, orders, consents, approvals or permits required by all applicable laws and regulations in the PRC. A breach of any laws or regulations to which the Group is subject may result in the imposition of fines and penalties or the suspension or closure of the relevant power plant operation.

The Group may also face costs, delays or difficulties in the acquisition of land and associated demolition, resettlement, rehabilitation and compensation issues in the development and construction of its power plants. Local government authorities may choose not to support the development of power project facilities to protect the local environment and community from potential risks. Due to the actual or perceived environmental and other impact of power plants, local residents, environmental activists or other special interest groups may also protest the development and construction of power plants, and any disputes relating to demolition, relocation and compensation of local residents may result in delays in the resettlement process. There is no assurance that the Group or its affiliates or partners will not fail to manage community relationships appropriately. Opposition from or disputes with local community, political or environmental groups or local government authorities with respect to development or construction of the Group's power projects could increase development costs, cause delays, interruptions or even cancelations of development plans, adversely affect the Group's reputation and/or hamper its ability to acquire or construct new power plants to grow its business.

As with any major infrastructure construction effort, the construction of a power plant involves many risks, including shortages of equipment, material and labour, labour disturbances, accidents, inclement weather, unforeseen engineering, environmental problems, geological problems, delays and other problems and unanticipated cost increases, any of which could give rise to delays or cost overruns. Construction delays may result in loss of revenues. Failure to complete construction according to specifications may result in liabilities, decrease power plant efficiency, increase operating costs and reduce earnings. No assurance can be given that construction of on-going future projects will be completed on schedule or within budget.

In addition, from time to time, the Group may acquire existing power plants from other parties. The timing and the likelihood of the completion of any such acquisitions will depend, among other things, on the Group's ability to obtain financing and relevant PRC Government approvals and to negotiate relevant agreements for terms acceptable to the Group.

Operation of power plants involves many risks, and the Group may not have adequate insurance to cover the economic losses if any of the Group's power plants' ordinary operations is interrupted

The operation of power plants involves many risks and hazards, including breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, labour disturbances, natural disasters, environmental hazards and industrial accidents. The occurrence of material operational problems, including but not limited to the above events, may adversely affect the profitability of a power plant.

The Group's power plants in the PRC currently maintain insurance coverage that is typical in the electric power industry in the PRC and in amounts that the Group believes to be adequate. Such insurance, however, may not provide adequate coverage in certain circumstances. In particular, in accordance with industry practice in the PRC, the Group's power plants in the PRC do not generally maintain business interruption insurance, or any of third party liability insurance other than that included in construction all risks insurance or erection all risks insurance covering claims in respect of bodily injury or property or environmental damage arising from accidents on the Group's property or relating to the Group's operations. There is no assurance that such accidents will not occur at the Group's power plants in the future. The occurrence of any such incident, accident or disaster for which the Group is uninsured or inadequately insured may materially and adversely affect the Group's business, financial condition and results of operations.

Disruptions in coal supply and its transportation as well as increases in coal prices may adversely affect the normal operation of the Group's thermal power plants

A substantial majority of the Group's thermal power plants are fuelled by coal. There can be no assurance that any disruptions in the supply of coal will not adversely affect the Group's business during certain periods.

The PRC Government continues to promote market-oriented reforms for coal transportation, and has requested the relevant government departments to rationally allocate capacity and maintain relative stability based on the contracts signed by the suppliers and customers and their transport capacity, and has given priority transportation protection to larger medium-sized coal companies that have signed medium to long term coal contracts. However, there can be no assurance that there will be adequate transportation capacity for all the Group's transportation needs. If lack of transport capacity causes delays or interruptions to the Group's coal transportation, it may adversely affect the Group's operations.

In addition, the Group's results of operations are sensitive to fluctuations in coal prices. The PRC Government has established a coal-electricity price linkage mechanism to allow power generation companies to increase their power tariffs to cope with the increase of coal price. However, such increase is allowed only within specific price fluctuation range according to the Circular of National Development and Reform Commission on the Matters Relating to Improvement of Linkage Mechanism for Coal and Electricity Price (Fa Gai Jia Ge [2015] No. 3169) which became effective on 1 January 2016. Moreover, according to the Guidance on Deepening the Marketisation Reform of the Thermal Coal Industry, the government will make corresponding tariff adjustments if fluctuations in coal prices reach more than 5% on an annual basis, while at the same time the percentage of coal price increases that power companies are not allowed to pass to end-users through on-grid tariffs increases will be reduced from 30% to 10%. However, there are still uncertainties concerning how these mechanisms will be implemented. There is no assurance that the Group will be able to adjust the Group's power tariff to pass on the increase of coal price to the Group's customers.

The Group's hydropower business is dependent on hydrological conditions

The Group's hydropower stations are dependent upon hydrological conditions prevailing from time to time in the broad geographic region in which its existing and future hydropower projects are located. There can be no assurance that water flow at the Group's project sites will be consistent with its expectations, or that climatic and environmental conditions will not change significantly from the prevailing conditions at the time its projects were made. Water flow varies each year or season and depends primarily on the levels of precipitation and seasonal changes. If hydrological conditions result in droughts or other conditions that negatively impact the Group's hydropower generation, the Group's hydropower business and results of operations could be materially and adversely affected.

The commercial viability and profitability of the Group's wind farms depend on the PRC government's policies and regulatory framework supporting renewable energy development

The PRC Government has adopted policies and established a regulatory framework to encourage the development of wind power projects and to increase the proportion of electricity generated from wind power. PRC laws and regulations, such as the Renewable Energy Law, also provide economic incentives to companies engaged in the development of wind power projects. Such incentives include mandatory grid connection and dispatch of 100% of electricity generation from wind farms, on-grid tariff premiums (the on-grid tariffs for wind power are generally higher than those for coal power within the same province), and tax benefits such as a refund of 50% of the VAT levied on electricity generation from wind power and other tax reduction plans. The on-grid tariff for electricity produced by wind farm projects as determined by the "government guided price" has been replaced by geographically unified tariffs, a form of the "government fixed price", which is more stable and predictable. The new on-grid tariffs continue to be subsidised by on-grid tariff premiums enjoyed by renewable energy projects in general.

The development and profitability of wind power projects in the PRC, including the Group's wind farms, are significantly dependent on policies and regulatory framework that support such development. While the PRC Government has publicly stated its intent to continue to encourage the development of wind power projects and the Group is not aware of any indication of any potential changes to the existing wind power policies in the PRC that may have a material adverse effect on the Group in the foreseeable future, there is no assurance that the PRC Government will not in fact change or eliminate current incentives and favourable policies currently available to the Group at any time.

On 25 August 2011, the NEA promulgated the Provisional Regulations on Administration of Wind Power Development and Construction (the "**Provisional Regulations**"). According to the Provisional Regulations, the governmental authorities at the provincial level responsible for approval of wind power investment and construction of wind power projects should record their annual plans for wind power development and for construction of wind farms with the NEA. If the projects approved are not included in the respective plans filed with the NEA, the projects shall not be entitled to receive dispatch services provided by local grid companies or the tariff surcharge from the national fund for development of renewable resources. The wind power industry generally regards these Provisional Regulations as a sign that the PRC Government authorities intend to put the approval and construction of wind projects under more severe administration and supervision.

On 16 February 2012, NEA issued the Notice on Relevant Requirement Concerning Regulating Wind Power Development and Construction Administration, pursuant to which local governmental authorities are required to strictly carry out provisions under the Provisional Regulations.

In addition, as the regulatory framework in the PRC for renewable energy is relatively new and still evolving, the implementation and enforcement of these policies, laws and regulations involve uncertainties and may differ from region to region in the PRC. Any reduction, discontinuation or unfavourable application of the policies and economic incentives for renewable energy could reduce demand for renewable energy which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. Furthermore, if these favourable policies and incentives were changed or discontinued to the Group's detriment before its wind farms or PV power plants reach the economies of scale necessary to become cost-effective in a non-subsidised market place, the Group could be forced to compete directly against producers of electricity from fossil fuels and other wind farms in the sale of electricity and the setting of tariffs, which could also have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

If the PRC Government adopts new and stricter environmental laws and additional capital expenditure is required for complying with such laws, the operation of the Group's power plants may be adversely affected and the Group may be required to make more investment in compliance with these environmental laws

Most of the Group's power plants, like all coal-fired power plants, discharge pollutants into the environment. The Group is subject to central and local government environmental protection laws and regulations, which currently impose base-level discharge fees for various polluting substances and graduated schedules of fees for the discharge of waste substances. The amount of discharge fees is determined by the local environmental protection authority based on the periodic inspection of the type and volume of pollution discharges. In addition, such environmental protection laws and regulations also set the benchmark for the overall control on the discharge volume of key polluting substances. These laws and regulations impose fines for violations of laws, regulations or decrees and provide for the possible closure by the central government or local government of any power plant which fails to comply with orders requiring it to cease or cure certain activities causing environmental damage.

In 2011, the PRC Government promulgated new and more stringent standards on the discharge of polluting substances by thermal power plants, which also require thermal power plants to equip all units with denitrification facilities. Such stringent standards, together with the increase in discharge fees, will result in the increase of the environmental protection expenditure and operating costs of power plants like the Group's and may have an adverse impact on the Group's operating results.

The Group attaches great importance to the environmental impact of the Group's existing power plants and the Group's power plants under construction. The Group believes the Group's environmental protection systems and facilities for the power plants are adequate for the Group to comply with applicable central government and local government environmental protection laws and regulations. However, the PRC Government may impose new, stricter laws and regulations on environmental protection, which may adversely affect the Group's operations. The PRC is a party to the Framework Convention on Climate Change ("Climate Change Convention"), which is intended to limit or capture emissions of "greenhouse" gases, such as carbon dioxide. Ceilings on such emissions could limit the production of electricity from fossil fuels, particularly coal, or increase the costs of such production. In November 2016, the Paris Agreement under the Climate Change Convention came into force. The PRC has ratified the Paris Agreement and has committed to, among others, lower carbon dioxide emissions and achieve the peaking of carbon dioxide emissions around 2030. The PRC has also committed to increasing the share of non-fossil fuels in its primary energy consumption. Should the PRC government implement measures to achieve such commitments to reduce carbon dioxide emissions and reduce its reliance on the production of electricity from coal and other fossil fuels, the Group's business prospects could be adversely affected.

The PRC government has developed a strategy to achieve quality growth through curbing environmental degradation. In relation to this target, the PRC government pledged to invest $360 billion in renewable energy by 2020 and scrapped plans to build 85 coal-powered plants. Beijing has also commenced its plans to strengthen environmental regulation and have shut down heavily-polluting factories. Thermal energy production is relatively polluting compared to renewable energy sources and may face regulation in the future. The Group's business may be adversely affected because it is predominantly a thermal power-based company, with more than 80% of output coming from thermal power.

Natural disasters and other factors may result in accidents or business interruption, which may materially and adversely affect the Group's business, results of operations and financial condition

The Group's business operations are subject to risks arising from natural disasters, such as typhoons, floods and earthquakes. The Group takes precautions in the design, construction and operation of power plants, but there can be no assurance that natural disasters or other circumstances such as system failure, equipment malfunction, risks currently unknown or human errors, will not result in any accident or business interruption. Safety measures were incorporated into the design of the Group's facilities and sites, and the Group has taken protective measures. Nonetheless, like any format of safety measures intended to counter an external threat, there can be no assurance that these will prove fully effective in all cases.

If an accident were to occur at one or more of the Group's facilities, whether caused by natural disaster or other reason, the Group's business may be interrupted, and the Group may also be liable for casualties, property loss, environmental contamination or other damages caused or may be subject to investigations, legal proceedings and claims in relation to such accident. Accidents caused by any natural disasters or other factors may result in various serious damages, and other parties may attempt to make the Group liable for such events for the reason that the protective measures taken by the Group are not sufficient, which may have a material and adverse effect on the Group's business, results of operations and financial condition.

The generation of wind power depends heavily on suitable wind conditions. If wind conditions are unfavourable or below the Group's estimates, the Group's power generation, and therefore the Group's revenue, may be substantially below the Group's expectations

The electricity and revenue generated at a wind power project are highly dependent on climatic conditions, particularly wind conditions, which vary across seasons and regions and are difficult to predict. Turbines will only start to operate when the wind speed reaches a certain minimum velocity, and must be disconnected when the wind speed exceeds a certain maximum velocity to avoid damage. If wind speed falls outside the operating ranges, which vary by turbine model and manufacturer, the amount of electricity the Group generates will decrease or cease. There can be no assurance that the wind conditions at any given wind site will always fall within such ranges. The Group bases its investment decisions for each wind power project on the findings of feasibility studies conducted onsite before starting construction. However, actual climatic conditions at a wind site, particularly wind conditions, may not conform to the findings of these feasibility studies, and, therefore, the Group's wind power projects may not meet anticipated generation levels, which could adversely affect the Group's forecasted profitability.

There can be no assurance that actual climatic conditions at any project site will conform to the Group's assumptions during the project planning phase. As a result, it cannot be guaranteed that the Group's wind farms will meet their anticipated electricity output. The Group's wind farms have natural seasonal variation that the Group tracks historically. In the Group's wind farms in northern China, the seasons with the highest average wind speed are spring and autumn, whereas summer generally has the lowest average wind speed. In contrast, in the Group's coastal wind farms summer is the windiest season, generally allowing for an increase in power generation. If seasonal variations and fluctuations in the wind conditions in the regions in which the Group currently operates do not conform to the Group's historical observations or do not meet the Group's assumptions, unexpected fluctuations in the electricity output of the Group's wind farms may occur. Similarly, extreme wind or weather conditions could reduce the Group's operational efficiency and power generation, which could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may fail to keep pace with technological changes in the rapidly evolving renewable energy industry

The technologies used in the renewable energy industry are evolving rapidly, and in order to remain competitive and expand the Group's business, the Group must be able to respond to these technological changes. The Group may be unable to update its technologies swiftly and regularly, possibly rendering the Group's operations less competitive. Failure to respond to current and future technological changes in the renewable energy industry in an effective and timely manner may have a material adverse effect on the Group's business, financial condition or results of operations.

RISKS RELATING TO DOING BUSINESS IN THE PRC

The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect the Group

A large majority of the Group's revenue is derived from power sales in the PRC. The Group relies on domestic demand for electric power to achieve revenue growth. Domestic demand for electric power is materially affected by industrial development, growth of private consumption and overall economic growth in the PRC. The global crisis in financial services and credit markets in 2008 caused a slowdown in the growth of the global economy, and the PRC economy has displayed signs of slowdown as evidenced by a decrease in the growth rate of its gross domestic product ("GDP") in recent years. In 2014, the PRC government reported a GDP of CNY63.7 trillion, representing year-on-year growth of 7.4 per cent., which was a record-low figure for the past 24 years. In the first quarter of 2015, the PRC reported a GDP of CNY140.7 billion, representing year-on-year growth of 7.0 per cent., according to the statistic released by National Bureau of Statistics of the PRC. Annual GDP growth rate has steadily declined from 10.6% in 2010 to 6.9% in 2017. In late 2017, the PRC government indicated that it was placing less emphasis on long-term growth targets such as the doubling of real GDP from 2010 to 2020. The government shifted its growth strategy from a 'growth at all cost' model to one of high-quality, sustainable growth. This shift in priority may indicate that the PRC's economy may not experience a revival in the near future. While the PRC economy exceeded expectations by experiencing a 6.8% growth in the first quarter of 2018, analysts predict that growth would decline to around 6-6.5% by the end of 2018, in light of the PRC's regulatory crackdown and heightening trade tensions with the US. Although the PRC government has recently taken several measures and actions with an aim to increase investors' confidence in the PRC economy in the PRC and elsewhere in the world, there can be no assurance that those measures will be effective. In addition, recent macroeconomic events have had or could result in an adverse effect on the global and the PRC economy, such as volatile commodity prices and uncertainties relating to American monetary policies and the withdrawal of the United Kingdom from the European Union. If the PRC's economic growth continues to slow down or if the PRC economy experiences a recession, the growth of power demand may also slow down or stop, and the Group's business prospects may be materially and adversely affected. Given the slowdown in economic growth and shift towards renewable energy production, the Directors expect energy demand growth in the PRC to slow to 1.5% pa, a third of its pace in the past 20 years (6.3% pa), while also believing that the share of thermal energy in the PRC's energy market will fall from 62% in 2016 to 36% in 2040 in line with the government's target to achieve quality growth. If the forecasts are accurate, the significant decline in energy demand growth and reduction of thermal energy's share in the energy market will have significant adverse effects on the Group's business.

PRC economic, political and social conditions as well as government policies could adversely affect the Group's business

The PRC economy differs from the economies of most developed countries in many respects, including government involvement, level of development, economic growth rate, control of foreign exchange, and allocation of resources. The PRC economy has been transitioning from a planned economy to a more market oriented economy. In recent years, the PRC government has implemented measures emphasising market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. However, the PRC government continues to play a significant role in regulating industrial development, the allocation of resources, production, pricing and management, and there can be no assurance that the PRC government will continue to pursue a policy of economic reform or that any such reforms will not have an adverse effect on the Group's business.

The Group's operations and financial results could also be materially and adversely affected by changes in political, economic and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof). For example, the PRC government may decide to change its current policies with respect to power pooling, and the Group's power plants and projects which are currently not subject to power pooling may become subject to power pooling. The power pooling process typically results in lower selling prices than the tariffs received from the power dispatched as part of the planned output, and as such, this could have adverse impact on the Group's results of operations. The Group's operating results and financial condition may also be materially and adversely affected by other changes in taxation, changes in ongrid tariff-setting mechanisms for the Group's power plants and projects, changes in the usage and costs of state controlled transportation services, and changes in state policies affecting the power and coal industries. The Group's operations and financial results, as well as its ability to satisfy its obligations under the Bonds, could also be materially and adversely affected by changes in measures which might be introduced to control inflation, changes in the rate or method of taxation, the imposition of additional restrictions on currency conversion and the imposition of additional import restrictions.

Interpretation of PRC laws and regulations involves significant uncertainties

The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new, and due to the limited volume of published cases and judicial interpretation and their lack of precedential force, interpretation and enforcement of these laws and regulations involve significant uncertainties. In particular, the PRC power generation industry is a highly regulated industry. Many aspects of the Group's business such as the connection and dispatch of power generation and the setting of on-grid and retail tariffs are subject to negotiation with the PRC government and the relevant government authority's approval. As the PRC legal system develops together with the PRC power generation industry, there is no assurance that changes in such laws and regulations, or in their interpretation or enforcement, will not have a material adverse effect on the Group's business operations. Furthermore, the administration of PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to more developed jurisdictions. In addition, it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgements by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations.

Certain PRC regulations governing PRC companies are less developed than those applicable to companies incorporated in more developed countries

Most of the Company's subsidiaries and associates are established in the PRC and are subject to PRC regulations governing PRC companies. These regulations contain certain provisions that are required to be included in the joint venture contracts, articles of association and all other major operational agreements of these PRC companies and are intended to regulate the internal affairs of these companies. These regulations in general, and the provisions for protection of shareholders' rights and access to information in particular, are less developed than those applicable to companies incorporated in Hong Kong, the United States, the United Kingdom and other developed countries or regions.

RISKS RELATING TO THE H-SHARES AND THE LONDON STOCK EXCHANGE

Suitability

An investment in the Group is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Group is suitable for them in the light of their personal circumstances and the financial resources available to them. The potential investment opportunity may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest. Investment in the Group should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the H-Shares will occur or that the commercial objectives of the Group will be achieved. Investors may not get back the full amount initially invested. The prices of H-Shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

No guarantee of return

A prospective investor should be aware that the value of an investment in the Group may fluctuate as it is determined by market pricing and is subject to the risks inherent in investing in equity securities. There is no assurance that any appreciation in the value of the H-Shares will occur or that the investment objectives of the Group will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Group. In the event of a winding-up of the Group, Shareholders will rank behind any creditors of the Group and, therefore, any return of capital for Shareholders will depend on the Group's assets being sufficient to meet the prior entitlements of any creditors.

Trading market for the H-Shares

The market price of the H-Shares will be influenced by a large number of factors, which could include, but not be limited to, the performance of both the Group's and its competitors' businesses, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of H-Shares, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Group may go down as well as up and that the market price of the H-Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

Fluctuations in price

The secondary market price of shares of the Company will not only be affected by fundamental factors, including business environment, financial position and industry development prospect, but also can be affected by various macroeconomic factors political factors, investor sentiment, stock market conditions and other factors. Given that several approval procedures are need for the Non-public Issuance, it will take some time to proceed to completion. Before completion, market price of the Company's shares may fluctuate and exert direct and indirect influences on investors' earnings. As a result, investors should pay attention to these risks.

The H-Shares may trade at a discount to Net Asset Value

The H-Shares may trade at a discount to their respective Net Asset Value per share for a variety of reasons, including market conditions, liquidity concerns or the actual or expected performance of the Group. There can be no guarantee that attempts by the Company to mitigate such a discount will be successful or that the use of discount control mechanisms will be possible or advisable.

Dividends

There can be no assurance as to the level and/or payment of future dividends by the Company in relation to H-Shares. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, among other things, the performance of the Company, the ability of the Group to make further investments, dividends declared and paid by the Company and the size of any such dividends, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

Risk of diluting current returns after the non-public share issuance

The Non-public Issuance will increase the share capital and scale of net assets of the Company. Since the realisation of benefits from the projects funded by proceeds (construction projects of power plants) will involve processes including construction, acceptance upon completion, installation and debugging of equipment and putting into operation, it will take a certain amount of time to complete the projects and realise benefits. Therefore, the earnings per share and return on net assets of the Company are subject to dilution in the short term.

The Company's H-Shares are listed on (i) the Hong Kong Stock Exchange and (ii) are admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities

PART III: IMPORTANT INFORMATION

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company or any of its respective affiliates, directors, officers, employees or agents or any other person.

Readers of this Prospectus should not treat the contents of this Prospectus or any other communications from the Group, or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Without prejudice to any obligation of the Company to publish a supplementary prospectus, neither the delivery of this Prospectus nor any purchase of H-Shares arising from reading this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

The Company has taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document whether of facts or of opinion. All the Directors accept responsibility accordingly.

REGULATORY INFORMATION

There will be no public offering of the H-Share Subscription Shares. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, H-Shares in any jurisdiction. The issue or circulation of this Prospectus may be prohibited in some countries.

Overseas readers of this Prospectus should consider carefully (to the extent relevant to them) the notices to residents of various countries set out on pages 28 to 29 of this Prospectus.

INVESTMENT CONSIDERATIONS

In general, an investment in any company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Group, for whom an investment would constitute part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. Typical investors in the Group are expected to be institutional investors, professionally-advised private investors and highly knowledgeable private investors who understand and are capable of evaluating the risks of such an investment. Investors should consult their stockbroker, bank manager, solicitor, accountant, legal or professional adviser or other financial adviser before making an investment in the Group.

This Prospectus should be read in its entirety before making any investment in the H-Share Subscription Shares.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Company's Articles, which investors should review. A summary of the Articles can be found in Part XI of this Prospectus.

FORWARD-LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties and are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Group's actual results of operations, performance or achievement or industry results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this Prospectus.

Any forward-looking statements in this Prospectus reflect the Group's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy.

Given these uncertainties, readers are cautioned not to place any undue reliance on such forward-looking statements.

These forward-looking statements apply only as of the date of this Prospectus. Subject to any applicable obligations under the Listing Rules, MAR, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward looking statement whether as a result of new information, future developments or otherwise. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

NO INCORPORATION OF WEBSITE

The contents of the Group's website at http://www.dtpower.com do not form part of this Prospectus.

PRESENTATION OF INFORMATION

Financial information

The Group's consolidated audited financial information for the year ended 31 December 2015 was subsequently restated to reflect the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016 as set put in the notes to the accounts for the year ended 31 December 2016.

Market, economic and industry data

Market, economic and industry data used throughout this Prospectus is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated all references in this Prospectus to:

a) "**GBP**", "**Sterling**", "**pounds sterling**", "**£**", "**pence**" or "**p**" are to the lawful currency of the United Kingdom;
b) "**Hong Kong dollar**", or "**HK$**", or are to the lawful currency of Hong Kong;
c) "**US dollar**" or "**US$**" are to the lawful currency of the United States; and
d) "**RMB**" are to the lawful currency of People's Republic of China.

Exchange Rates

The following illustrative exchange rates, as extracted from Bloomberg, as at the close of business on the Latest Practicable Date are set out to assist the understanding of this Prospectus: GBP: RMB 8.9226, USD: RMB 6.7230, GBP: HK$ 10.3950, HK$: RMB 0.8564

Latest Practicable Date

Unless otherwise indicated, the Latest Practicable Date for the inclusion of information in this Prospectus is at close of business on 15 March 2019.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

IMPORTANT NOTICE TO NON-UK PERSONS

For all prospective non-UK investors, it is the responsibility of any person outside the UK wishing to purchase any H-Shares to satisfy themselves as to the full observance of the laws of any relevant territory outside the UK in connection with that proposed purchase, including obtaining any required governmental or other consents or observing any other applicable formalities.

Hong Kong

The contents of this document have not been and will not be reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to any investment. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. The arrangements for the issue of the H-Share Subscription Shares have not been authorised as a collective investment scheme by the Securities and Futures Commission of Hong Kong ("SFC") pursuant to section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), nor has this document been approved by the SFC pursuant to section 105 (1) of the SFO or section 342C (5) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) ("HKCO") or registered by the Registrar of Companies of Hong Kong pursuant to section 342C (7) of the HKCO or been prepared in accordance with the requirements of the HKCO. The H-Share Subscription Shares are being offered in Hong Kong on a restricted basis. The Company has not authorised to offer its Shares to the public in Hong Kong. Accordingly, the content and use of this document must comply with each of the following SFO and HKCO restrictions, namely:

(a) under the SFO: this document is not and does not contain, contrary to section 103 of the SFO, an invitation to the public of Hong Kong to acquire or subscribe for shares, other than: (1) an invitation only to professional investors (as defined in SFO); or (2) to the extent that this document contains or relates to an offer specified in Part 1 of the ***Seventeenth Schedule*** to the HKCO by virtue of the number of persons to be offered or other exclusions ("Prospectus Exclusions"); and

(b) under the HKCO: this document must not, contrary to section 342 and 342C of the HKCO, be issued, circulated or distributed to any person in Hong Kong other than: (1) to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or (2) to professional investors (as defined in the SFO); or (3) in circumstances in which this document is not a prospectus (as defined in the HKCO) by virtue of any of the Prospectus Exclusions; or (4) otherwise in circumstances that do not constitute an offer to the public.

Persons in Hong Kong not falling within the restrictions set out in (a) and (b) above may not use or otherwise act upon this document.

PART IV: EXPECTED TIMETABLE AND COMPANY STATISTICS

Expected timetable	
Publication of the Prospectus	18 March 2019
Admission of H-Share Subscription Shares to the standard listing segment of the Official List and commencement of dealings on the London Stock Exchange's market for listed securities	08:00 on 22 March 2019
The dates and times specified above and mentioned throughout this Prospectus are subject to change. All references to times in this Prospectus are to London times, unless otherwise stated.	

Issue Statistics	
Number of H-Shares in issue at immediately prior to the issue of the H-Share Subscription Shares	3,315,677,578
Number of H-Share Subscription Shares	2,794,943,820
Number of H-Shares in issue at Admission	6,110,621,398
Number of H-Share Subscription Shares as a percentage of Enlarged Share Capital	15.10%
ISIN of the H-Shares	CNE1000002Z3
SEDOL of the H-Shares	0571476
Ticker Code on Admission	DAT
Issue Price of the H-Share Subscription Shares	HK$2.226 per H-Share Subscription Share.
Market capitalisation of the H-Shares at the closing middle market price of a H Share at the date prior to publication of the Prospectus	£1,478,220,422
Net proceeds raised from the H-Share Issuance, after deducting the related expenses	HK$6,205.7 million
Gross proceeds raised from the H-Share Issuance	HK$6,221.5 million

PART V: DIRECTORS AND ADVISERS

Directors	***Executive Directors:*** Mr. Wang Xin Mr. Ying Xuejun ***Non-executive Directors:*** Mr. Chen Jinhang (Chairman) Mr. Liu Chuandong Mr. Liang Yongpan Mr. Zhu Shaowen Mr. Cao Xin Mr. Zhao Xianguo Mr. Zhang Ping Mr Jin Shengxiang ***Independent non-executive Directors:*** Mr. Feng Genfu Mr. Luo Zhongwei Mr. Liu Huangsong Mr. Jiang Fuxiu Mr. Liu Jizhen
Company Secretary	Ying Xuejun
Registered Office	No. 9 Guangningbo Street Xicheng District Beijing, 100033 the PRC
Auditors	*International Auditor:* ShineWing (HK) CPA Limited 43/F., Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong *Domestic Auditor:* ShineWing Certified Public Accountants 9 Floor, Block A Fu Hua Mansion No. 8 Chao Yang Men Bei Da Jie Dong Cheng District Beijing, 100027 China The current auditors were appointed by resolution passed at the Company's annual general meeting ("**2017 AGM**") on 28 June 2018. RSM Hong Kong (international) and Ruihua Certified Public Accountants (domestic) were each engaged as the Company's auditors from 2010 until the cessation of their appointments on 28 June 2018. Details of the resolution are incorporated in this document by reference to the 28 June 2018 Regulatory Announcement as set out in Part X of this document. Professional body: Chinese Institute of Certified Public Accountants

UK legal advisers to the Company	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
PRC legal advisors to the Company	Beijing Hylands Law Firm 5A Hanwei Plaza, No. 7 Guanghua Road, Chaoyang District, Beijing, People's Republic of China
Hong Kong legal advisors to the Company	Eversheds 21/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong
Registrar	Computershare Hong Kong Investor Services Limited 17/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

PART VI: INFORMATION ON THE GROUP AND ITS BUSINESS

1. INTRODUCTION

The Company was established on 13 December 1994, has a total share capital of 18,506,710,504 shares, including 12,396,089,106 A-Shares and 6,110,621,398 H-Shares respectively, of a nominal value of RMB1 per share and is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair, maintenance and commissioning of power equipment and power related technical services. The Company mainly provides services in People's Republic of China (the PRC).

The Company is one of the largest independent power generation companies in the PRC. The businesses of the Company and its subsidiaries cover 18 provinces, municipalities and autonomous regions across the country. Its installed thermal power capacity is concentrated in the Beijing-Tianjin-Hebei region and southeast coastal areas, its hydropower projects are mainly located in the southwest region and its wind farms and photovoltaic systems are widespread in regions with abundant resources.

As of 31 December 2017, the total consolidated assets of the Group amounted to approximately RMB235,932 million, representing a year-on-year increase of RMB2,467 million. The total consolidated liabilities of the Group amounted to approximately RMB175,747 million, representing a year-on-year increase of RMB1,111 million.

2. HISTORY OF THE GROUP

The table below sets out the key milestone events in the development of the Group and the Group's trading history:

Timeline of key events:

Year	Key Event
1994	Incorporation; installed capacity: 2,850MW
1997	First Chinese power company listed in Hong Kong and first Chinese company listed in London; installed capacity: 3,150 MW
2006	Listed on Shanghai Stock Exchange as the first power company listed in London, Hong Kong and Shanghai; installed capacity: over 20,000 MW
2007	Top 100 Chinese listed company; Most Competitive Chinese Company Listed on a Foreign Market
2008	Installed capacity: over 25,000 MW; optimization of generation mix; Outstanding Entity in Power Supply for the Olympics
2009	Installed capacity: over 30,000 MW; included for the first time in the Fortune Global 500 list; The Asset Corporate Awards - Gold Award
2010	Installed capacity: over 35,000 MW; Platts Top 250 Global Energy Companies - Fastest-growing Asia Companies
2011	Installed capacity: 38,484 MW; The Asset Corporate Awards - Titanium Award in Corporate Governance, Social and Environmental Responsibility and Investor Relations; Award for Listed Companies with the Greatest Investment Value in 2011-2015
2012	Installed capacity: 39,147 MW; Listed Company with the Greatest Investment Value; Listed Company with the Best Investor Relations
2013	Installed capacity: 39,187 MW; Most Socially Responsible Listed Company; Top Ten Chinese Listed Companies in Corporate Governance
2014	Installed capacity: over 40,000 MW; Platts Top 250 Global Energy Companies
2015	Installed capacity: 42,337 MW; named as one of the Platts Top 250 Global Energy Companies for the 9th consecutive year; Top 100 Chinese Listed Companies; The Asset Corporate Awards - Gold Award in

Financial Performance, Corporate Governance, Social and Environmental Responsibility and Investor Relations.

2016 Installed capacity: approximately 44,338,015 MW. Completed power generation of approximately 172.4747 billion kWh

2017 Installed capacity: 44,388MW; newly installed capacity: 3,695.5MW; commencement of the second 660MW power generating unit in Phase V of Tuoketuo Power Plant, making it the largest thermal power plant in the world; production commenced of the 650MW power generating units in Changheba Hydropower Station, making it the largest hydropower station in service of the Company; projects of the Company with a total capacity of 1,102MW were approved, including wind power projects with a capacity of 1,029.8MW and photovoltaic power projects with a capacity of 72.2MW.

2018 The Company completed the issuance of H-Shares on 19 March 2018, issuing 2,794,943,820 H-Shares with gross proceeds of approximately HK$6,222 million raised; and has completed the issuance of A-Shares on 23 March 2018, issuing 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised.

In April 2018, the equity transfer of Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. has been completed by the Company and the installed capacity of the Company has been increased by 13,913MW after the completion.

3. BUSINESS OVERVIEW

The Company is principally engaged in thermal power generation, hydropower, wind power and other forms of power generation, and is also engaged in businesses related to coal, transportation and recycling. In 2015, 2016 and 2017, the production of main products of the Company were as follows:

	2017	Year-on-year increase	2016	Year-on-year increase	2015	Year-on-year increase
Power generation *Unit: ’00 million kWh*	1,986.94	15.20%	1,724.75	1.62%	1,697.25	-10.12%
On-grid power generation *Unit: ’00 million kWh*	1,882.76	15.14%	1,635.16	1.67%	1,608.30	-9.97%

In 2015, 2016, 2017 and 2018, the revenue from main businesses of the Company, all of which derives from China, is as follows:

Datang Power	2017 *Unit: RMB’0,000*	Proportion of revenue	2016 *Unit: RMB’0,000*	Proportion of revenue	*2015* *Unit: RMB’0,000*	Proportion of revenue
Electricity	58,577,791	90.67%	51,866,386	90.53%	5,555,632.10	90.75%
Sales of heat	2,047,233	3.17%	1,748,083	3.05%	143,457.00	2.34%
Coal	98,985	0.15%	159,157	0.28%	26, 764.90	0.44%
Other products	3,883,746	6.01%	3,517,931	6.14%	395,839.60	6.47%
Total	**64,607,755**	**100%**	**57,291,557**	**100.00%**	**61,890,285**	**100.00%**

	Six months ended 30 June 2018 *RMB'000* (unaudited)	Six months ended 30 June 2017 *RMB'000* (unaudited and restated)
Sale of electricity	40,870,975	37,739,329
Sale of coal	2,117,316	8,063
Others	2,555,143	1,566,800
Total	**45,543,434**	**39,314,192**

The Company's main assets, including its operating projects and projects under construction, are located in eighteen provinces, cities and autonomous regions such as Beijing, Tianjin, Hebei, Inner Mongolia, Shanxi, Zhejiang, Guangdong, Jiangsu, Chongqing, Jiangxi, Shanxi, Fujian, Liaoning, Ningxia, Yunnan, Sichuan, Gansu and Qinghai. The majority of the Company's thermal power installations are located in the Beijing-Tianjin-Hebei area and south-eastern China coastal areas. The majority of the Company's hydropower projects are located in the southwest region of the China. Wind power and photovoltaic projects are widely spread throughout the country.

4. OPERATING AND FINANCIAL REVIEW

Overview

In the six month period to 30 June 2018, encountering complicated 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 concentrated its efforts on improving its development quality, enhancing corporate governance and team building, and scored positive achievements in various aspects such as production safety, profitability and efficiency improvement, and development optimisation.

In 2017, the Company encountered complicated situations such as the in-depth advancing of the reform in power system and the severe conditions regarding coal power maintenance, supply and price control. As a result the Company focused on pursuing value and efficiency orientation and scored achievements in various aspects, including production safety, development optimisation, capital operation, and energy conservation and emission reduction. The Company proactively participated in market power competition, strengthened the marketing system, and continued to enhance its market competitiveness. Keeping on optimising fuel management and strengthening the coordination and synergy among specialised departments, the Company implemented regional centralised storage and transport to strive for improving market response capability. Also, the Company strengthened the comprehensiveness and rigidity of budget to strictly control the expenses of all items.

During the year to 31 December 2016, the Company adhered to carrying out work guidance through the core concept of value-focused and efficiency- oriented principles in order to accelerate the implementation of the 13th Five Year Plan and achieve smooth coal-to-chemical restructuring. The safety production trends of the Company remained stable throughout the year.

During the year to 31 December 2015, the Company adhered to its value-focused and efficiency-oriented principles. By focusing on improving the quality and efficiency of development on a basis to upgrade the power generation business, the Company accelerated its structural adjustment. The Company also placed emphasis on the strengthening of governance rules and innovation. Upon overcoming various unfavourable factors, the Company managed to maintain safe production with promising operational trends as well as the breakthrough of key projects.

Review on the Operating Results of Principal Businesses

During the nine month period to 30 September 2018, the power generation of the Company and its subsidiaries amounted to approximately 202.2355 billion kWh, and total on-grid power generation amounted to approximately 190.8322 billion kWh. Following the acquisition by the Company of Datang Anhui Power Generation Co., Ltd., Datang Hebei Power Generation Co., Ltd., and Datang Heilongjiang Power Generation Co., Ltd. (together, the "Acquired Companies") at the beginning of April 2018, the results of the Acquired Companies were included in the consolidated statements of the Company through business combination under common control by the Company. As such, the above power generation and on-grid power generation included those of the Acquired Companies for the first three quarters of 2018. The figures represent a year-on-year increase of approximately 6.72% and 6.65% respectively (when including the figures of the Acquired Companies for the first three quarters of 2017), and an increase of approximately 37.41% and 36.85% respectively (when excluding the figures of the Acquired Companies for the first three quarters of 2017).

During the six month period to 30 June 2018, the power generation of the Company accumulated to approximately 130.6833 billion kWh, representing an increase of approximately 11.23% over the restated power generation of the six month period to 30 June 2017.

During the year to 31 December 2017, the Company completed the power generation of 198,693.6 million kWh, representing an increase of 15.20% over 2016. As of 31 December 2017, the total consolidated assets of the Group amounted to approximately RMB235,932 million, representing a year-on-year increase of RMB2,467 million; total consolidated liabilities of the Group amounted to approximately RMB175,747 million, representing a year-on-year increase of RMB1,111 million.

During the year to 31 December 2016, the Company completed the power generation of 172,474 million kWh, realising positive growth in electricity for the first time in the prior five years. As of 31 December 2016, total consolidated assets of the Group amounted to approximately RMB233,465 million, representing a year-on-year decrease of RMB75,030 million and total consolidated liabilities of the Group amounted to approximately RMB174,636 million, representing a year-on-year decrease of RMB70,275 million.

During the year to 31 December 2015, total power generation of the Company and its subsidiaries amounted to 169.7252 billion kWh, representing a decrease of approximately 10.12% as compared to the same period of last year. The accumulative on-grid power generation of the Group amounted to approximately 160.8296 billion kWh, representing a decrease of approximately 9.97% as compared to the same period of the previous year. Utilisation hours of generating units accumulated to 4,240 hours, representing a year-on-year decrease of 462 hours. The equivalent availability coefficient of the operational generating units amounted to 92.89%.

Investments

During the six month period to 30 June 2018, the Company actively promoted the implementation of key projects, and obtained the approval for Guangdong Datang International Foshan Power and Cooling Supply Co-generation Project, Datang Nan'ao Lemen I Offshore Wind Power Project and Chongqing Wujiang Baima Hydropower and Navigation Project. Projects of the Company with a total capacity of 1,725MW were approved, including gas turbines projects with a capacity of 800MW, wind power projects with a capacity of 400MW and hydropower projects with a capacity of 525MW.

During the year to 31 December 2017, the Company positively promoted the implementation of key projects, and pursued the most favourable path for transformation and upgrading. During the period, newly installed capacity of the Company was 3,695.5MW. In particular, the second 660MW power generating unit in Phase V of Tuoketuo Power Plant successfully commenced operation, making it the largest thermal power plant in the world; and four 650MW power generating units in Changheba Hydropower Station commenced production, making it the largest hydropower station in service of the Company.

On 25 February 2017, generating units of the Phase V construction of the Inner Mongolia Datang International Tuoketuo Power Generation Plant successfully passed the 168-hour trial operation, and the two 660,000kw power generation units in Phase V of Tuoketuo Power Plant commenced production on 27 April 2017, making it the first production project for million generating unit during the 13th Five Year Plan of the Company.

As of 31 December 2016, the installed capacity of generating units managed by the Company amounted to approximately 44,338.5MW, among which coal- fired power accounted for 32,940MW or approximately 74.29%, thermal power gas turbine power accounted for 2,890.8MW or approximately 6.52%, hydropower accounted for 6,143.615MW or approximately 13.86%, wind power accounted for 2,063.6MW or approximately 4.65%, and photovoltaic power accounted for 300MW or approximately 0.68%.

During the year to 31 December 2016, power generation projects of the Company with the installed capacity were 1,579MW in total, among which, photovoltaic power accounted for 750MW, hydropower accounted for 210MW and wind power accounted for 619MW.

As at 31 December 2015, the Company managed an installed capacity of approximately 42,337.225 MW. During the year to 31 December 2015, the capacity of new units of the Company amounted to 2,195.88 MW. During the year to 31 December 2015, generating unit No. 1 of Fuzhou Power Generation Company commenced operation on 29 December 2015, which became the only million generating unit during 12th Five Year Plan; Sichuan Huangjinping hydropower project realised four commencements and became the largest hydropower project of the Company for the 12th Five Year Plan.

During the year to 31 December 2015, power generation projects of the Group amounting to 9,488 MW in aggregate were officially approved. Examples of such projects included coal-fired power projects (such as the Guangdong Datang International Leizhou Power Generation Plant "Replacing Small Units with Large Units" newly-constructed 2x1,000MW project), wind power projects (such as the Datang International Zhejiang Pinghu 32MW wind power field project), photovoltaic projects (such as phase III of Qinghai Geermu 50MW photovoltaic power generation project), hydropower capacity expansion project (Chongqing Wujiang Yinpan 45MW hydropower capacity expansion). The Company does not have any firm commitments to principal future investments.

Steady advancement in capital operation

During the six month period to 30 June 2018, the Company successfully completed the non-public issuance of H-Shares and A-Shares, for which the approvals were obtained from the China Securities Regulatory Commission in September 2017 and March 2018, respectively. The Company has completed the issuance of H-Shares on 19 March 2018, issuing 2,794,943,820 H-Shares with gross proceeds of approximately HK$6,222 million raised; and has completed the issuance of A-Shares on 23 March 2018, issuing 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised. In April 2018, the equity transfer of Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. has been completed by the Company and the installed capacity of the Company has been increased by 13,913MW after the completion.

During the year to 31 December 2017, the Company completed the transfer of its equity interest in China Continent Property & Casualty Insurance Company Ltd. and the transfer of its equity interest in Chongqing Yuneng Yangzi Electricity Company Limited, achieving good results in both.

Upon the completion of the equity transfer between China Datang Corporation Ltd. and the Company regarding the equity in Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. In 2018, the Company's total installed capacity is expected to increase by 13,073MW. It is expected that 3,005MW will be put into production from the constructions in progress of the Company in 2018.

The Company has also successfully completed the non-public issuance of A-Shares and H-Shares, of which the approvals were obtained from the China Securities Regulatory Commission for the non-public issuance of H-Shares and A-Shares in September 2017 and March 2018 respectively. The Company completed the issuance of H-Shares on 19 March 2018, issuing 2,794,943,820 H-Shares with gross proceeds of approximately HK$6,222 million raised; and completed the issuance of A-Shares on 23 March 2018, issuing 2,401,729,106 A-Shares with gross proceeds of approximately RMB8,334 million raised.

The Company won the "Gold Award for Company" and "Best Initiative Social Responsibility" from "The Asset" Magazine, and was listed on the "2017 Top 100 Companies in China" in China Business Top 100 Forum and "Top 100 Creditable PRC Listed Companies", and was awarded "Best Investor Relations" and "Best Annual Reports Design" from "China Financial Market" and won other awards.

Energy conservation and emission reduction indicators

During the six month period to 30 June 2018, electricity consumption rate of power plants of the Company was 3.78%, representing a year-on-year decrease of 0.18 percentage point. The operation rate of desulfurization facilities amounted to 100%, while the operation rate of denitrification facilities amounted to 99.79%. The performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.08g/kWh, 0.12g/kWh, 0.01g/kWh and 0.025kg/kWh, respectively, which all recorded a significant year-on-year decrease. The Company completed ultralow emission transformation projects on 105 coal-fired power generating units with capacity of 46,280MW in total, reaching 89.7% in transformation rate.

During the year to 31 December 2017, total coal consumption of the Company for power supply was 300.65g/kWh, representing a year-on-year decrease of 0.03g/kWh. Electricity consumption rate of power plants was 3.60%, representing a year-on-year increase of 0.05 percentage point. The equipment rate of dust removal, desulfurisation and denitrification of coal-fired power generating units of the Company reached 100%, much higher than the national average level. The operation rate of desulfurisation and denitrification amounted to 100.00% and 99.86%, respectively, while the performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.09g/kWh, 0.13g/kWh, 0.02g/kWh and 0.026kg/kWh, respectively. During the year, the Company completed ultra-low emission transformation projects on 7 units and 66 coal-fired power generating units with capacity of 30,380MW in total, reaching 95.1% in transformation rate.

During the year to 31 December 2016, total coal consumption of the Company for power supply was 300.68g/kWh, representing a year-on-year decrease of 5.05g/kWh. Electricity consumption rate of power plants was 3.55%, representing a year-on-year decrease of 0.35%. The total operation rate of desulfurisation facilities and the total overall desulfurisation efficiency rate amounted to 100.00% and 97.91%, respectively. The total operation rate of denitrification facilities and the total overall denitrification efficiency rate amounted to 99.54% and 85.60%, respectively. The performance of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.12g/kWh, 0.16g/kWh, 0.030g/kWh and 0.027kg/kWh. During the year, the Company completed ultra-low emission transformation projects with 28 units. The equipment rate of coal-fired power generating units of the Company reached 100%, much higher than the national average level in the PRC.

During the year to 31 December 2015, total coal consumption for power supply was 305.72g/kWh, representing a year-on-year decrease of 3.55g/ kWh. Electricity consumption rate of power plants was 3.90%, representing a year-on-year decrease of 0.29%. The total operation rate of desulfurisation facilities and the total overall desulfurisation efficiency rate amounted to 100.00% and 97.16%, respectively. The total operation rate of denitrification facilities and the total overall denitrification efficiency rate amounted to 99.44% and 81.12%, respectively. The emission rate of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.17g/kWh, 0.24g/kWh, 0.046g/ kWh and 0.032kg/kWh. During the year to 31 December 2015, a total of 31 power generating units of certain power generation companies of the Company carried out ultra-low emission transformation projects.

Production safety management and control

During the six month period to 30 June 2018, the Company promoted the accountability towards production safety by setting up a dual-prevention mechanism featuring hierarchical control of safety risks and identification and elimination of hidden dangers. Through adopting innovative management methods for production safety, stepping up efforts in assessment and accountability, and building a safety culture, the Company has maintained a sound record in production safety and fulfilled the power preservation task during the "Two Festivals" and "Two Sessions".

During the year to 31 December 2017, the Company continued to maintain safety management with a zero tolerance policy to safety hazards and upgrading and evaluating systems. The Company has implemented standardised team building, increased safety awareness and maintained a consistent level of overall production safety. The Company fulfilled the power preservation tasks within the timeframes set, such as "Two Sessions" and the "Belt and Road Initiative" summit forums. In particular, the Company took the safe and stable supply of electric power for the 19th CPC National Congress as an opportunity for comprehensive inspection, rectification and improvement to promote quality improvement in production safety. Six generating units from enterprises such as Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, Zhejiang Datang International Wushashan Power Generation Company Limited, Tianjin Datang International Panshan Power Generation Company Limited and Zhangjiakou Power Plant of Datang International Power Generation Company Limited won awards in the national reliability units appraisal.

During the year to 31 December 2016, the Company focused on security work at a basic level, concentrated on increasing the safety awareness of all staff, paid close attention to the implementation of safety responsibilities at all levels, implemented safety production upgrading assessments, implemented serious accountabilities on problems not controlled in place, and successfully completed the power insurance mission of "G20 summit". The No. 2 and No. 3 power generation units of Tuoketuo Power Generation Company and the No. 2 power generation unit of Pansan Power Company were rated as National Reliability Class A units. The Company received 3 awards for improvement in science and technology industry, revised 19 standards in industrial level or above, and gained 180 additional patents during the year.

5. MAJOR FINANCIAL INDICATORS AND ANALYSIS

Operating revenue

During the nine month period to 30 September 2018, the Company's operating revenue was approximately RMB69,099 million, representing an increase of approximately 12.37% over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, the Group realised an operating revenue of approximately RMB45,543 million, representing an increase of approximately 15.84% over the six month period to 30 June 2017, among which revenue from electricity sales was approximately RMB40,871 million, representing an increase of approximately RMB3,132 million or approximately 8.30% over the six month period to 30 June 2017. The increase in electricity sales revenue was mainly due to the year-on-year increase in power generation and on-grid power generation of the Company in the six month period to 30 June 2018 of approximately 11.23% and 11.21% respectively over the six month period to 30 June 2017.

During the year to 31 December 2017, the Group realised a consolidated operating revenue from continuing operations of approximately RMB64,608 million, representing an increase of approximately 12.77% over 2016, among which, revenue from electricity sales increased by approximately RMB6,712 million over 2016. Profit before tax from continuing operations amounted to approximately RMB3,324 million, representing a decrease of approximately 60.62% as compared to the 2016. Basic earnings per share from continuing operations attributable to shareholders of the Company amounted to approximately RMB0.1283, while basic earnings per share from continuing operations attributable to shareholders of the Company amounted to approximately RMB0.2458 for the year 2016.

During the year to 31 December 2016, the Group realised a consolidated operating revenue from continuing operations of approximately RMB57,292 million, representing a decrease of approximately 4.59% over 2015, among which, revenue from electricity sales decreased by approximately RMB3,690 million over 2015.

During the year to 31 December 2015, the Group realised a consolidated operating revenue of approximately RMB61,890 million (restated to RMB60,050 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing a decrease of approximately 11.83% over 2014, among which, revenue from electricity sales decreased by approximately RMB7,033 million over 2014.

Operating costs

During the nine month period to 30 September 2018, total operating costs of the Company amounted to approximately RMB66,432 million, representing an increase of approximately RMB6,363 million over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, total operating costs of the Group amounted to approximately RMB39,628 million, representing an increase of approximately RMB4,266 million or approximately 12.07% over the six month period to 30 June 2017, among which, fuel cost accounted for approximately 60.67% of the operating costs, and depreciation cost accounted for approximately 16.06%, which was mainly due to the year-on-year increase of RMB3,065 million in fuel cost. The main reasons for the increase in fuel cost were: firstly, thermal power generation increased by 9,641 million kWh year on year, resulting in an increase in fuel cost of approximately RMB1,756 million; secondly, the sales of heat increased by 13.4155 million GJ year on year, resulting in an increase in fuel cost of approximately RMB374 million; thirdly, the unit price of standard coal for power generation and heat supply increased by RMB24.05/tonne year on year, resulting in an increase in fuel cost of approximately RMB861 million.

During the year to 31 December 2017, total operating costs of the Group relating to continuing operations amounted to approximately RMB56,768 million, representing an increase of approximately RMB12,644 million or 28.66% over 2016. Among which, fuel cost accounted for approximately 57.76% of the operating costs, and depreciation cost accounted for approximately 19.84% of the operating costs.

During the year to 31 December 2016, total operating costs of the Group relating to continuing operations amounted to approximately RMB44,124 million, representing a decrease of approximately RMB231 million or 0.52% over 2015. Among which, fuel cost accounted for approximately 50.45% of the operating costs, and depreciation cost accounted for approximately 24.45% of the operating costs.

During the year to 31 December 2015, total operating costs of the Group amounted to approximately RMB48,575 million (restated to RMB44,355 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing a decrease of approximately RMB8,570 million or 15.00% over 2016. Among which, fuel cost accounted for approximately 45.85% of the operating costs, and depreciation cost accounted for approximately 23.37% of the operating costs. Since the standard coal unit price of the Company for power generation decreased by RMB45.37/tonne over 2014, the fuel cost for power generation of the Company decreased by RMB1,949 million as a result. In addition, on-grid power generation decreased over the previous year, resulted in a decrease of RMB3,264 million in fuel cost.

Net finance costs

During the nine month period to 30 September 2018, finance costs of the Group amounted to approximately RMB5,662 million, representing an increase of approximately RMB621 million over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, finance costs of the Group amounted to approximately RMB3,769 million, representing an increase of approximately RMB435 million or approximately 13.04% over the six month period to 30 June 2017. The year on-year increase in finance costs was mainly due to the increase in finance scale of this year over the six month period to 30 June 2017 and the interest expenses recognised in profit or loss of new power generating units.

During the year to 31 December 2017, finance costs of the Group relating to continuing operations amounted to approximately RMB5,909 million, representing an increase of approximately RMB310 million or approximately 5.54% over 2016. The increase was primarily due to the inclusion of the interest expense of new operating units into the finance costs for the year.

During the year to 31 December 2016, finance costs of the Group relating to continuing operations amounted to approximately RMB5,599 million, representing a decrease of approximately RMB 1, 357 million or approximately 19.51% over 2015. The reason for the decrease was primarily due to the reduction in liability scale through debt restructuring.

During the year to 31 December 2015, finance costs of the Group amounted to approximately RMB7,975 million (restated to RMB6,956 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016), representing a decrease of approximately RMB729 million or approximately 8.38% over 2014. The reason for the decrease was primarily due to three downward adjustments to the interest rate payable under certain of the Group’s borrowing facility in 2015.

Total profit and net profit/loss

During the nine month period to 30 September 2018, the Group achieved a total profit before tax of RMB4,129 million, representing an increase of RMB1,136 million over the nine month period to 30 September 2017.

During the six month period to 30 June 2018, the Group achieved a total profit before tax of RMB2,869 million, representing an increase of RMB1,319 million or 85.09% over the six month period to 30 June 2017. The main reasons for the change were: firstly, power generation in the first half of the year increased by 13.199 billion kWh year on year, resulting in an increase in profits of RMB2,037 million; secondly, the average on grid price (tax inclusive) recorded a year-on year increase of RMB9.19/MWh, resulting in an increase in profits of RMB1,106 million; thirdly, the unit cost of fuel for thermal power achieved RMB204.69/MWh, a year-on-year increase of RMB7.40/MWh, resulting a corresponding decrease in profits of RMB790 million; fourthly, the finance costs increased year on year, resulting in a corresponding decrease in profits of RMB435 million, mainly due to the year-on year increase in finance scale and the interest expenses of the new power generating units were included in profit or loss.

During the year to 31 December 2017, the Group reported a total profit before tax from continuing operations amounting to approximately RMB3,324 million, representing a decrease of approximately 60.62% over 2016. Net profit attributable to shareholders of the Company amounted to approximately RMB1,708 million, while net loss attributable to shareholders of the Company for the year 2016 amounted to approximately RMB2,754 million. The decrease in the Group's total profit before tax from continuing operations was mainly due to a significant year-on-year increase in unit price of standard coal for the current period. The power generation segment of the Company realised a total profit of approximately RMB2,921 million, representing a year-on-year decrease of approximately RMB6,021 million.

During the year to 31 December 2016, the Group reported a total profit before tax from continuing operations amounting to approximately RMB8,441 million, representing a decrease from continuing operations approximately 15.07% over 2015. Net loss attributable to shareholders of the Company amounted to approximately RMB2,754 million, while net profit attributable to shareholders of the Company for 2015 amounted to approximately RMB2,788 million. The decrease in the Group's profit before tax was mainly due to the loss caused by disposal of coal-to-chemical business segment and related projects. The power generation segment of the Company realised a total profit of approximately RMB8,942 million, representing a year-on- year decrease of approximately RMB4,205 million. Thermal power (including combustion engine) realised a total profit of approximately RMB7,847 million, representing a year-on-year decrease of approximately RMB4,450 million.

During the year to 31 December 2015, the Group reported a total profit before tax amounting to approximately RMB6,544 (restated to RMB9,939 million following the adoption of certain new and revised international financial reporting standards for the year ended 31 December 2016)million, representing an increase of approximately 26.53% over 2014. Net profit attributable to shareholders of the Company amounted to approximately RMB2,788 million, representing an increase of 57.73% over 2014. The increase in the Group's profit before tax was mainly due to the decrease in fuel costs and financial costs. The power generation segment of the Company realised a total profit of RMB13,147 million, representing a year-on-year increase of RMB725 million. Thermal power (including combustion engine) realised a total profit of RMB12,300 million, representing a year-on-year increase of RMB23 million.

Financial position

As at 30 September 2018, total assets of the Group amounted to approximately RMB283,849 million, representing an increase of approximately RMB4,998 million as compared to that at the end of 2017.

As at 30 June 2018, total assets of the Group amounted to approximately RMB283,397 million, representing an increase of approximately RMB4,287 million as compared to that at the end of 2017. The increase in total assets was primarily attributable to the receipt of funds from equity financing and short-term bond. Total liabilities of the Group amounted to approximately RMB217,712 million, representing an increase of approximately RMB10,680 million over the end of 2017, which was due to the residual of the consideration payable for the acquisition of equity interest in Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd. from China Datang Corporation Ltd. ("**CDC**") by the Company during the Period.

As of 31 December 2017, total assets of the Group amounted to approximately RMB235,932 million, representing an increase of approximately RMB2,467 million over 2016. The increase in total assets was mainly due to the new investments for the current period. Total liabilities of the Group amounted to approximately RMB175,747 million, representing an increase of approximately RMB1,111 million over 2016. The increase in total liabilities was mainly due to the increase in corresponding liabilities caused by the new investments for the current period. Equity attributable to shareholders of the Company amounted to approximately RMB41,759 million, representing an increase of approximately RMB1,775 million over 2016. Net asset value per share attributable to shareholders of the Company amounted to approximately RMB3.14, representing an increase of approximately RMB0.14 per share over 2016.

As of 31 December 2016, total assets of the Group amounted to approximately RMB233,465 million, representing a decrease of approximately RMB75,030 million over 2015. The decrease in total assets was mainly due to the disposal of coal-to-chemical business segment and related projects by the Group. Total liabilities of the Group amounted to approximately RMB174,636 million, representing a decrease of approximately RMB70,275 million over 2015. Of the total liabilities, non-current liabilities decreased by approximately RMB51,859 million over 2015. The decrease in total liabilities was mainly due to the disposal of coal-to-chemical business segment and related projects by the Group. Equity attributable to shareholders of the Company amounted to approximately RMB39,984 million, representing a decrease of approximately RMB5,313 million over 2015. Net asset value per share attributable to shareholders of the Company amounted to approximately RMB3.00, representing a decrease of approximately RMB0.40 per share over 2015.

As at 31 December 2015, total assets of the Group amounted to approximately RMB308,495 million, representing an increase of approximately RMB967 million over 2014. The increase in total assets was mainly due to the increase in construction in progress and investment in fixed assets as a result of the development strategy implemented by the Group. Total liabilities of the Group amounted to approximately RMB244,911 million, representing an increase of approximately RMB841 million as compared with that of the end of 2014. Of the total liabilities, non-current liabilities increased by approximately RMB1,541 million as compared with that of the end of 2014. The increase in total liabilities was mainly due to the increase in borrowings and amount of debentures of the Group to support daily operation and infrastructure development. Equity attributable to shareholders of the Company amounted to approximately RMB45,297 million, representing an increase of approximately RMB1,132 million over 2014. Net asset value per share attributable to shareholders of the Company amounted to approximately RMB3.40, representing an increase of approximately RMB0.08 per share as compared with that of the end of 2014.

Liquidity

The working capital and funds required by the Group are mainly derived from its cash flows generated from operation, and borrowings, while the Group's capital for operating activities are mainly utilised to purchase commodities, receive labour services and pay the staff salary and tax etc. The Group pays close attention to foreign exchange market fluctuations and cautiously assesses risks.

As at 30 June 2018, the assets-to-liabilities ratio of the Group was 76.82%. The net debt-to-equity ratio was approximately 233.54%. As at 30 June 2018, cash and cash equivalents and restricted deposit of the Group amounted to approximately RMB12,940 million, among which approximately RMB173 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the six month period to 30 June 2018. As at 30 June 2018, short-term loans of the Group amounted to approximately RMB19,376 million, bearing annual interest rates ranging from 3.63% to 5.85%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB107,241 million and long term loans repayable within one year amounted to approximately RMB15,959 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 2.70% to 7.05%. Loans equivalent to approximately RMB1,204 million were denominated in US dollar. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

As of 31 December 2017, the assets-to-liabilities ratio of the Group was approximately 74.49%. The net debt-to-equity ratio (i.e. (loans plus short-term bonds plus long-term bonds less cash and cash equivalents)/total equity) was approximately 224.87%. As at 31 December 2017, cash and cash equivalents of the Group amounted to approximately RMB4,192 million, among which deposits equivalent to approximately RMB55 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the year. As at 31 December 2017, short-term loans of the Group amounted to approximately RMB24,441 million, bearing annual interest rates ranging from 2.46% to 4.35%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB88,413 million and long-term loans repayable within one year amounted to approximately RMB11,233 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 2.70% to 6.22%. Loans equivalent to approximately RMB458 million were denominated in US dollar.

As of 31 December 2016, the liability-to- asset ratio of the Group was approximately 74.80%. The net debt-to-equity ratio (i.e. (loans plus short-term bonds plus long-term bonds less cash and cash equivalents)/total equity) was approximately 227.84%. As at 31 December 2016, cash and cash equivalents of the Group amounted to approximately RMB4,501 million, among which deposits equivalent to approximately RMB47 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the year. As at 31 December 2016, short-term loans of the Group amounted to approximately RMB11,010 million, bearing annual interest rates ranging from 1.95% to 4.35%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB90,166 million and long-term loans repayable within one year amounted to approximately RMB7,749 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.35% to 6.22%. Loans equivalent to approximately RMB495 million were denominated in US dollar.

As at 31 December 2015, the assets-to-liabilities ratio of the Group was 79.39%. The net debt-to-equity ratio (i.e. (loans plus short-term bonds plus long-term bonds less cash and cash equivalents)/total equity) was approximately 287.56%. As at 31 December 2015, cash and cash equivalents of the Group amounted to approximately RMB5,199 million, among which deposits equivalent to approximately RMB44 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the year. As at 31 December 2015, short-term loans of the Group amounted to approximately RMB14,786 million, bearing annual interest rates ranging from 2.00% to 6.15%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB130,061 million and long-term loans repayable within one year amounted to approximately RMB12,644 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.13% to 6.80%. Loans equivalent to approximately RMB755 million were denominated in US dollar.

6. CURRENT TRADING AND PROSPECTS

On 30 September 2018, the Group announced its results for the 9 months ended 30 September 2018. Highlights included: Operating revenue of the Group for the nine month period to 30 September 2018 was approximately RMB69,099 million, representing an increase of approximately 12.37% over the nine month period to 30 September 2017. Total profit before tax amounted to approximately RMB4,129 million representing an increase of RMB1,136 million over the nine month period to 30 September 2017. Net profit attributable to equity holders of the Company was approximately RMB1,762 million, representing an increase of approximately 3.39% over the nine month period to 30 September 2017.

Outlook for the remainder of 2018

Looking into the remainder of 2018, the Company expected to encounter more complicated situations with arduous tasks. The Company will, on the basis of the positive results achieved in the first part of the year, continue to solidify a good development momentum and steadily advance the successful completion of all targets as scheduled.

1. Ensuring safety and stability

Adhering to the deep-rooted concept of safe development, the Company will promote the accountability towards safe production among all entities and constantly consolidate the foundation of production safety. The Company will continue to enhance its management over production safety in an all-around manner, focus on the national reliability appraisal of A-grade power generation units and the national generating unit competition, striving to build the top generating units in terms of efficiency benchmarking in the country. Further, it will implement the Three-Year Action Plan for Winning the Blue Sky Defense Battle as well as the action plans for clean water and soil released by the State Council by highly valuing the protection of ecological environment, making scientific arrangement of ultra-low emission transformation tasks, tightening supervision over up-to-standard discharge of pollutants, and eliminating material potential risks which may affect the environmental safety and social stability.

2. Improving operating efficiency

The Company will strengthen operation management and push forward the efforts towards operation optimisation and designed value fulfilment; reinforce the line of defence for marketing, make overall plan for power and coal markets, and integrate the command systems for production and operation, to improve its capability in quick response to the market; reinforce the line of defence for fuels, step up market analysis, research and judgment, optimise procurement strategy and inventory control, and continue to promote coal blending and mixed burning so as to consolidate its core competitiveness of low cost; enhance control over costs and capital via thorough and all-rounded cost control and complete cost benchmarking in all links including investment, construction, production and operation, with an aim to forge the low cost advantage and increase its profit margin.

3. Promoting high-quality development.

Leveraging on the opportunities brought by the supply-side structural reform, the Company will accelerate growth model transformation and structural adjustments, promote strategic development to cultivate new growth drivers and open up new development space; fully implement the annual plan for launching projects, speed up the deployment of distributed gas turbines projects, and make overall plan for the development of distributed wind power projects, to improve its competitiveness in the power market; constantly deepen capital operation, and continue to strengthen the market value and compliance management over listed companies to ensure the regulated operation of the listed companies according to the law in order to boost investors’ confidence and vitalise the listed companies on an ongoing basis.

7. SELECTED FINANCIAL INFORMATION

The table below sets out the Group's summary financial information for the year to 31 December indicated. The financial information has been extracted without material adjustment from the audited and undiluted financial statements of the Group for the relevant period. The financial information for the year ended 31 December 2015 is shown as it has been restated following the adoption of certain new and revised international financial reporting standards in the report for the year ended 31 December 2016.

	2017	2016	2015
	RMB million (unless otherwise stated)	*RMB million* (unless otherwise stated)	*RMB million* (unless otherwise stated)
Operating revenue from continuing operations	64,608	57,292	60,050
Operating revenue from discontinued operations	-	1,833	-
Profit before tax from continuing operations	3,324	8,441	9,939
Net profit/(loss) attributable to shareholders of the Company	1,708	(2,754)	2,788
Net loss from discontinued operations attributable to shareholders of the Company	-	(6,026)	-
Total comprehensive income for the year attributable to owners of the Company	1,772,128	(2,778,850)	2,778,266
Total comprehensive income for the year attributable to non-controlling interests	737,778	4,639,202	472,633
Total comprehensive income for the year	2,509,906	1,860,352	3,250,899

Basic earnings/(loss) per share (*RMB*)			
From continuing operations	0.1283	0.2458	0.2094
From discontinued operations	-	(0.4527)	-

Total non-current assets	214,490,927	213,270,503	281,970,749
Total current assets	21,440,916	20,194,918	26,524,690
TOTAL ASSETS	235,931,843	233,465,421	308,495,439
Equity attributable to owners of the Company	41,759,348	39,984,321	45,297,483
Non-controlling interests	18,425,484	18,844,672	18,286,856
Total equity	60,184,832	58,828,993	63,584,339
Proposed dividends	1,665,604	-	2,262,706
Total non-current liabilities	113,063,433	117,270,850	169,129,761
Total current liabilities	62,683,578	57,365,578	75,781,339
Total liabilities	175,747,011	174,636,428	244,911,100
TOTAL EQUITY AND LIABILITIES	235,931,843	233,465,421	308,495,439
NET CURRENT LIABILITIES	(41,242,662)	(37,170,660)	(49,256,649)

The table below sets out summary details of the unaudited financial information for the nine month period ending on 30 September 2017 and 2018. On 1 April 2018, the Company obtained the control rights of Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd., from China Datang Corporation Ltd., the controlling shareholder of the Company. The above transactions constitute a business combination under common control. According to the requirements of the Accounting Standards for Business Enterprises, the Company made retrospective adjustments to the financial data of the corresponding period of the previous year:

		Unit: '000 Currency: RMB		
	At the end of the reporting period	At the end of the previous year		Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	**283,849,456**	278,851,863	235,673,786	1.79
Net assets attributable to equity holders of the Company	**47,396,485**	51,895,964	41,478,513	-8.67
	Beginning of the year to the end of the reporting period (Jan–Sep)	Beginning of the previous year to the end of the previous reporting period (Jan–Sep)		Increase/decrease as compared to the corresponding period of the previous year (%)
		After adjustment	Before adjustment	
Net cash flows generated from operating activities	**17,026,519**	16,074,537	14,491,069	5.92
Operating revenue	**69,099,317**	61,490,575	47,643,966	12.37
Net profit attributable to equity holders of the Company	**1,761,558**	1,535,871	1,909,298	14.69
Net profit attributable to equity holders of the Company after excluding non-recurring profit/loss items	**1,709,629**	1,653,586	1,653,586	3.39
Return on net assets(weighted average)(%)	**3.42**	2.89	4.69	Increased by 0.53 percentage point
Basic earnings per share (*RMB/share*)	**0.1050**	0.1154	0.1434	-9.01

Diluted earnings per share (*RMB/share*)	**0.1050**	0.1154	0.1434	-9.01

Unit: '000 Currency: RMB		
Item	**Closing Balance**	**Opening Balance**
Total current assets	**34,374,705**	27,808,419
Total non-current assets	**249,474,751**	251,043,444
Total assets	**283,849,456**	278,851,863
Total current liabilities	**81,968,249**	75,961,788
Total non-current liabilities	**135,661,678**	131,061,472
Total liabilities	**217,629,927**	207,023,260

	2018	2017
	RMB'000 (unaudited)	RMB'000 (unaudited and restated)
Operating revenue	45,543,434	39,314,192
Total operating costs	(39,628,325)	(35,361,849)
Operating profit	5,915,109	3,952,343
Profit before tax	2,869,421	1,550,271
Profit for the period	**2,098,246**	**1,000,359**
Earnings per share		
Basic and diluted (RMB cents)	7.65	6.75
Total comprehensive income for the period	**2,085,025**	**973,878**
Profit for the period attributable to:		
Owners of the Company	1,216,838	898,612
Non-controlling interests	881,408	101,747
	2,098,246	**1,000,359**

Total comprehensive income for the period attributable to:		
Owners of the Company	1,202,778	872,131
Non-controlling interests	882,247	101,747
	2,085,025	**973,878**

8. RESEARCH AND DEVELOPMENT

The Company is focused on enhancing independent innovation and has linked this with its enterprise development strategy. The Company has established a market-oriented innovation system, which combines production, education and research, which has provided strong support for the Company. During the year to 31 December 2016, the Company won a second-class prize and two third-class prizes for Chinese electric power scientific and technological innovation. The Company also revised 19 above-the-industry standards and obtained 180 patents. During the year to 31 December 2015, the Company won two second-class prizes for scientific and technological innovation of the industry and obtained 276 patents (including 50 invention patents). In the same year, the Company's "863" key project: "Development of Complete Methanation Technology for Syngas" was approved by the Ministry of Science and Technology of People's Republic of China.

The Company spent RMB 528,000 on research and development in the 6 months to 30 June 2018.

9. DIRECTORS AND SENIOR MANAGEMENT

Set out below are the brief biographical details of the Directors and supervisors of the Company:

Directors

Chen Jinhang, aged 63, is a professor-grade senior engineer with postgraduate qualifications. He started to work at First Power Plant in Heze, Shandong, in December 1972, and has successively served as a director and the general manager of Shandong Electric Power Group Corporation, the Party Committee Secretary and general manager of Shanxi Electric Power Corporation, the party committee member and the deputy general manager of State Grid Corporation of China as well as a director, general manager and party committee member of CDC. Mr. Chen has taken up the current position as the chairman and party committee secretary of CDC since April 2013. Mr. Chen has long been engaged in electricity production and business management, and has extensive knowledge and practical experience in electricity production and business management.

Liu Chuandong, aged 56, post-graduate, is a senior accountant. Mr. Liu started to work in July 1981 and has successively served as the deputy Director of the Fund Settlement Management Center of CPI Group, the deputy general manager of CPI Financial Co., Ltd., the deputy head of Finance and Asset Management Department of CPI Group, the general manager and Deputy Party Committee Secretary of CPI Financial Co., Ltd., a director of Fund Settlement Management Center of CPI Group, the general manager and party committee secretary of China Datang Finance Company Limited, the party committee secretary of CDC Capital Holding Company, as well as a director of the Financial Management Department of CDC. He was a supervisor of the Company during the period from 25 June 2015 to 30 June 2016. He has been serving as the chief accountant and a member of the party committee of CDC since October 2015. Mr. Liu has long been engaged in corporate finance as well as operation and management of power generation enterprises and has extensive experience in finance and management of power generation enterprises.

Wang Xin, aged 58, is a holder of a master's degree and a senior engineer. Mr. Wang was the head of the Steam Engine Team, head of the Maintenance and Repair Management Division, head of the Biotechnology Division, assistant to the plant manager, deputy plant manager and chief engineer, plant manager and secretary of the party committee of Tianjin First Power Plant. He also served as the head of the Power Generation Department and the Heat Supply Division and deputy chief engineer of Tianjin Electric Power Company and was concurrently the general manager and secretary of the party committee of Sanyuan Power Group Co., Limited. Mr. Wang was the deputy head of the Production Safety Department of CDC, secretary of the party committee and general manager of Datang Heilongjiang Power Generation Co., Ltd., head of the General Manager Office (International Cooperation) and assistant to general manager and head of the Office (Policy and Legal Department and International Cooperation Department) of CDC. Mr. Wang was appointed as the President and deputy Party Committee Secretary of the Company with effect from March 2016. Mr. Wang has long been engaged in the production and operation management of power generation enterprises and possesses extensive experiences in power generation and operation management.

Liang Yongpan, aged 53, university graduate, is a senior engineer. Mr. Liang served as the deputy division head and deputy Plant Head of the Production Division of Lanzhou No. 2 Thermal Power Factory, general manager of Lanzhou Xigu Thermal Power Co. Ltd., a member of Party Committee, the vice general manager and the chairman of the labour union of Gansu branch of CDC and Datang Gansu Power Generation Co., Ltd., the deputy head of Planning, Investment and Financing Department of CDC, as well as the Secretary of Party Committee and general manager of Datang Gansu Power Generation Co., Ltd. He served as the head of Planning and Marketing Department of CDC in May 2014. He has served as the head of Safety and Production Department of CDC since March 2016. Mr. Liang has long been engaged in the production, operation and management of power generation enterprises. Mr. Liang has extensive experience in production, operation and management of power generation companies.

Ying Xuejun, aged 52, a senior engineer with a bachelor’s degree. Mr. Ying was the deputy director of the Production Department of Tangshan General Power Plant; the deputy director of the Production Technology Department, the deputy manager of the Facilities Department, the manager of the Facilities Department, the deputy chief Engineer and Manager of the Facilities Department and the deputy general manager of Dou He Power Plant; the deputy general manager and the general manager of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited; and the deputy general manager of Inner Mongolia Branch Company of CDC. In December 2008, he was re-designated as the chief of the Integrated Planning Department, the deputy chief Economist and the chief of the Integrated Planning Department of the headquarter of the Company. Since January 2015, he has served as the chief economist of the Company. Since December 2015, he has served as the secretary to the Board and joint company secretary of the Company. Since January 2017, he has served as a committee member of the Communist Party of China in the Company and deputy general manager of the Company. Mr. Ying has long been engaged in management of production and operation of power generation companies, and has extensive experience in production, operation and management.

Zhu Shaowen, aged 54, a master’s degree holder and a senior engineer. Mr. Zhu previously worked as an engineer and the deputy head of Specialty Department at Tianjin Electric Power Science Research Institute, head of Planning and Design Department of State Grid Tianjin Electric Power Company, the deputy head of Project Department, vice manager (person-in-charge) and the manager of Power Development Department and manager of Project Development Department of Tianjin Jinneng Investment Company, the general manager (concurrent) of Tianjin Jinneng Wind Power Co., Ltd. Since November 2013, Mr. Zhu has been the manager of Electric Power Department of Tianjin Energy Investment Group Limited. Mr. Zhu has long been engaged in management of production operation and administrative roles in power generation enterprises, and has extensive experience in the operation and management of power generation enterprises.

Cao Xin, aged 47, is a doctoral candidate, and a principal senior economist. Mr. Cao started to work at Hebei Construction Investment Company in July 1992, and has successively served as a project manager and an assistant to manager of the industrial branch office of Hebei Construction Investment Company, an assistant to manager and the deputy manager of the asset management branch company of Hebei Construction Investment Company, the manager of public utilities second department of Hebei Construction Investment Company and the general manager of Hebei Construction Investment New Energy Co., Ltd., an assistant to general manager of Hebei Construction Investment Company and the Secretary of Party Committee and the general manager of Hebei Construction Investment New Energy Co., Ltd., a standing member of the Party Committee of Hebei Construction Investment Company and Secretary of Party Committee and President of China Suntien Green Energy Corporation Ltd., the Secretary of Party Committee and the general manager of Hebei Construction Investment New Energy Co., Ltd., a standing member of the standing committee of Party Committee and the vice general manager of Hebei Construction & Investment Group Co., Ltd., the chairman of China Suntien Green Energy Corporation Limited and the chairman and the deputy Party Secretary of Hebei Financing and Investment Holding Group Limited. He has been serving as member of the standing committee of Party Committee and the vice general manager of Hebei Construction & Investment Group Co., Ltd. and the chairman of China Suntien Green Energy Corporation since May 2015. Mr. Cao has long been engaged in the management of energy projects and has extensive knowledge and practical experience in energy production and business management.

Zhao Xianguo, aged 49, is a senior engineer with a postgraduate degree. Mr. Zhao started his career in the electric branch of Xingtai Power Generation Plant in 1990. He has been the engineer head of the office of the electric repair branch of Xingtai Power Generation Plant, an assistant to the head of the electric repair branch and assistant to the head, deputy head and head of the operation and planning department of Hebei Xingtai Power Generation Company Limited; the deputy chief economist and the head of the operation and planning department of Hebei Xingtai Power Generation Company Limited; the deputy general manager of Hebei Construction & Investment Xuanhua Thermal Power Company Limited. He has been acting as the deputy general manager of the appraisal and evaluation department of Hebei Construction & Investment Group Co., Ltd. since December 2013. Mr. Zhao has long been engaged in the production and management of power generation enterprises and has extensive knowledge and practical experience in production, operation and business management.

Zhang Ping, aged 51, is a senior economist as well as a senior political officer with a bachelor’s degree and a postgraduate degree. Mr. Zhang was the Secretary of the Party Committee of Inner Mongolia Electricity Bureau and the Office of

Diversification of Operation and Management Bureau, the Manager of Political Affairs of Inner Mongolia Mengxi Silicon & Electricity Enterprise Corporation, the Deputy Director of Party-masses Work Department, the Director of General Manager Work Department and an Assistant to the General Manager of Inner Mongolia Daihai Electric Power Generation Co., Ltd., as well as the Secretary of the Communist Party Discipline Supervisory Committee and the Chairman of the Labor Union of Inner Mongolia Daihai Electric Power Generation Co., Ltd. He also served as the manager of the Comprehensive Management Department and the Vice President of Beijing Jingneng International Energy Co., Ltd., the Secretary of the Communist Party and the Manager of Inner Mongolia Daihai Electric Power Generation Co., Ltd. and the General Manager of Beijing Jingneng Thermal Power Co., Ltd.. He has been the Deputy Chairman, the Secretary of the Party General Branch and the General Manager of Beijing Jingneng Power Co., Ltd. (600578.SH) since March 2017, and the Director of Beijing Jingneng Coal & Electricity Asset Management Co., Ltd.. Mr. Zhang has long been engaged in the operation management and administrative management of electricity enterprises, and has extensive knowledge and practical experience in production and operation of electricity enterprises.

Jin Shengxiang, aged 44, a senior engineer with a bachelor's degree and a postgraduate degree. Mr. Jin was a cadre of Turbine Research Institute of Beijing Electric Power Research Institute, a cadre of Turbine Research Institute of North China Electric Power Research Institute Co., Ltd., the Manager of the Infrastructure Commissioning Project of Turbine Research Institute and the Deputy Head of Turbine Research Institute. He served as the Manager of the Production Safety Department and the Vice President of Beijing Jingneng International Energy Co., Ltd. and the Deputy Director and the Director of Production and Operation Department and the Director of the Production Management Department of Beijing Energy Investment Holding Co., Ltd.. He has been the Director of the Production Management Department of Beijing Energy Holding Co., Ltd. since December 2014, a Director of Beijing Jingneng Power Co., Ltd. (600578.SH) and a non-executive Beijing Jingneng Clean Energy Co., Limited (0579.HK) since February 2018 . Mr. Jin has long been engaged in the production management of electricity enterprises, and has extensive knowledge and practical experience in production and operation and safety production management of electricity enterprises.

***Feng Genfu**, aged 61, a professor and a doctoral supervisor who holds a doctorate degree in Economics. Mr. Feng currently serves as a professor of the School of Finance and Economics of Xi'an Jiaotong University. Mr. Feng served as the Head of China's Financial Market and Enterprise Development Research Center of Xi'an Jiaotong University. Mr. Feng is currently an Independent Director of Bode Energy Equipment Co., Ltd. (a company listed on the Shenzhen Stock Exchange, Stock Code: 300023) and Hubei Biocause Pharmaceutical Co., Ltd. (a company listed on the Shenzhen Stock Exchange, Stock Code: 000627), the Executive Vice President of China Industry Economic Research Institute and the Vice President of the Chinese Institute of Business Administration. Mr. Feng has long been involved in education and administration management of Economics and Finance. He has extensive experience in Economics and Finance.

***Luo Zhongwei**, aged 63, a Doctor of Economics. Mr. Luo is currently a researcher of the Institute of Industrial Economics of Chinese Academy of Social Sciences, a professor and doctoral supervisor of the Graduate School of Chinese Academy of Social Sciences and the chief analyst of the Innovation Engineering Project of Chinese Academy of Social Sciences. He is also the director of Small and Medium-sized Enterprises Research Centre under Chinese Academy of Social Sciences, a legislative consultant to the Law on Promotion of Small and Medium-sized Enterprises for the National People's Congress, a member of the Investment Advisory Committee of the Investment Association of China, a member of the Management Modernisation Working Committee of China Enterprise Confederation, a scholar and tutor of the "Light of the West" Scheme under the Organisation Department of the Communist Party of China, as well as the Head of MBA Case Research Center of Graduate School of the Chinese Academy of Social Sciences. Mr. Luo served as an independent director of Zhejiang China Commodities City Group Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600415) and Sichuan Langsha Holding Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600137). Mr. Luo has long term engagement in research on industry and corporate strategies, corporate management, promotion and policy of small and medium-sized enterprises, development and reform of state-owned enterprises. He has extensive experience in strategic planning for corporate development and corporate management.

***Liu Huangsong**, aged 50, a Master of Science and a Doctor of Economics from Fudan University. Mr. Liu served as deputy section chief and officer of Shanghai Municipal Bureau of Statistics and director of the Bureau's Statistics and Industry Development Center, the general manager of the investment planning department, the general manager of the development and research department and a supervisor of China Worldbest Group, the vice general manager of a listed company under the group and the assistant to the group president, the director, researching professor and doctoral supervisor of Research Centre for Economic Prosperity of Shanghai Academy of Social Sciences, as well as the independent director of Hengdeli Holdings Limited, Shanghai Prime Machinery Company Limited (a company listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), stock code: 02345), Jingwei Textile Machinery Co., Ltd. (a company listed on the Stock Exchange, stock code: 00350) and Changan Fund Management Co., Ltd. Mr. Liu is currently the chief economist of Hengdeli Holdings Limited, the deputy director of the Center for Securities Studies of Fudan University, as well as the independent director of Shanghai Xinhua Media Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600825), Shanghai Zijiang Enterprise Group Co., Ltd. (a company listed on the

Shanghai Stock Exchange, stock code: 600210) and Changan International Trust Co., Ltd. Mr. Liu has long term engagement in research in economics and has extensive experience in economic operation and corporate management.

*Jiang Fuxiu**, aged 49, a Doctor of Economics and a Postdoctoral Scholar in Management (Accounting). Mr. Jiang is currently the director, professor and doctoral supervisor of the Finance Department of the School of Business of Renmin University of China. Mr. Jiang is currently the independent director of four listed companies on the Shenzhen Stock Exchange, namely Yantai Longyuan Power Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300105), Beijing UTour International Travel Service Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002707), Lancy Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002612) and Shandong Qixing Iron Tower Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002359). Mr. Jiang has long term engagement in research in economics and has extensive experience in corporate governance and financial management.

*Liu Jizhen**, aged 67, is a professor, a tutor of doctoral students and an academician of the Chinese Academy of Engineering. Mr. Liu has served as the head of the Faculty of Power of North China Power College since July 1990; has served as the vice dean of the North China Power College, the vice principal of the North China Electric Power University and the principal of Baoding Campus since August 1993; has served as the principal of the School of Water Resources and Hydropower Engineering, Wuhan University since June 1998; and served as the principal of the North China Electric Power University from January 2001 to November 2016. He currently serves as the head of the State Key Laboratory of Alternate Electrical Power System with Renewable Energy Sources, the chief scientist of the "973 Programme". He concurrently serves as the vice president of the China Electricity Council, the vice president of Chinese Society for Electrical Engineering, the vice president of Chinese Society of Power Engineering and a Fellow of the Institution of Engineering and Technology (FIET). Mr. Liu has been engaging in researches in various fields for many years, including thermal power generation control and development and utilisation of new energy sources, as well as technology development, engineering application and talent cultivation, and has obtained innovative and systemic research results. He has extensive experience in power technology innovation and application and other aspects.

Note: * refers to the independent non-executive Directors.

Supervisors

Yu Meiping, aged 55, is a senior economist as well as a senior political officer with a bachelor's degree. Ms. Yu has served as a cadre in the economic research centre of Xi'an Municipal Government, the principal Staff member of the first supervision bureau of the State's Ministry of Supervision, the deputy director of the fourth unit of the first discipline and inspection office and the director of the corporate guidance division of the first discipline, inspection and supervision office of the Central Commission for Discipline Inspection, the deputy chief of the corporate supervision bureau of the CDC and deputy director (person-in-charge) of the department of corporate supervision (office of discipline and inspection division of the Party Committee) of CDC. She is currently a Party Committee member and leader of the discipline inspection team of the Company. Ms. Yu has long been engaged in roles in relation to discipline, inspection and supervision, and has extensive experience in discipline, inspection, supervision and corporate supervision and management.

Zhang Xiaoxu, aged 54, is a senior accountant with a bachelor's degree. Mr. Zhang commenced career in Liaoning Fushun First Construction Company in 1982. He served as accountant in Liaoning Fushun First Construction Company, Accountant and chief accountant of Liaoning Power Plant; and deputy head and head of Finance Department, deputy chief accountant, chief accountant of Liaoning Nenggang Power Generation Co., Ltd., and vice manager and manager of Financial Department of Tianjin Jinneng Investment Company. He became the manager of the settlement center of Tianjin Energy Investment Group Co., Ltd. in December 2013. Mr. Zhang has long been engaged in financial management and has extensive practical working experience.

Liu Quancheng, aged 54, is a senior accountant with university education. Mr. Liu has served as the chief accountant of Xinxiang Coal-fired Plant; the chief accountant of Luoyang Shouyangshan Electricity Plant; the head of the supervisory audit department, the deputy chief accountant and the head of financial and asset management department and the chief accountant of Henan Branch of CDC; the deputy head of financial management department of CDC; the chief accountant of the Company; the head of financial management department of CDC since January 2016. He is currently serving as a director of Guangxi Guiguan Electric Power Co., Ltd. Mr. Liu has long been engaged in financial management in power generation enterprises and he possesses ample experience in financial management.

Guo Hong, aged 48, is a senior economist with a post-graduate master's degree. Ms. Guo has served as the deputy manager of the development department, the deputy officer and then officer of the human resources department, deputy chief economist of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. and concurrently as the manager of the Import and Export Company of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. She acted as the department head of the senior management personnel management office of the human resources department of CDC, and has been an officer of the human resources department of the Company since March 2014. Ms.

Guo is familiar with the development and management of human resources in power generation companies and has extensive experience in human resources management in power generation companies.

The business address of the above Directors and supervisors at the Company is No. 9 Guangningbo Street, Xicheng District, Beijing, 100033, the PRC.

10. BACKGROUND AND REASONS FOR THE FUNDRAISE

Background

On 28 November 2016, the Company entered into the A-Share Subscription Agreement with CDC pursuant to which the Company conditionally agreed to allot and issue and CDC conditionally agreed to subscribe in cash for 2,794,943,820 A-Share Subscription Shares (subject to adjustment) at the A-Share Issue Price of RMB3.56 per A-Share Subscription Share (subject to adjustment), raising gross proceeds of approximately RMB9,950 million (the "**A-Share Issuance**").

Immediately after the entering into of the A-Share Subscription Agreement, the Company entered into the H-Share Subscription Agreement with CDOHKC pursuant to which the Company conditionally agreed to allot and issue and CDOHKC conditionally agreed to subscribe in cash for 2,794,943,820 H-Share Subscription Shares (subject to adjustment) at the H-Share Issue Price of HK$2.12 per H-Share Subscription Share (subject to adjustment), raising gross proceeds of approximately HK$5,925 million (the "**H-Share Issuance**"). Following the application of the adjustment provisions, the number of H-Share Subscription Shares remained unchanged but the issue prior was increased to HK$2.226 per share.

The A-Share Issuance and the H-Share Issuance were inter-conditional upon each other.

In order to provide more flexibility on the entity that may be used by CDC to subscribe for the H-Share Subscription Shares, improve the efficiency and thereby facilitate the completion of the H-Share Issuance, on 6 January 2017, the Company, CDC and CDOHKC entered into the H-Share Subscription Amendment Agreement pursuant to which CDC or its nominated wholly owned subsidiary shall substitute CDOHKC as the H-Share Subscription Shares Subscriber and CDOHKC shall relinquish all its rights and obligations as a party to the H-Share Subscription Agreement and cease to be a party thereof.

In connection with the amendments to the H-Share Subscription Agreement, immediately after the entering into of the H-Share Subscription Amendment Agreement, on 6 January 2017, the Company and CDC entered into the A-Share Subscription Supplemental Agreement pursuant to which, all references to CDOHKC in the A-Share Subscription Agreement are either amended to "CDC or its nominated wholly owned subsidiary" or deleted as appropriate in the relevant context. On 13 March 2017, the Company and CDC entered into the A-Share Subscription Second Supplemental Agreement pursuant to which, amongst other things, it was provided that the number of A-Share Subscription Shares to be allotted and issued pursuant to the A-Share Issuance shall not exceed 2,662,007,515.

Following the execution of the A-Share Subscription Second Supplemental Agreement, the Company and CDC entered into the H-Share Subscription Supplemental Agreement on 13 March 2017 pursuant to which all references to "A-Share Issuance" were revised to reflect the allotment and issue of not more than 2,662,007,515 A-Share Subscription Shares.

The summary of the key terms of the A-Share Issuance and H-Share Issuance are incorporated into this document by reference to pages 3-8 and pages 8-15 respectively of the Whitewash Circular as set out in part VI of this document.

The full terms and conditions of the A-Share Subscription Agreement (as supplemented) are incorporated into this document by reference to pages 43-49 and 93-95 of the Whitewash Circular, pages 52-58 and 102-104 of the Material Contracts Summary and pages 8-13 of the Material Contracts Summary 2 as set out in part Part X of this document. The full terms and conditions of the H-Share Subscription Agreement (as amended and supplemented) are incorporated into this document by reference to pages 49-57 of the Whitewash Circular and pages 58-66 of the Material Contracts Summary as set out in part Part X of this document.

Completion of the H-Share Issuance and H-Share Issuance:

The resolutions approving the A-Share Issuance, the H-Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, were duly passed by way of poll at the EGM, the A-Share class meeting and the H-Share class meeting held at 1608 Conference Room of the Company at No. 9 Guangningbo Street, Xicheng District, Beijing, the People's Republic of China on Friday, 31 March 2017, at 9.30 a.m., 10.30 a.m. and 11 a.m. respectively. Mr. Wang Xin, an executive Director, was the chairman of each of the EGM, the A-Share Class Meeting and the H-Share Class Meeting. The H-Share registrar of the Company, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer in respect of the EGM, the A-Share Class Meeting and the H-Share Class Meeting for the purpose of vote taking. Details of the resolutions are incorporated in this document by reference to the 31 March 2017 Regulatory Announcement as set out in Part X of this document.

Following the satisfaction of all the conditions to the H-Share Issuance, completion of the H-Share Issuance took place on 19 March 2018 (after trading hours). Pursuant to the H-Share Subscription Agreement, 2,794,943,820 H-Share Subscription Shares have been allotted and issued to the H-Share Subscription Shares Subscriber, i.e. CDOHKC, at the H-Share Issue Price of HK$2.226 per H-Share Subscription Share. The gross proceeds raised from the H-Share Issuance amounted to approximately HK$6,221.5 million. The net proceeds raised from the H-Share Issuance, after deducting the related expenses, amounted to approximately HK$6,205.7 million. The net H-Share Issue Price was approximately HK$2.220 per H-Share Subscription Share. Immediately after the completion of the H-Share Issuance, the total issued shares of the Company was 16,104,981,398, divided into 9,994,360,000 A-Shares and 6,110,621,398 H-Shares.

Following the satisfaction of all the conditions to the A-Share Issuance, completion of the A-Share Issuance took place on 23 March 2018. Pursuant to the A-Share Subscription Agreement, 2,401,729,106 A-Share Subscription Shares have been allotted and issued to CDC at the A-Share Issue Price of RMB3.47 per A-Share Subscription Share. The gross proceeds raised from the A-Share Issuance amounted to approximately RMB8,334 million. The net proceeds raised from the A-Share Issuance, after deducting the related expenses, amounted to approximately RMB8,319 million. The net A-Share Issue Price was approximately RMB3.46 per A-Share Subscription Share. Immediately after the completion of the A-Share Issuance, the total issued Shares of the Company are 18,506,710,504, divided into 12,396,089,106 A-Shares and 6,110,621,398 H-Shares.

The A-Share Subscription Shares and the H-Share Subscription Shares rank pari passu in all respects with the A-Shares and H-Shares in issue, respectively, at the time of allotment and issue of the new A-Share Subscription Shares and H-Share Subscription Shares, respectively. All expenses relating to the issues were borne by the Company.

Application for Listing

The A-Share Subscription Shares are listed on the Shanghai Stock Exchange.

Application was made by the Company to the Hong Kong Stock Exchange for the grant of the listing of, and permission to deal in, the H-Share Subscription Shares. The shares were listed on 20 March 2018.

Application is now being made by the Company to the FCA for admission to the standard listing segment of the Official List and to the London Stock Exchange for the admission to trading in its main market for listed securities of the H-Share Subscription Shares.

H-Share Lock-up Period

The H-Share Subscription Shares Subscriber shall not trade or transfer any of the H-Share Subscription Shares within 36 months from the completion of the H-Share Issuance, save for transfer to subsidiaries of CDC (regardless of whether such subsidiaries are directly or indirectly held or wholly owned or controlled) in accordance with PRC laws, other laws applicable to the Company and the listing rules of the jurisdictions in which the Shares of the Company are listed provided that the transferee shall also comply with such lock-up undertaking. In the event the CSRC and the stock exchanges on which the Shares of the Company are listed have different requirements for lock-up period, the H-Share Subscription Shares Subscriber shall comply with such requirements.

The H-Share Subscription Shares Subscriber may pledge or create encumbrances over all or part of the H-Share Subscription Shares during the above lock-up period provided that any transfer resulting for the enforcement of such pledge or encumbrances shall comply with such lock-up undertaking.

Effect on shareholding of the Company

Set out below is the shareholding structure of the Company (i) immediately before completion of the H-Share Issuance on 19 March 2018 and (ii) immediately after completion of the H-Share Issuance on 19 March 2018:

Name of Shareholder	Notes	Class of Shares	Immediately before completion of the H-Share Issuance			Immediately after completion of the H-Share Issuance		
			Number of Shares	Approximate % of the total issued Shares	Approximate % of the relevant class of Shares	Number of Shares	Approximate % of the total Issued Shares	Approximate % of the relevant class of Shares
CDC	1, 7	A	4,138,977,414	31.10%	41.41%	4,138,977,414	25.70%	41.41%
CDFC	2, 7	A	8,738,600	0.07%	0.09%	8,738,600	0.05%	0.09%
Tianjin Jinneng Investment Company	3	A	1,296,012,600	9.74%	12.97%	1,296,012,600	8.05%	12.97%
Hebei Construction & Investment Group Co., Ltd	4	A	1,281,872,927	9.63%	12.83%	1,281,872,927	7.96%	12.83%
Beijing Energy Investment Holding Co., Ltd.	5	A	1,260,988,672	9.47%	12.62%	1,260,988,672	7.83%	12.62%
Public holders of A-Shares		A	2,007,769,787	15.08%	20.09%	2,007,769,787	12.47%	20.09%
Total A-Shares			9,994,360,000	75.09%	100%	9,994,360,000	62.06%	100%
CDOHKC	6, 7, 8	H	480,680,000	3.61%	14.50%	3,275,623,820	20.34%	53.61%
Public holders of H-Shares		H	2,834,997,578	21.30%	85.50%	2,834,997,578	17.60%	46.39%
Total H-Shares			3,315,677,578	24.91%	100%	6,110,621,398	37.93%	100%
Total (A-Shares and H-Shares)			13,310,037,578	100%		16,104,981,398	100%	

(1) Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan, all non-executive Directors, are employees of CDC.

(2) CDFC is a subsidiary of CDC. CDFC is held as to approximately 71.7898% by CDC directly, approximately 15.8931% by the Company directly, approximately 6.7544% by five other non-wholly owned subsidiaries of CDC and approximately 5.5624% by six other wholly owned subsidiaries of CDC.

(3) 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. Tianjin Jinneng Investment Company is independent of CDC.

(4) Mr. Cao Xin and Mr. Zhao Xiangguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.. Hebei Construction & Investment Group Co., Ltd. is independent of CDC.

(5) Mr. Zhang Ping and Mr. Jin Shengxiang, both non-executive Directors, are employees of Beijing Energy Investment Holding Co., Ltd.. Beijing Energy Investment Holding Co., Ltd. is independent of CDC.

(6) CDOHKC is an indirect wholly owned subsidiary of CDC.

(7) CDFC and CDOHKC are subsidiaries of CDC and parties acting in concert with CDC.

(8) CDOHKC is the H-Share Subscription Shares Subscriber.

(9) The upward adjustment of up to 5% to the H-Share Issue Price in accordance with the terms of the H-Share Subscription Agreement did not affect the number of H-Share Subscription Shares issued.

(10) The shareholding structure table above sets out Shareholders which hold 5% or more interest in each class of Shares.

(11) Figures shown above are calculated assuming that there are no adjustment events and no other Shares will be issued or transferred save for the allotment and issue of the H-Share Subscription Shares.

(12) The numbers in the above table have been subject to rounding adjustments. Any discrepancies in the numbers are due to roundings.

Set out below is the shareholding structure of the Company (i) immediately before completion of the A-Share Issuance on 23 March 2018; and (ii) immediately after completion of the A-Share Issuance on 23 March 2018:

Name of Shareholder	Notes	Class of Shares	Immediately before completion of the A-Share Issuance			Immediately after completion of the A-Share Issuance and as at the date of this announcement		
			Number of Shares	Approximate % of the total Issued Shares	Approximate % of the relevant class of Shares	Number of Shares	Approximate % of the total issued Shares	Approximate % of the relevant class of Shares
CDC	1, 7	A	4,138,977,414	25.70%	41.41%	6,540,706,520	35.34%	52.76%
CDFC	2, 7	A	8,738,600	0.05%	0.09%	8,738,600	0.05%	0.07%
Tianjin Jinneng Investment Company	3	A	1,296,012,600	8.05%	12.97%	1,296,012,600	7.00%	10.46%
Hebei Construction & Investment Group Co., Ltd.	4	A	1,281,872,927	7.96%	12.83%	1,281,872,927	6.93%	10.34%
Beijing Energy Investment Holding Co., Ltd.	5	A	1,260,988,672	7.83%	12.62%	1,260,988,672	6.81%	10.17%
Public holders of A-Shares		A	2,007,769,787	12.47%	20.09%	2,007,769,787	10.85%	16.20%
Total A-Shares			9,994,360,000	62.06%	100%	12,396,089,106	66.98%	100%
CDOHKC	6, 7, 8	H	3,275,623,820	20.34%	53.61%	3,275,623,820	17.70%	53.61%
Public holders of H-Shares		H	2,834,997,578	17.60%	46.39%	2,834,997,578	15.32%	46.39%
Total H-Shares			6,110,621,398	37.93%	100%	6,110,621,398	33.02%	100%
Total (A-Shares and H-Shares)			16,104,981,398	100%		18,506,710,504	100%	

(1) Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan, all non-executive Directors, are employees of CDC.

(2) CDFC is a subsidiary of CDC. CDFC is held as to approximately 71.7898% by CDC directly, approximately 15.8931% by the Company directly, approximately 6.7544% by five other non-wholly owned subsidiaries of CDC and approximately 5.5624% by six other wholly owned subsidiaries of CDC.

(3) 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. Tianjin Jinneng Investment Company is independent of CDC.

(4) Mr. Cao Xin and Mr. Zhao Xiangguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.. Hebei Construction & Investment Group Co., Ltd. is independent of CDC.

(5) Mr. Zhang Ping and Mr. Jin Shengxiang, both non-executive Directors, are employees of Beijing Energy Investment Holding Co., Ltd.. Beijing Energy Investment Holding Co., Ltd. is independent of CDC.

(6) CDOHKC is an indirect wholly owned subsidiary of CDC.

(7) CDFC and CDOHKC are subsidiaries of CDC and parties acting in concert with CDC.

(8) CDOHKC is the H-Share Subscription Shares Subscriber.

(9) The upward adjustment of up to 5% to the H-Share Issue Price in accordance with the terms of the H-Share Subscription Agreement did not affect the number of H-Share Subscription Shares issued.

(10) The shareholding structure table above set out Shareholders which hold 5% or more interest in each class of Shares.

(11) Figures shown above are calculated assuming that there are no adjustment events and no other Shares will be issued or transferred save for the allotment and issue of the A-Share Subscription Shares.

(12) The numbers in the above table have been subject to rounding adjustments. Any discrepancies in the numbers are due to roundings.

The 2,794,943,820 H-Share Subscription Shares represent approximately 53.78% of the total number of Subscription Shares and approximately 15.10% of the total number of issued Shares as enlarged by the A-Share Issuance and the H-Share Issuance.

The 2,401,729,106 A-Share Subscription Shares represent approximately 46.22% of the total number of Subscription Shares and approximately 12.97% of the total number of issued Shares as enlarged by the A-Share Issuance and the H-Share Issuance.

The shareholding interests of the existing public Shareholders were diluted by approximately 10.57 percent immediately upon completion of the A-Share Issuance and the H-Share Issuance (the "**Dilution Effect**").

Proceeds of H-Share Issuance

The gross proceeds raised from the H-Share Issuance amounted to approximately HK$6,221.5 million. The net proceeds raised from the H-Share Issuance, after deducting the related expenses, amounted to approximately HK$6,205.7 million.

Approximately CNY5bn of the net proceeds have been applied in repaying loans from Bank of China and China Construction Bank. It is currently the intention of the Company to apply the balance of total proceeds from the H-Share Issuance for general corporate purposes.

Reasons for the Non-public Issuance:

1. Enhancing core competitiveness of principal businesses

In recent years, economic development of the PRC has entered a new normal state where as the power generation and consumption entered a phase of adjustment. Against this background, while pro-actively striking a balance between stable growth and structural adjustment, enhancing the structural reformation of the supply side, accelerating the cultivation of new development momentums and enhancing its advantages in traditional capacities, the Company will accelerate the progress of structural adjustments and realise the clean, efficient, sustainable development of power generation principal business by centering the quality and effectiveness enhancement aiming to upgrade the power generation industry and taking technological innovation as a driving force.

In light of the above, the Company proposed the Non-public Issuance to fund the construction of power plant projects and repay borrowings for project infrastructures which is the implementation of its established development strategies. This will further reinforce advantages of the Company in its principal businesses and enhance its core competitiveness in power business, which are essential for its long-term sustainable development and resistance of market risks.

2. Enhancing capital structure and reducing financial risks

The proceeds from the Non-public Issuance of H-Share Subscription Shares are intended to be used for construction of power plants and repayment of borrowings for project infrastructures which, in recent years, the Company has been financing mainly through bank borrowing. Its gearing ratio stood at 74.78% as of 30 September 2016, and its interest expenses amounted to RMB11.281 billion for 2015. Through the Non-public Issuance, the gearing ratio of the Company will be reduced, which will help optimise the capital structure, and reduce finance costs and financial risks.

3. Enjoying further support from CDC

The increase in shareholding demonstrates CDC's confidence in the Company. With the increase in shareholding, the interests of CDC would be further integrated with the performance of the Company, thus the directors understand that CDC would be willing to provide further support to the Company in the future, such as (a) sharing its insights and knowhow on industry policy interpretation and application, (b) providing credit enhancement for the Company such as a letter of support which should give lenders increased confidence in the Company's financial strength, which should allow the Company to raise funds more easily if needed in the future, and (c) potentially participating in the circumstance of future equity issuance by the Company pro rata to existing shareholders. The directors believe that this indication of confidence in and support for the Company will be beneficial to the long-term development of the Company. The support would comply with the compliance requirement of the Company as a listed entity.

DIVIDEND POLICY

The Company did not declare the payment of interim dividend for the six months ended 30 June 2018. (2017: nil).

For the six months ended 30 June 2018, a final dividend of RMB0.09 per share in respect of the year ended 31 December 2017 (2017: nil) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared in the interim period amounted to approximately RMB1,665,604,000 (2017: nil).

In view of the operating results of the Group during the year 2016, the Board recommended not to distribute dividends.

During the year to 31 December 2016, the Company made amendments to the content in relation to the dividend distribution policy in the Articles. A summary of the Company's dividend policy can be found in paragraph 4.3.10 of part XI of this document.

The Company made a distribution of Shareholders' cash dividends of RMB0.17 per share (tax inclusive) for the year 2015 on 23 August 2016.

11. CORPORATE GOVERNANCE

The Company has established a standardised and sound corporate governance structure under the "Company Law", "Securities Law" and the "Articles of Association" of the Company.

A general meeting is the highest authority of the Company. The Board is the business decision-making body of the Company and the Supervisory Committee is the supervisory body of the Company. The Board and the Supervisory Committee are accountable to general meetings and execute the resolutions made at general meetings. The management is specifically responsible for conducting day-to-day production and business activities of the Company, and implementing the decision of the Board.

During the year to 31 December 2016, the actual situation of corporate governance of the Company did not deviate substantially from the rules and requirements under the China Securities Regulatory Commission (the "CSRC") and relevant regulatory authorities. None of the Company, the Board or the directors of the Company was subject to the inspection, administrative punishment or criticism by means of circular by the CSRC, or punishment by other regulatory authorities and condemnation from stock exchanges.

The Company has adopted and has been in full compliance with all the code provisions under the Hong Kong Code on Corporate Governance Practices (the "**Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the period from 1 January 2017 to 31 December 2017, with the exception of the following: During the year 2017, the legal action which the directors may face is covered in the internal risk management and control of the Company. As the Company considers that no additional risk exists, insurance arrangements for directors have not been made as required under code provision A.1.8 of the Code.

During the year 2017, the Nomination Committee, the Remuneration and Appraisal Committee, the Audit Committee as well as 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 to be performed as required by the code provisions A.5.2, B.1.2 and C.3.3 of the Code. The only discrepancies existed were the expressions or sequence between such terms of reference and the afore-said code provisions.

Compliance of the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code.

Upon specific enquiries made to all Directors and in accordance with information provided, the Board confirmed that all Directors and Supervisors have complied with the Model Code during the year 2017.

Directors and the Board

The Board formulates the overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The board members are fully committed to their roles and have acted in good faith to maximise the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

In order to enhance the decision-making mechanism, increase the scientific nature of decision-making and improve the quality of substantial decisions, the Board has established four specialised committees, namely the Nomination Committee, Audit Committee, Strategic Development and Risk Control Committee and the Remuneration and Appraisal Committee, with detailed work rules devised for the respective committees. The chairmen of the four specialised committees are Independent Directors. In particular, Independent Directors make up a majority in the Nomination Committee, Audit Committee and the Remuneration and Appraisal Committee.

The Board formulated the "Rules of Proceedings for Board Meetings", which, amongst other things, clarified matters to be decided by the Board, its scope of power and the rules of proceedings. During the 2017 calendar year, the Board held 13 meetings. The convening and voting procedures of the meetings were in compliance with the requirements under the Articles and the "Rules of Proceedings for Board Meetings".

Supervisors and the Supervisory Committee

Pursuant to the Articles, the Company's Supervisory Committee comprises four members, of whom two are supervisors representing the staff. The membership and composition of the Supervisory Committee comply with the requirements of the laws and regulations. Supervisory Committee members shall exercise their supervisory duty as mandated by the laws, regulations, the Articles and the rights granted by the shareholders' general meeting, and shall be accountable to the shareholders' general meeting in order to ensure shareholders' rights, the Company's interests and the staff's lawful interests are not violated. During the 2017 calendar year, the Supervisory Committee held 9 meetings and attended all Board meetings and Audit Committee meetings. Through various channels and methods, the Supervisory Committee carried out regular inspections on the Company's finances and substantial matters, as well as supervising the lawfulness and compliance of the Directors, the President and other senior members in discharging their duties.

As at the date of this Prospectus, the members of the Supervisory Committee are: Yu Meiping (Chairman of the Supervisory Committee), Zhang Xiaoxu (Vice-Chairman of the Supervisory Committee), Liu Quancheng, Guo Hong.

Non-Executive Directors

The Company has 13 Non-executive Directors, of whom 5 are Independent Directors. According to the Articles, the term of service of each of the Directors (including Non-executive Directors) shall not exceed three years, and the Directors are eligible for re-election and reappointment upon the expiry of their terms of service. Any new Director shall take office only after being elected and approved at a shareholders' general meeting. The consecutive term of service of each of the Independent Non-executive Directors (i.e. Independent Directors) shall not exceed 6 years.

Pursuant to the rules of the CSRC, the Company has formulated a "Work System for Independent Directors" and an "Annual Report Work System for Independent Directors" to govern a number of areas such as the requirements and procedures for the appointment of Independent Directors, the principles for exercising their functions and powers, the rights to which they are entitled and their corresponding responsibilities and obligations. The systems contain explicit rules specifying the duties, responsibilities and other aspects of Independent Directors in respect of the preparation and review of the Company's annual reports.

Chairman and Chief Executive Officer (President)

The positions of Chairman (chairman of the Board) and President of the Company are held by two different persons. Mr. Chen Jinhang is the Chairman and Mr. Wang Xin is the President. The responsibilities and authorities of the Chairman and the President are expressly provided in the Articles. The main duties of the Chairman include presiding over the shareholders' general meetings, convening and presiding over Board meetings and reviewing the status of the implementation of the Board's resolutions. The main duties of the President include: (i) to take charge of the production and operation management of the Company, and coordinate the implementation of the Board resolutions; (ii) to coordinate the implementation of the Company's annual operation plans and investment proposals; (iii) to formulate the plan for establishing the Company's internal management institutions; (iv) to lay down the Company's fundamental management system; (v) to formulate the fundamental constitution of the Company; (vi) to propose the appointments or dismissals of the Vice President and the person in charge of finance; and (vii) to appoint or dismiss other officers who are not appointed or dismissed by the Board. Pursuant to the Articles, the President of the Company shall draft a special "Work Report of President" on details of the implementation of the Board resolutions and the operation of the Company, and shall present the same to the Board for consideration; the Chairman (Chairman of the Board) shall draft a special "Work Report of the Board" on behalf of the Board regarding the details of the Board's work and present it to the Company's annual general meeting for consideration.

Training of Directors

As stipulated by the Hong Kong Listing Rules, directors are required to acquaint their respective responsibilities. In order to provide better assistance to directors for discharging their duties, the Company, pursuant to the requirements of the regulators, actively arranges for directors to participate in various training programmes such as the business of a listed company and corporate governance. Moreover, the Company will provide the directors with written information on specific policies and regulations issued by the regulators so as to enable them to comprehend relevant laws, regulations and policies instantly during the process of discharging their respective duties, thereby assisting the directors to better set the Company's production and business objectives. After the newly appointed directors assume the position, the Company provides them with written information which covers laws, regulations and other details related to the directors' duties to enable them to clearly acquaint their duties as required by laws and regulations, and to discharge related duties accordingly. Directors are invited to conduct onsite inspections on the Company's projects in response to the Company's development, and to make reasonable suggestions and comments to the Company based on their respective areas of expertise.

Strategic Development and Risk Control Committee

The Strategic Development and Risk Control Committee consists of eight Directors, two of whom are Independent Directors. The Committee has a chairman (director) and vice chairman (deputy director) which shall be the chairman of the Company or member assigned by the chairman, respectively, and shall be in charge of the work of the Committee.

The current members of the Committee are: Chairman: Chen Jinhang, Vice chairman: Luo Zhongwei (Independent Director), Members: Liu Jizhen (Independent Director), Wang Xin, Liang Yongpan, Cao Xin, Zhu Shaowen and Zhang Ping.

The Committee convenes at least once every year and holds irregular meetings based on the needs of work. Major Duties include: (i) to conduct research and make recommendations on the Company's long-term strategic development plan; (ii) to conduct research and make recommendations on major investment and financing plans which are subject to the Board's approval according to the Articles; (iii) to conduct research and make recommendations on major capital operations and asset management projects which are subject to the Board's approval according to the Articles; to conduct research and make recommendations on other significant matters that may have an impact on the development of the Company; (v) to conduct prior risk assessments and discussions on matters set out in (i) to (iv) above, and recommend corresponding control and spread out; (vi) to conduct risk assessment and make recommendations on the sectors or industries in which Company intends to operate; (vii) to inspect the execution of the above matters, and to conduct follow-up research on the risk factors that may exist or occur during the execution process, and to make recommendations accordingly; (viii) the Committee is accountable to the Board. Any proposals made by the Committee shall be submitted to the Board for consideration and decision.

Nomination Committee

The Nomination Committee comprises five Directors, with Independent Directors making up more than half of the membership. The Committee has a chairman selected and appointed by the Board. The chairman is an Independent Director of the Company who is in charge of the work of the Committee.

The current members of the Committee are: Chairman: Feng Genfu (Independent Director), Members: Jiang Fuxiu (Independent Director), Liu Huangsong (Independent Director), Ying Xuejun, Zhao Xianguo.

The Committee convenes at least once each year and hold irregular meetings based on work requirements.

Major Duties include: (i) to make recommendations to the Board with respect to the scale, constitution and composition (including skills, knowledge and experience) of the Board with reference to the operating activities, asset scale and shareholding structure of the Company; (ii) to examine the selection criteria and procedures of directors and managers and to make recommendations to the Board; (iii) to identify broadly candidates suitably qualified to become directors and managers; (iv) to investigate the candidates of directors and managers and other senior management staff, and to make recommendations; (v) to assess the independence of independent directors; (vi) to execute other matters as authorised by the Board.

Audit Committee

The Audit Committee currently comprises 5 Directors, among which, Independent Directors made up more than half of the membership. The Committee has a chairman selected and appointed by the Board. The chairman is an Independent Director of the Company who is in charge of the Committee's work.

The current members of the Committee are: Chairman: Jiang Fuxiu (Independent Director), Members: Luo Zhongwei (Independent Director), Feng Genfu (Independent Director), Liu Chuandong amd Jin Shengxiang.

The Committee convenes at least once each year and holds irregular meetings according to work requirements.

Major duties include (i) to be accountable to the Board; the proposals of the Committee shall be submitted to the Board for consideration and approval; (ii) to make recommendations on the appointment and replacement of external audit firms; (iii) to supervise the Company's internal audit system and its implementation; (iv) to be responsible for the communication between internal and external auditors; (v) to review the Company's financial information and its disclosures; (vi) to complement with the Supervisory Committee and the supervisors in reviewing the Company's financial matters; (vii) to review the establishment of the comprehensive internal control system; (viii) to review the "Internal Control Evaluation Report" and the "Internal Control Assessment Report"; (ix) to inspect the completeness of the establishment of the comprehensive internal control system; (x) to coordinate the audit of the internal controls and other related matters.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee comprises 5 directors, among which, Independent Directors made up more than half of the membership. The Committee has a chairman selected and appointed by the Board. The chairman is an Independent Director of the Company who is in charge of the work of the Committee.

The current members of the Committee are: Chairman: Feng Genfu (Independent Director), Members: Jiang Fuxiu (Independent Director), Liu Huangsong (Independent Director), Ying Xuejun, Zhao Xianguo.

The Committee convenes at least once each year and holds irregular meetings according to work requirements.

Major duties include (i) to be accountable to the Board, and the proposals submitted by the Committee will be passed to the Board for consideration and decision; (ii) to make remuneration plan or proposal according to the major scopes of work, duties and significance of the directors, supervisors and senior management position as well as the remuneration levels of comparable positions in other comparable companies; remuneration plan or proposal include but not limited to performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty plans and systems; (iii) to review the fulfilment of the responsibilities of the Company's directors, supervisors and senior management and to conduct annual performance appraisal thereon; (iv) to supervise the implementation of the remuneration system of the Company's directors, supervisors and senior management; and (v) to execute other matters as authorised by the Board.

12. SHARE DEALING CODE

The Company has adopted a share dealing code in respect of the A Shares for dealings in securities of the Company by directors and certain employees which is appropriate for a company whose shares are traded on the Main Market. This will constitute the Company's share dealing policy for the purpose of complying with applicable UK legislation, including MAR. The insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in H-Shares, alongside the relevant provisions of the PRC law.

13. SETTLMENT

The H-Shares, including the H-Subscription Shares, have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS and therefore the H-Shares may be held and transferred by means of CCASS. The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CCASS). Accordingly, settlement of transactions in the H-Shares may take place within the CCASS system if a Shareholder so wishes. Shareholders who wish to receive and retain share certificates are able to do so.

CCASS is a securities settlement system used within the Hong Kong Exchanges and Clearing Limited (HKEx) market system. The CCASS is operated by HKSCC for clearing and settlement of securities transactions. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

14. COMPANY LAW

There are a number of differences between company law in England and Wales and company law in the PRC, which may impact upon the Shareholders. However, where permitted by the PRC Companies Act and considered to be appropriate, rights and protections similar to those provided to shareholders under English law have been conferred on Shareholders by the Articles, including as described in the summary of certain provisions of the Articles set out in paragraph 4 of Part XI of this Prospectus.

The PRC Company Law

The establishment, operation and registration of corporate entities in the PRC are governed by several applicable laws in the PRC, such as the Company Law of the PRC ("PRC Company Law"), which was last amended on 28 December 2013 and became effective on 1 March 2014, and the Regulations of the PRC on the Administration of Company Registration ("Regulations on Company Registration"), which was last amended on 6 February 2016. The PRC Company Law generally governs two types of companies, namely limited liability companies and joint stock limited companies, it regulates the organisation and activities of companies and safeguards the legitimate rights and interests of companies, shareholders and creditors. The latest amendment of the PRC Company Law has cancelled the restriction on the minimum registered capital and replaced the registered paid-up share capital system by the registered subscribed share capital system. According to the PRC Company Law and the Regulations on Company Registration, except where laws on foreign investment stipulate otherwise, the PRC Company Law and the Regulations on Company Registration shall also apply to foreign-invested limited liability companies.

Policies Relating to Foreign Investment

Guidance on foreign investment in different industries in the PRC can be found in the Foreign Investment Industrial Guidance Catalogue ("**Catalogue**") jointly issued by National Development and Reform Commission of the People's Republic of China ("**NDRC**") and the Ministry of Commerce of the People's Republic of China ("**MOFCOM**") and such Catalogue will be amended and re-promulgated from time to time by these two government authorities. Industries generally fall into four categories for the purposes of guiding foreign investment: the encouraged, permitted, restricted and prohibited categories. The Catalogue only lists out specific industries falling under the encouraged, restricted and prohibited categories and what is not listed there would fall into the permitted category. The current effective version of the Catalogue was issued on 28 June 2017 and became effective on 28 July 2017 (''**2017 Catalogue''**). According to the 2017 Catalogue, the business activities conducted by the Company should belong to the encouraged or the permitted category.

The Establishment of a Foreign-invested Enterprise

Pursuant to the Provisional Measures for Filing Administration of Establishment and Changes of Foreign-Invested Enterprises, which was last amended on 30 July 2017, if the establishment and changes of a foreign-invested enterprise do not fall within the scope of special administration measures for foreign investment admission as stipulated by the state, such foreign-invested enterprise shall go through recordation procedures instead of approval procedures. However, where the establishment and changes of a foreign invested enterprise fall within the scope of special administration measures for foreign investment admission as stipulated by the state, the foreign-invested enterprise shall go through approval procedures according to relevant laws and regulations governing foreign investment.

15. THE TAKEOVER CODE

As the Company is incorporated in the PRC it will not be subject to the UK City Code on Takeovers and Mergers and accordingly Shareholders will not be afforded any protections under the City Code. However, Shareholders will have the benefit of the protections afforded by the Hong Kong Takeovers Code. The Hong Kong Takeovers Code is broadly similar to the City Code. A summary of the Hong Kong Takeovers Code is set out in paragraphs 18.2 to 18.7 of Part XI of this document.

16. TAXATION

The Group's operations in the PRC are subject to PRC taxation.

The attention of investors is drawn to the information regarding UK and PRC taxation, which is set out in paragraphs in Part IX of this Prospectus. That information is, however, intended only as a general guide to the current tax position under UK taxation law and the PRC taxation law types of investor. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK and the PRC are strongly advised to consult their professional advisers.

17. FURTHER INFORMATION

Your attention is drawn to the additional information set out in part XI.

PART VII: HISTORICAL FINANCIAL INFORMATION

Audited financial information relating to the Company for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 is incorporated into this document by reference to the 2015 Audited Accounts, 2016 Audited Accounts and 2017 Audited Accounts, as set out in Part X of this Prospectus.

Unaudited financial information for the period from 1 January 2018 to 30 September 2018, with comparator data from 2017, is incorporated into this document by reference to the 2018 Interim Report and 2018 Third Quarterly Report, as set out in Part X of this Prospectus.

PART VIII: CAPITALISATION AND INDEBTEDNESS

Capitalisation and indebtedness statement

The table below sets out the capitalisation and indebtedness of the Group as at 31 December 2018:

	Unaudited CNY000
Total current debt	
Guaranteed	70,000
Secured	398,500
Unguaranteed/unsecured	24,286,271
	24,771,641
Total non-current debt (excluding current portion of long term debt)	
Guaranteed	5,636,335
Secured	20,387,443
Unguaranteed/unsecured	79,624,766
	105,648,543
Total indebtedness	217,707,120
Shareholders' equity	
Paid up share capital	1,580,834
Other equity instruments	573,150
Capital reserve	1,033,697
Statutory surplus reserve	632,440
Discretionary surplus reserve	913,313
Foreign currency translation reserve	(6,258)
Special reserves	26,424
Other comprehensive reserve	(9,146)
Non-controlling interest	2,295,447
Accumulated losses	(141,372)
Total capitalisation	6,898,529

The table below sets out the net financial indebtedness of the Group as at 31 December 2018.

	Unaudited CNY000
Cash	13
Cash equivalent	1,323,018
Trading securities	-
Liquidity	1,323,031
Current financial receivables	
Current loan	24,771,641
Current portion of non-current debt	17,510,008
Other current financial debt	49,897,412
Current financial debt	92,179,061
Net current financial indebtedness	92,179,079
Non-current bank loans	105,648,543
Non-current bonds	8,966,309
Other non-current loans	-
Non-current financial indebtedness	125,528,059
Net financial indebtedness	217,707,120

As at 31 December 2018, the Group had no material contingent or indirect indebtedness.

PART IX: TAXATION

UNITED KINGDOM

The following paragraphs are intended as a general guide only and (save where expressly stated to apply to non-UK resident Shareholders) apply only to certain Shareholders who are resident (and, in the case of individuals, domiciled) solely in the UK. The statements relate only to certain limited aspects of the UK tax treatment of holding and disposing of H-Shares. The statements are not applicable to all categories of Shareholders, and in particular are not addressed to any of the following: (i) Shareholders who do not hold their H-Shares as capital assets or investments or who are not the absolute beneficial owners of those shares or dividends in respect of those shares, (ii) special classes of Shareholders such as dealers in securities, broker-dealers, insurance companies, trustees of certain trusts and investment companies, (iii) Shareholders who hold H-Shares as part of hedging or commercial transactions, (iv) Shareholders who hold H-Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or permanent establishment or otherwise), (v) Shareholders who hold H-Shares acquired by reason of their employment, (vi) Shareholders who hold H-Shares in an individual savings account or a self-invested personal pension, (vii) (save where expressly stated to apply to non-UK resident Shareholders) Shareholders who are subject to UK taxation on a remittance basis, or (viii) Shareholders who are not resident in the UK for tax purposes.

The following paragraphs are based on current UK tax law and HM Revenue & Customs published practice as at the date of this document, which is subject to change, possibly with retrospective effect.

The information in these paragraphs is intended as a general summary of the UK tax position. It does not purport to be a complete analysis or listing of all the potential tax consequences of acquiring, holding or disposing of H-Shares and it should not be construed as constituting tax advice.

Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

Taxation on income

An individual shareholder resident (for tax purposes) in the United Kingdom currently receives an annual tax-free dividend allowance. The amount of the allowance is £2,000 for the tax year 6 April 2018 to 5 April 2019. The allowance exempts the first £2,000 of a taxpayer's dividend income from income tax, but does not reduce total taxable income. As a result, dividends within the allowance count as taxable income when determining how much of the basic rate band or higher rate band has been used.

A UK resident individual shareholder's dividend income in excess of the £2,000 allowance will be subject to UK income tax at the basic, higher or additional rate. For the year 6 April 2018 to 5 April 2019, those rates are 7.5 per cent, 32.5 per cent. and 38.1 per cent. respectively. When calculating a UK resident individual shareholder's overall UK income tax liability, including when determining into which tax band any dividend income falls, dividends are treated as the top slice of the individual's income.

A shareholder which is within the charge to UK corporation tax in respect of dividends received from the Company will be subject to corporation tax at 19 per cent. (falling to 17 per cent. from 1 April 2020) on the dividends received, unless the dividends fall within an exempt class or certain other conditions are met. Whether an exemption applies and whether the other conditions are met will depend on the circumstances of the particular shareholder, although it is expected that dividends paid by the Company would normally be exempt.

The Company is not required to withhold UK tax when paying a dividend. This applies regardless of whether the shareholder is resident for tax purposes in the UK.

Tax on capital gains

A disposal or deemed disposal by an individual resident (for tax purposes) in the United Kingdom may, depending upon the individual's circumstances, give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains. The amount of the chargeable gain or allowable loss will generally be calculated by reference to the consideration received (or treated for UK tax purposes as having been received) for the disposal less the allowable cost to the shareholder of acquiring the H-Shares. The tax liability on any chargeable gain will depend on the availability to the individual of the annual capital gains tax exemption (£11,700 for the tax year 6 April 2018 to 5 April 2019), to the extent this has not been used against other gains, and any other tax reliefs or exemptions available such as existing capital losses. Capital Gains Tax will be charged at a rate of 10 per cent. for basic rate taxpayers and 20 per cent. for higher and additional rate taxpayers. Indexation allowance is not available for individuals.

A shareholder which is a company resident (for tax purposes) in the United Kingdom and holds H-Shares as an investment will be subject to corporation tax at 19 per cent. (falling to 17 per cent. from 1 April 2020) on any chargeable gain arising in respect of them, subject to mitigation by any tax reliefs or exemptions such as existing capital losses available to the company. Indexation allowance is available to mitigate any gain, but only in respect of the allowable expenditure (if any) incurred by the shareholder on the H-Shares prior to 1 January 2018 and only by reference to changes in the retail prices index up to and including December 2017.

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of H-Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate shareholder, a permanent establishment) in connection with which the H-Shares are used, held or acquired. Individuals who are temporarily non-UK resident may, in certain circumstances, be subject to capital gains tax on their return to the UK in respect of gains realised whilst they are not resident in the UK.

Stamp duty and stamp duty reserve tax

No UK stamp duty or SDRT will generally be payable on the issue of H-Shares.

No UK SDRT will arise on any agreement to transfer H-Shares or any transfer of H-Shares into CREST.

Subject to an exemption for certain low value transactions, a transfer on sale of H-Shares will be liable to ad valorem stamp duty, generally at the rate of 0.5 per cent. (rounded up to the next multiple of five pounds (£5)) of the consideration paid, if the transfer is effected by an instrument and the instrument is executed in the UK or relates to property situate in the UK or any matter or thing done or to be done in the UK. Stamp duty is normally the responsibility of the purchaser or transferee of the H-Shares.

Subject to an exemption for depositary interests that constitute "foreign securities" as defined for the purposes of the Stamp Duty Reserve Tax (UK Depositary Interests in Foreign Securities) Regulations 1999 (Statutory Instrument 1999 No. 2383, as amended), transfers of Depositary Interests within CREST will generally be liable to SDRT (at a rate of 0.5 per cent. of the consideration paid).

PRC TAXATION

Enterprise Income Tax

Enterprise Income Tax in PRC ("**EIT**") is governed by the Enterprise Income Tax Law of the PRC ("**EIT Law**"), which was promulgated on 16 March 2007, became effective as of 1 January 2008 and amended on 24 February 2017 and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC ("**EIT Rules**"), which was promulgated on 6 December 2007 and became effective on 1 January 2008.

According to EIT Law and the EIT Rules, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise shall pay EIT on its income deriving from both inside and outside the PRC at the rate of EIT of 25 per cent. A non-resident enterprise that has an establishment or place of business in the PRC shall pay EIT on its income deriving from inside the PRC and obtained by such establishment or place of business, and on its income which derives from outside the PRC but has actual relationship with such establishment or place of business, at the rate of EIT of 25 per cent. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual relationship with such establishment or place of business, shall pay EIT on its income deriving from inside the PRC at the reduced rate of EIT of 10 per cent.

Individual Income Tax

The following summary describes the principal PRC tax consequences of ownership of the shares by beneficial owners who, or which, are not residents of Mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this section. In considering whether to invest in the shares, potential purchasers should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

According to the PRC EIT Law and the relevant implementation rules, non-PRC resident enterprises will not be subject to the PRC income tax in respect of the interest income borne and paid by any enterprise, organisation or establishment located outside the PRC. However, pursuant to the PRC Individual Income Tax Law ("**IIT Law**"), which was last amended in 2011, and the relevant implementation rules, it remains uncertain as to whether non-PRC resident individuals shall be subject to the PRC income tax in respect of the interest income from the shares. Should the PRC tax authority deem the interest income from the shares of the non-PRC resident individuals as income sourced within the PRC referred to in Regulations on the Implementation of the PRC Individual Income Tax Law which was last amended in 2011, the non-PRC resident individual shareholders may be subject to the individual income tax at 20 per cent, unless otherwise provided in preferential taxation policies under special taxation arrangements.

The PRC government and the government of Hong Kong entered into the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**PRC-HK Tax Arrangement**") on 21 August 2006. According to the PRC-HK Tax Arrangement, both Hong Kong resident enterprises and Hong Kong resident individuals will not be subject to the PRC income tax in respect of the revenue from the sale or exchange of the shares. However, pursuant to the PRC EIT Law and the PRC IIT Law and the relevant implementation rules, it remains uncertain as to whether other non-PRC resident Note investors shall be subject to the PRC income tax in respect of the revenue from the sale or exchange of the shares. Should the PRC tax authority deem the gains of the non-PRC residents generated from the sale or exchange of the shares as income sourced within the PRC, the non-PRC resident shareholders other than Hong Kong residents may be subject to the enterprise income tax at rate of 10 per cent. for non-PRC resident enterprises, or individual income tax at 20 per cent. for non-PRC resident individuals, respectively, unless otherwise provided in other preferential taxation policies under special taxation arrangements.

Value-added Tax (''VAT'')

Pursuant to the Provisional Regulations on Value-added Tax of the PRC ("**VAT Regulations**"), which was promulgated by State Council on 13 December 1993, became effective on 1 January 1994 and was amended respectively on 10 November 2008, 6 February 2016 and 19 November 2017, and its implementation rules, which were amended by MOFCOM on 28 October 2011, entities or individuals engaging in sale of goods, provision of processing services, repairs and replacement services or importation of goods within the territory of the PRC shall pay VAT. The tax payable shall be the balance of output tax for the period after deducting the input tax for the period. Unless provided otherwise, the rate of the VAT is 17 per cent. With effect from 1 May 2018, the applicable rate of VAT will be adjusted to 16 per cent according to the Notice concerning the Adjustment on the Rate of VAT issued by the State Administration of Taxation in April 2018.

Dividends

Under the PRC Company Law which was amended on 28 December 2013 and the Law of the PRC on Wholly Foreign-Owned Enterprises (the "**Wholly Foreign-Owned Enterprises Law''**), which was amended on 3 September 2016, foreign-invested enterprises may not distribute after-tax profits unless they have contributed to the funds as required by PRC laws and regulations and have set off financial losses of previous accounting years.

According to the EIT Law and the relevant implementation rules, dividends paid to its foreign investors are subject to a withholding tax rate of 10 per cent, unless relevant tax agreements entered into by the PRC government provide otherwise.

The PRC government and the government of UK entered into the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains (the "**PRC-UK Tax Arrangement**") on 27 June 2011, which entered into force on 12 April 2013. According to the PRC-UK Tax Arrangement, the withholding tax rate on dividends paid by a PRC resident enterprise to a UK resident is 5 per cent, provided that such UK resident holds directly or indirectly at least 25 per cent of the capital of the company paying the dividends; the withholding tax rate is 15 per cent, provided that those dividends are paid out of income or gains derived directly or indirectly from immovable property by an investment vehicle which distributes most of this income or gains annually and whose income or gains from such immovable property is exempted from tax; Otherwise, the withholding tax rate is 10 per cent.

Company Taxation

Pursuant to the PRC Enterprise Income Tax Law, the Company is required to withhold 10% PRC Enterprise Income Tax when it distributes to its non-PRC resident enterprise shareholders. The Group, other than as stated below, is generally subject to PRC Enterprise Income Tax statutory rate of 25% (2016: 25%).

Pursuant to document Cai Shui [2011]58 "Circular on the Issues Concerning Related Tax Policies for the In-depth Implementation of the Western China Development Strategy" issued by the Ministry of Finance of the PRC, the General Administration of Customs and the State Administration of Taxation of the PRC, certain subsidiaries set up in the western area of the PRC and engaged in a business encouraged by the State are eligible to pay PRC Enterprise Income Tax at a preferential rate of 15% from 1 January 2011 to 31 December 2020.

Pursuant to documents Cai Shui [2008]46 "Implementation of Catalogue of Preferential Enterprise Income Tax Treatment for Public Infrastructure Projects" and [2008]116 "Catalogue of Preferential Enterprise Income Tax Treatment for Public Infrastructure Projects" issued by the MOF and the State Administration of Taxation of the PRC, certain subsidiaries are exempted from PRC Enterprise Income Tax during the first three years of operation commencing from the year of assessment in which the first sale transaction is reported and have been granted a tax concession to pay PRC Enterprise Income Tax at 50% of the statutory rate of 25% from the fourth to sixth year of operation in respect of their operating profit derived from investments in new wind power generation and solar power generation projects approved by government investment task forces after 1 January 2008. This preferential tax treatment will expire from 31 December 2013 to 31 December 2020.

Pursuant to Article 28 of "The Law of the PRC on Enterprise Income Tax", Article 93 of "Regulation on the Implementation of the Law of the PRC on Enterprise Income Tax", and document Guo Shui Han [2009]203 issued by the State Administration of Taxation of the PRC, a subsidiary of the Company, being a high and new technology enterprise, is eligible to pay PRC Enterprise Income Tax at a preferential rate of 15%.

Pursuant to the PRC Enterprise Income Tax Law, the Company is required to withhold 10% PRC Enterprise Income Tax when it distributes dividends to its non-PRC resident enterprise shareholders.

Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, it is required to appropriate 10% of its net profit under PRC GAAP, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such reserve reaches 50% of the Company's share capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of share capital. The statutory surplus reserve is non-distributable.

Discretionary surplus reserve

Pursuant to the articles of association of the Company, the appropriation of profit to the discretionary surplus reserve and its utilisation are made in accordance with the recommendation of the Board of Directors and is subject to shareholders' approval at their general meeting.

The discretionary surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them.

Restricted reserve

Pursuant to relevant regulations and guidance issued by the MOF, certain deferred housing benefits are charged to equity directly when incurred under PRC GAAP. In order to reflect such undistributable retained earnings in these financial statements prepared under IFRS, a restricted reserve is set up to reduce the balance of retained earnings with an amount equals to the residual balance of deferred housing benefits, net of tax.

Pursuant to relevant PRC regulations, coal mining companies are required to set aside an amount to a fund for future development and work safety which they transferred certain amounts from retained earnings to restricted reserve. The fund can then be used for future development and work safety of the coal mining operations, and is not available for distribution to shareholders. When qualifying development expenditure and improvements of safety incurred, an equivalent amount is transferred from restricted reserve to retained earnings.

PART X: DOCUMENTATION INCORPORATED BY REFERENCE

The following information, available free of charge in electronic format on the Group's website at //www.dtpower.com/ or in printed format from the Company's registered address at No. 9 Guangningbo Street, Xicheng District, Beijing, 100033, the Peoples Republic of China, is incorporated by reference in the document.

Reference Document	Information incorporated by reference	Page number in Reference Document[1]
2015 Audited Accounts	Independent Auditor's Report	107
	Consolidated Statement of Profit or Loss and Other Comprehensive Income	108
	Consolidated Statement of Financial Position	110
	Consolidated Statement of Changes in Equity	112
	Consolidated Statement of Cash Flows	113
	Notes to the Consolidated Financial Statements	115
2016 Audited Accounts	Independent Auditor's Report	104
	Consolidated Statement of Profit or Loss and Other Comprehensive Income	111
	Consolidated Statement of Financial Position	113
	Consolidated Statement of Changes in Equity	115
	Consolidated Statement of Cash Flows	116
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2017 Audited Accounts	Independent Auditor's Report	105
	Consolidated Statement of Profit or Loss and Other Comprehensive Income	111
	Consolidated Statement of Financial Position	113
	Consolidated Statement of Changes in Equity	115
	Consolidated Statement of Cash Flows	116
	Notes to the Consolidated Financial Statements	118
2018 Interim Report	Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
	Consolidated Statement of Financial Position	17
	Consolidated Statement of Changes in Equity	19
	Consolidated Statement of Cash Flows	22

[1] All page numbers refer to the page number of the Adobe Acrobat PDF document, not the page number of the document itself

Reference Document	Information incorporated by reference	Page number in Reference Document[1]
2018 Third Quarter Report	Major Financial Data	2
	Consolidated Balance Sheet	10
	Consolidated Income Statement	15

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this document. Where parts of these documents are not incorporated by reference, these parts are either not relevant for an investor or are covered elsewhere in the Prospectus.

Investors should note that statements regarding current circumstances and forward-looking statements made in the documents referred to above speak as at the date of the relevant document and therefore such statements do not necessarily remain up-to-date as at the date of this Prospectus.

PART XI
ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

1.1 The Directors, whose names appear on page 31 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY, ITS SHARE CAPITAL AND SUBSIDIARIES

The Company

2.1 The Company was incorporated as a joint stock limited liability company in Beijing, the Peoples Republic of China on 13 December 1994 with the name Beijing Datang Power Generation Company Limited and with stock code 00991.

The Company's H-Shares were listed in both Hong Kong and London in March 1997, while its A-Shares were listed on the Shanghai Stock exchange in December 2006. The H-Shares are dual listed on the Hong Kong Stock Exchange with code: 00991 and the London Stock Exchange with code: DAT. The A-Shares are listed on the Shanghai Stock Exchange with code: 601991.

The Company's legal and commercial name is Datang International Power Generation Co. Ltd.

The Company's registered office is at No. 9 Guangningbo Street, Xicheng District, Beijing 100033, the PRC and the telephone number is +8610-88008678.

The Company's principal place of business in the PRC and the Hong Kong Special Administrative Region of the PRC ("Hong Kong") is No. 9 Guangningbo Street, Xicheng District, Beijing 100033, the PRC and c/o Eversheds 21/F., Gloucester Tower, 15 Queen's Road Central, Hong Kong respectively.

The principal legislation under which the Company operates is the Company Law of the People's Republic of China 2013 and the regulations made under that Act.

The principal activity of the Group is the construction and operation of power plants, the sale of electricity and thermal power, the repair, maintenance and commissioning.

2.2 ***Share capital***

From 1 January 2015 (being the first day of the historical financial information incorporated by reference into this document) until 15 March 2019 (being the Latest Practicable Date before publication of this document), the changes to the issued share capital of the Company have been as follows:

2.2.1 The Company issued 2,794,943,820 H-Shares on 19 March 2018, which increased its total number of Shares to 16,104,981,398 Shares.

2.2.2 The Company issued 2,401,729,106 A-Shares on 23 March 2018 which increased its total number of Shares to 18,506,710,504 Shares.

2.3 Following Admission, the issued (fully paid) share capital of the Company will be 18,506,710,504 Shares made up of 12,396,089,106 A-Shares and 6,110,621,398 H-Shares.

2.4 The A-Shares and H-Shares both give the holders the right to vote, the right to participate in dividends and the right to participate in any return of capital. There are no differences in the rights between the two share classes.

2.5 The H-Share Subscription Shares have been created pursuant to the Company Law of the Peoples Republic of China 2013 and the Articles and are RMB denominated H-Shares of RMB1.00 each in the capital of the Company with the ISIN Number CNE1000002Z3.

2.6 The H-Shares, including the H-Subscription Shares, have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS and therefore the H-Shares may be held and transferred by means of CCASS. The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CCASS). Accordingly, settlement of transactions in the H-Shares may take place within the CCASS system if a Shareholder so wishes. Shareholders who wish to receive and retain share certificates are able to do so.

CCASS is a securities settlement system used within the Hong Kong Exchanges and Clearing Limited (HKEx) market system. The CCASS is operated by HKSCC for clearing and settlement of securities transactions. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

2.7 The Hong Kong share registrars of the Company are Computershare Hong Kong Investor Services Limited at 46/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. They are responsible for maintaining the register of members of the Company.

2.8 ***Options***

The Company has no outstanding warrants, options or securities convertible into shares of the Company.

Organisational structure, subsidiary undertakings and other holdings

2.9 The Company is the holding company of the Group.

2.10 Below is a list of the subsidiary undertakings of the Company that are significant in terms of the Group’s assets and liabilities, financial position or profits and losses. Each of these companies is directly or indirectly wholly-owned by the Company, the issued share capital of each is fully paid.

S/N	Name	Country of incorporation	Proportion of ownership	Proportion of voting control
1	Liaoning Datang International Renewable Power Company Limited	PRC	53.85%	53.85%
2	Liaoning Datang International Changtu Wind Power Company Limited	PRC	100%	100%
3	Datang Zhangzhou Wind Power Company Limited	PRC	100%	100%
4	Tianjin Datang International Panshan Power Generation Company Limited	PRC	75%	75%
5	Inner Mongolia Datang International Tuoketuo Power Generation Company Limited	PRC	60%	60%
6	Shanxi Datang International Shentou Power Generation Company Limited	PRC	60%	60%
7	Shanxi Datang International Yungang Thermal Power Company Limited	PRC	100%	100%

S/N	Name	Country of incorporation	Proportion of ownership	Proportion of voting control
8	Gansu Datang International Liancheng Power Generation Company Limited	PRC	55%	55%
9	Hebei Datang International Tangshan Thermal Power Company Limited	PRC	80%	80%
10	Jiangsu Datang International Lvsigang Power Generation Company Limited	PRC	55%	55%
11	Guangdong Datang International Chaozhou Power Generation Company Limited	PRC	52.50%	52.50%
12	Fujian Datang International Ningde Power Generation Company Limited	PRC	51%	51%
13	Chongqing Datang International Pengshui Hydropower Development Company Limited	PRC	64%	64%
14	Chongqing Datang International Wulong Hydropower Development Company Limited	PRC	75.50%	75.50%
15	Datang International (Hong Kong) Limited	Hong Kong	100%	100%
16	Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	PRC	90%	90%
17	Hebei Datang International Wangtan Power Generation Company Limited	PRC	70%	70%
18	Chongqing Datang International Shizhu Power Generation Company Limited	PRC	70%	70%
19	Sichuan Datang International Ganzi Hydropower Development Company Limited	PRC	52.50%	52.50%
20	Beijing Datang Fuel Company Limited	PRC	51%	51%
21	Zhejiang Datang Wushashan Power Generation Company Limited	PRC	51%	51%
22	Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited	PRC	100%	100%
23	Jiangxi Datang International Fuzhou Power Generation Company Limited	PRC	51%	51%
24	Liaoning Datang International Jinzhou Thermal Power Generation Limited	PRC	100%	100%
25	Chongqing Datang International Wulongxingshun Wind Power Company Limited	PRC	100%	100%
26	Hebei Datang International Fengrun Thermal Power Company Limited	PRC	84%	84%
27	Datang Inner Mongolia Erdos Silicon and Aluminium Technology Company Limited	PRC	100%	100%

S/N	Name	Country of incorporation	Proportion of ownership	Proportion of voting control
28	Inner Mongolia Datang International Renewable Energy Resource Development Company Limited	PRC	51%	51%
29	Jiangsu Datang Shipping Company Limited	PRC	98.11%	98.11%
30	Inner Mongolia Datang International Renewable Power Company Limited	PRC	51%	51%
31	Fujian Datang International Renewable Power Company Limited	PRC	53.64%	53.64%
32	Shanxi Datang International Linfen Thermal Power Company Limited	PRC	80%	80%
33	Liaoning Datang International Fuxin Wind Power Company Limited	PRC	100%	100%
34	Tibet Datang International Nujiang Upstream Hydropower Development Company Limited	PRC	100%	100%
35	Datang International Nuclear Power Company Limited	PRC	100%	100%
36	Datang Tongzhou Technology Company Limited	PRC	100%	100%
37	Yunnan Datang International Electric Power Company Limited	PRC	60.91%	60.91%
38	Hebei Datang International Renewable Power Company Limited	PRC	51.94%	51.94%
39	Liaoning Datang International Wafangdian Thermal Power Company Limited	PRC	100%	100%
40	Inner Mongolia Datang International Haibowan Water Conservancy Hub Development Company Limited	PRC	100%	100%
41	Inner Mongolia Datang International Huhehaote Thermal Power Company Limited	PRC	51%	51%
42	Jiangxi Datang International Xinyu Power Generation Company Limited	PRC	100%	100%
43	Inner Mongolia Datang International Zhunge’er Mining Company Limited	PRC	52%	52%
44	Hebei Datang International Qian’an Thermal Power Company Limited	PRC	93.33%	93.33%
45	Yuneng (Group) Company Limited	PRC	100%	100%
46	Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	PRC	100%	100%
47	Inner Mongolia Baoli Coal Company Limited	PRC	70%	70%
48	Sichuan Jinkang Electricity Development Company Limite	PRC	54.44%	54.44%

S/N	Name	Country of incorporation	Proportion of ownership	Proportion of voting control
49	Shanxi Datang International Renewable Power Company Limited	PRC	100%	100%
50	Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	PRC	100%	100%
51	Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	PRC	90%	90%
52	Erdos Ruidefeng Mining Company Limited	PRC	100%	100%
53	Jiangxi Datang International Yichun Coal and Electricity Company Limited	PRC	51%	51%
54	Jiangxi Datang International Renewable Power Company Limited	PRC	100%	100%
55	Shenzhen Datang Baochang Gas Power Generation Company Limited	PRC	61.16%	61.16%
56	Guangdong Datang International Zhaoqing Thermal Power Company Limited	PRC	100%	100%
57	Guangdong Datang International Renewable Power Company Limited	PRC	100%	100%
58	Qinghai Datang International Renewable Power Company Limited	PRC	100%	100%
59	Ningxia Datang International Renewable Power Company Limited	PRC	100%	100%
60	Sichuan Datang International Renewable Power Company Limited	PRC	100%	100%
61	Liaoning Datang International Shendong Thermal Power Company Limited	PRC	100%	100%
62	Hebei Datang International Tangshan Beijiao Thermal Power Generation Company Limited	PRC	100%	100%
63	Jiangsu Datang International Jintan Thermal Power Company Limite	PRC	100%	100%
64	Jiangsu Datang International Rugao Thermal Power Company Limited	PRC	60%	60%
65	Liaoning Datang International Huludao Thermal Power Company Limited	PRC	100%	100%
66	Zhejiang Datang International Pinghu Wind Power Company Limited	PRC	100%	100%
67	Liaoning Datang International Shenfu Thermal Power Company Limited	PRC	100%	100%
68	Datang Hebei Power Generation Company Limited	PRC	100%	100%
69	Datang Heilongjiang Power Generation Company Limited	PRC	100%	100%

S/N	Name	Country of incorporation	Proportion of ownership	Proportion of voting control
70	Datang Anhui Power Generation Company Limited	PRC	100%	100%

The financial statements of the above companies are consolidated in the annual financial statements of the Company for the year ended 31 December 2017.

As at 30 June 2018, the following two subsidiaries hold fixed assets of over 5% of the total fixed assets of the Group: Datang International Ganzi Hydroelectric Co., Ltd has fixed assets valued at RMB 30.536bn, and Yunnan Datang International Power Co., Ltd has fixed assets valued at RMB 13.725bn. The Changheba Hydropower Station, under Datang International Ganzi Hydroelectric Co., Ltd, is the only fixed asset that can be considered material.

3. PROPERTY, PLANTS AND EQUIPMENT

3.1 The following are summary details of the Group's principal properties:

	Land use rights RMB'000	Buildings and structures RMB'000	Electricity utility plants RMB'000	Coal chemical specialised assets RMB'000	Transportation facilities RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost								
At 1 January 2016	3,765,542	89,735,742	134,711,639	29,410,374	3,284,049	9,723,798	69,822,891	340,454,035
Transfer in/(out)	–	2,458,482	6,752,202	6,256	109,613	203,719	(9,530,554)	(282)
Additions	387,061	–	1,240,398	–	401,387	27,551	16,922,247	18,978,644
Disposals of subsidiaries	(1,241,456)	(10,478,937)	(4,125,800)	(29,416,630)	(721,433)	(3,345,324)	(33,819,365)	(83,148,945)
Disposals	(655)	(60,810)	(1,661,389)	–	(55,699)	(394,121)	–	(2,172,674)
At 31 December 2016 and 1 January 2017	2,910,492	81,654,477	136,917,050	–	3,017,917	6,215,623	43,395,219	274,110,778
Transfer in/(out)	20,238	19,846,306	11,197,923	–	14,447	33,736	(31,194,931)	(82,281)
Additions	24,822	56,409	12,662	–	16,768	17,470	11,717,624	11,845,755
Disposal of a subsidiary	–	(16,298)	(2,606)	–	(166)	(15)	(404)	(19,489)
Disposals	(50,550)	(146,371)	(40,398)	–	(17,560)	(7,493)	–	(262,372)
At 31 December 2017	2,905,002	101,394,523	148,084,631	–	3,031,406	6,259,321	23,917,508	285,592,391
Accumulated depreciation and impairment losses								
At 1 January 2016	510,667	18,784,081	59,919,040	2,442,652	1,461,554	2,293,426	1,719,936	87,131,356
Transfer out	–	(19)	–	–	–	–	–	(19)
Charge for the year	94,464	2,753,809	7,494,528	893,617	278,892	528,217	–	12,043,527
Disposals of subsidiaries	(132,246)	(1,236,242)	(249,428)	(3,336,269)	(306,332)	(797,111)	(1,719,936)	(7,777,564)
Disposals	(655)	(33,459)	(101,742)	–	(50,891)	(21,770)	–	(208,517)
At 31 December 2016 and 1 January 2017	472,230	20,268,170	67,062,398	–	1,383,223	2,002,762	–	91,188,783
Charge for the year	74,000	2,801,995	7,784,124	–	186,477	420,351	–	11,266,947
Disposal of a subsidiary	–	(11,256)	(2,377)	–	(158)	(14)	–	(13,805)
Impairment losses	–	–	–	–	–	–	19,649	19,649
Disposals	(5,631)	(45,444)	(34,911)	–	(13,468)	(4,045)	–	(103,499)

At 31 December 2017	540,599	23,013,465	74,809,234	–	1,556,074	2,419,054	19,649	102,358,075
Carrying amount At 31 December 2017	2,364,403	78,381,058	73,275,397	–	1,475,332	3,840,267	23,897,859	183,234,316
At 31 December 2016	2,438,262	61,386,307	69,854,652	–	1,634,694	4,212,861	43,395,219	182,921,995

At 31 December 2017, the carrying amount of property, plant and equipment under finance leases are as follows:

	2017 RMB’000	2016 RMB’000
Buildings and structures	3,771,862	3,901,758
Electricity utility plants	5,373,569	6,070,100
Transportation facilities	841,401	939,547
	9,986,832	10,911,405

4. ARTICLES OF ASSOCIATION

4.1 In this **paragraph** 4 of part X “**Statutes**” means the Peoples Republic of China 2013 and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies in so far as they apply to the Company.

4.2 There are no conditions imposed by the memorandum and articles of association where such conditions are more stringent than is required by law.

Articles of Association

4.3 The Articles of Association contain provisions, among others, to the following effect.

4.3.1 **Purposes and scope of business** ***(Chapter 2 of the Articles)***

(a) The purposes of business of the Company shall be: raising funds, developing the power industry, improving the business operation system of power enterprises and the technology and management level of the Company, providing the society with high quality and reliable power service, and enabling its shareholders to obtain reasonable economic benefits.

(b) The scope of business of the Company shall be subject to that approved by the company registration authority. The scope of business of the Company includes construction and operation of power plants, sales of power and heat; inspection, repair and testing of power equipment; and provision of technical services in respect of power.

4.3.2 **Directors**

(a) Number of Directors *(Article 133)*

The Company shall have a board of directors, which is accountable to the shareholders’ general meeting. Directors are natural persons. The board of directors is composed of 15 members, including a Chairman and a vice chairman. Directors may concurrently hold the office of the manager or other senior management, provided however, that the aggregate number of directors concurrently holding the office of the manager or other senior management and directors acted by representatives of employees shall not be more than one half of the total number of directors.

(b) Appointment and removal of Directors *(Article 134)*

The directors shall be elected by the shareholders' general meeting. The term of office of a director shall not be more than three years. Upon expiry, the term of office of a director is renewable upon re-election. Except for the election of a director whose term of office has expired or of a director who is nominated by the board of directors, the intention to nominate candidates for directorships and written notices from such candidates expressing their acceptance of such nomination shall be submitted to the Company at least seven days prior to the date of the shareholders' general meeting.

The Chairman and vice chairman of the board of directors shall be elected or removed by more than one half of all directors. The term of office of the Chairman and vice chairman respectively shall be three years, which is renewable upon re-election.

The shareholders' general meeting may by way of an ordinary resolution remove a director whose term of office has not expired (provided however, that claims which may arise on the basis of any contract shall not be affected).

The term of office of a director shall commence from his accession until the expiry of the term of the current session of the board of directors. Where election of directors fails to be timely conducted upon expiry of the term of office of the former directors, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, regulations of regulatory authorities and provisions of the Articles.

Where a director fails to attend a meeting of the board of directors in person and fails to appoint other directors to attend on his behalf for two consecutive times, or an independent director fails to attend the meetings of the board of directors in person for three consecutive times, such director or independent director shall be deemed incapable to perform his duties and the board of directors shall propose the shareholders' general meeting to remove such director or independent director. *(Article 136)*

(c) Resignation of Directors *(Article 137)*

A director may resign before the expiration of his term of office. The resigning director may submit his resignation report in written form to the board of directors which shall disclose the relevant information within two days.

Where the total number of directors is less than the minimum number required by laws due to the resignation of directors, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with relevant laws, administrative regulations, regulations of regulatory authorities and the Articles.

Except for the circumstances prescribed in the preceding paragraph, the resignation of a director shall become effective upon the said resignation report is served on the board of directors.

(d) Powers (Articles 138 to 140)

Save as otherwise provided in the Articles or duly authorised by the board of directors, any director shall not in his own name act on behalf of the Company or the board of directors. Where a director acts in his own name, the director shall declare his position and identity in advance if any third party might reasonably believe that such director is acting on behalf of the Company or the board of directors.

The independent directors shall perform their duties in accordance with laws, administrative regulations and relevant provisions of regulations of regulatory authorities.

The board of directors shall be accountable to the shareholders' general meeting, and exercise the following functions and powers:

(i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;

(ii) to implement resolutions of the shareholders' general meeting;

(iii) to decide on the Company's business plans and investment plans;

(iv) to formulate the Company's plans for annual financial budgets and final accounts;

(v) to formulate the Company's plans for profit distribution and making up losses;

(vi) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of the Company's bonds or other securities, and the listing project;

(vii) to prepare plans for major acquisition, repurchase of the Company' s shares, merger, division or dissolution of the Company, or the change of the Company's nature of incorporation;

(viii) without prejudice to the requirements under Article 62 of these Articles, considering and approving the external guarantees to be provided the Company;

(ix) to consider and approve the relevant transactions in accordance with rules of the relevant securities exchange(s) on which the Company's shares are listed;

(x) to decide on the Company's internal management structure;

(xi) to appoint or remove the Company's manager and Secretary of the board of directors, and pursuant to the manager's nominations to appoint or remove the deputy manager, financial officer or other senior management of the Company and to decide on their remuneration, punishment and bonus;

(xii) to formulate the Company's basic management system;

(xiii) to prepare plans for amending these Articles;

(xiv) to handle matters in relation to the disclosure of the Company's information;

(xv) to propose to the shareholders' general meeting as to the appointment or change of the Company's audit firm;

(xvi) to consider the work reports of the manager and to examine his work;

(xvii) to decide on the salary structure and the welfare and bonus plan of the Company;

(xviii) to decide on the establishment of special committees and the appointment and removal of the relevant members of such committees;

(xix) to decide on other important affairs and administrative matters which are not required by these Articles to be decided by the shareholders' general meeting;

(xx) to exercise other functions and powers granted by the shareholders' general meeting and these Articles.

(e) Special Committees

The special committees specified in item (xviii) above shall be composed of one or more director(s). The special committees shall assist the board of directors in exercising its functions and powers under the authority granted by the board of directors.

(f) Voting

Resolutions relating to the above, save for items (vi), (vii), (viii) and (xiii) above which require to be approved through voting by no less than two-thirds of all directors, shall be approved through voting by no less than one half of all directors.

The opinions of the Party Committee shall be heard before the board of directors decides on material issues of the Company.

(g) Rules of Procedure (Article 142)

The board of directors shall formulate the rules of procedures for the board of directors to ensure its implementation of the resolutions of the shareholders' general meetings, to improve its efficiency and guarantee its scientific decision making. The rules of procedures of the board for directors set out the procedures for convening of and voting at the meetings of the board of directors.

The board of directors determine the scope of authority for external investment, acquisition and sale of assets, mortgage of assets, external guarantee, wealth management through entrustment and connected transactions, and establish strict examination and decision- making procedures. Major investment projects shall be reviewed and examined by relevant experts and professionals, and be subject to the approval of the shareholders' general meeting. *(Article 143)*

The board of directors shall not, without the approval of the shareholders' general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of (i) the estimated value of the proposed disposition of fixed assets; and (ii) where any fixed assets of the Company have been disposed in the period of four months immediately preceding the proposed disposition, the aggregate amount of value of such disposal, exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet placed before the shareholders' general meeting. *(Article 144)*

(h) Chairman (Article 145 - 146)

The Chairman exercises the following functions and powers:

(i) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;

(ii) to monitor on the implementation of resolutions of the board of directors;

(iii) to execute securities issued by the Company;

(iv) to exercise other functions and powers granted by the board of directors. Where the Chairman is unable to exercise his functions and powers, he may appoint the vice chairman of the board of directors to exercise such functions and powers on his behalf.

The vice chairman of the board of directors shall assist the Chairman. Where the Chairman is unable or fails to perform his duties, the vice chairman of board shall perform the duties hereof; where the vice chairman of board of directors is unable to or fails to fulfil his duties, a director elected jointly by no less than one half of directors shall perform the duties hereof.

(i) Board Meetings *(Article 147)*

Meetings of the board of directors shall be held at least twice per annum. Meetings of the board of directors shall be convened by the Chairman who shall notify all the directors 10 days before the date of such meetings. Shareholders representing no less than one tenth of the voting shares or no less than one third of all directors, or the board of the supervisors may propose to convene an extraordinary meeting of the board of directors. In the case of emergency, such extraordinary meeting of the board of directors may be convened on the basis of a proposal from no less than four directors or the manager of the Company. The Chairman shall, within 10 days after his receipt of the proposal, convene and preside over such meeting.

(j) Quorum for Board Meetings *(Article 150)*

A meeting of the board of directors shall be held only when no less than one half of all directors attend the meeting. Each director shall have one vote. Resolutions of the board of directors shall be adopted by no less than one half of all directors. Where the number of votes cast for and against a resolution are equal, the Chairman shall have the right to cast an additional vote.

(k) Voting Restrictions *(Article 151)*

Where directors have connected relationship with the enterprises involved in matters considered at a meeting of the board of directors, such directors shall neither vote on such matters nor act as agents for other directors to exercise their voting power. Such meeting of the board of directors may be held when not less than one half of the non- connected directors are present and such resolutions tabled on the meeting of the board of directors require the approval of not less than one half of the non-connected directors. Where less than three non- connected directors attend such meeting, the said matters shall be submitted to the shareholders' general meeting for consideration.

4.3.3 **Secretary (Chapter 11)**

(a) The Company shall have a Secretary of the board of directors to be responsible for the preparation of the shareholders' general meetings and meetings of the board of directors, document keeping as well as the management of shareholders' information, information disclosure and other matters. The Secretary of the board of directors shall be a member of the senior management of the Company. The office of the Secretary of the board of directors shall be held by one or two natural person(s) with necessary professional knowledge and experience. Secretary of the board of directors shall be appointed or removed by the board of directors.

(b) The major duties of the Secretary of the board of directors are:

(i) to ensure that the Company maintains complete organizational documents and records;

(ii) to ensure that the Company, in accordance with laws, prepares and submits reports and documents required by the competent authority; and

(iii) to ensure that the Company's register of shareholders is properly prepared and that those who are entitled to obtain relevant records and documents of the Company are able to timely obtain such records and documents.

4.3.4 **Manager (Chapter 12)**

(a) The Company shall have one manager who shall be appointed or removed by the board of directors. The term of office of the manager shall not exceed three years, which is renewable upon re-election. The manager of the Company is accountable to the board of directors and shall exercise the following functions and powers:

(i) to take charge of the production, operation and management of the Company and to arrange the implementation of the resolutions of the board of directors, and report to the board of directors;

(ii) to arrange the implementation of the Company's annual business plans and investment plans;

(iii) to prepare the plan for setting up the Company's internal management organisation;

(iv) to prepare the Company's basic management system;

(v) to formulate the basic rules and regulations of the Company;

(vi) to propose the appointment or removal of the Company's deputy manager and financial officer;

(vii) to appoint or remove management staff other than those who should be appointed or removed by the board of directors;

(viii) without prejudice to the provisions of Article 140, to exercise investment, borrowing and lending powers in respect of fixed assets of the Company representing no more than 1% of the share capital and to decide on the disposal of fixed assets representing no more than 1% of the share capital;

(ix) other functions and powers granted by the board of directors and the Company's Articles.

4.3.5 **The Board of Supervisors (Chapter 13)**

(a) Number and appointment and removal

The Company shall have a board of supervisors. The board of supervisors shall be composed of four members, one of whom shall be the chairman of the board of supervisors and one of whom shall be the vice chairman. The number of external supervisors (supervisors who do not hold any office in the Company) of the board of supervisors shall not be less than one half of all supervisors, and the number of supervisors acted by representatives of employees shall not be less than one third of all supervisors.

The term of office for a supervisor is three years which is renewable upon re-election. The appointment and removal of the chairman and vice chairman of the board of supervisors shall be approved through voting by no less than two-thirds of all supervisors.

(b) Meetings

The board of supervisors shall meet at least twice every year. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is unable or fails to perform his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is unable or fails to perform his duties, meetings of the board of supervisors shall be convened and presided over by a supervisor elected by no less than one half of all supervisors.

(c) Powers

The board of supervisors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers in compliance with relevant laws:

(i) to examine and verify the regular reports of the Company prepared by the board of directors and produce written verification opinion;

(ii) to inspect the Company's financial affairs;

(iii) to supervise the directors, manager and other senior management of their performance of duties; to propose the removal of the directors, manager or other senior management who have violated any laws, administrative regulations, these Articles, or resolutions of the shareholders' general meeting;

(iv) to require a director, manager or other senior management of the Company to rectify their acts which have impaired the Company's interests;

(v) to verify financial information such as financial reports, business reports and profit distribution plans to be submitted by the board of directors to the shareholders' general meeting and, where queries are raised, to appoint in the name of the Company certified public accountants or licensed auditors to assist in the re-examination thereof;

(vi) to propose to convene an extraordinary general meeting and to convene and preside over a shareholders' general meeting in the event that the board of directors fails to convene and preside over the shareholders' general meeting in accordance with the Company Law;

(vii) to represent the Company in negotiations with directors or initiate legal proceedings against directors or senior management in accordance with the Company Law;

(viii) to make proposals to the shareholders' general meeting;

(ix) to conduct investigation on the Company's abnormal operation; and if necessary, to appoint an audit firm, law firm or other professional parties to assist its work;

(x) other functions and powers provided in the Company's Articles of Association. Supervisors may attend meetings of the board of directors and may make enquiries or recommendations on the resolutions tabled at the meetings of the board of directors.

(d) Quorum

A meeting of the board of supervisors shall be held only when no less than two-thirds of all supervisors attend the meeting. Each supervisor shall have one vote.

4.3.6 **Party Committee (Chapter 15)**

(a) The Company shall establish the Party Committee consisting of a secretary and several other members. Eligible members of the Party Committee may be considered and appointed as members of the Board, the board of Supervisors and the management through legal procedures. Eligible members in the Board, the board of Supervisors and the management who are members of the Communist Party of China may be considered and appointed as members of the Party Committee in accordance with relevant requirements and procedures. Meanwhile, the discipline inspection committee shall be established as required.

(b) The Party Committee shall perform its duties in accordance with the Constitution of the Communist Party of China and other internal regulations of the Party.

(i) To ensure and supervise the Company's implementation of policies and guidelines of the Party and the State and implement major strategic decisions of the Communist Party of China Central Committee and the State Council, as well as important work arrangements of the Party Committee of the SASAC and the superior Party Committee.

(ii) To uphold the integration of the principle of management of cadres by the Party with the function of the board of directors in the lawful selection of the operation management and with the lawful exercise of authority of employment of personnel by the operation management. The Party Committee shall consider and comment on the candidates nominated by the board of directors or the general manager, or recommend candidates to the board of directors or the general manager. The Party Committee, together with the board of directors, shall evaluate the proposed candidates and put forth comments and suggestions collectively.

(iii) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and provide comments and suggestions thereon.

(iv) To undertake the main responsibility to overall and strictly administer the party, lead the Company's ideological and political work, united front work, spiritual civilization construction, enterprise cultural construction and the work of organisations such as the labour union and the communist youth league, and lead the construction of the party conduct and of an honest and clean administration and support the fulfilment of the supervision responsibility of the discipline inspection committee.

4.3.7 **Share Rights (Chapter 15)**

(a) The A-Shares and the H-Shares rank pari passu in all respects and rank in full for all dividends and distributions declared, made or paid on the share capital of the Company.

4.3.8 **Shareholder Meetings (Chapter 8)**

(a) Shareholders' general meetings are divided into annual shareholders' general meetings and extraordinary shareholders' general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual shareholders' general meetings shall be held once every year within six months after the end of the previous financial year.

(b) Convening a meeting

Directors

The board of directors shall convene an extraordinary shareholders' general meeting within 2 months of the occurrence of any of the following circumstances:

(i) when the number of directors is less than the number of directors required by the Company Law or less than two-thirds of the number of directors required by the Articles of Association of the Company;

(ii) when the uncovered losses of the Company amount to one third of its total share capital;

(iii) when the shareholders holding no less than 10% of the Company's issued and outstanding voting shares request in writing to convene an extraordinary shareholders' general meeting;

(iv) when the board of directors considers necessary or upon the request of the board of supervisors.

Independent Directors

The independent directors have the right to propose to the board of directors to convene an extraordinary shareholders' general meeting. With regard to such proposal, the board of directors shall, within 10 days after its receipt of such proposal and in accordance with laws, administrative regulations and these Articles, provide a written reply concerning whether or not it agrees to convene such extraordinary shareholders' general meeting.

Board of Supervisors

The board of supervisors has the right to propose in writing to the board of directors to convene an extraordinary shareholders' general meeting. With regard such proposal, the board of directors shall, within 10 days after its receipt of such proposal and in accordance with laws, administrative regulations and these Articles, provide a written reply concerning whether or not it agrees to convene such extraordinary shareholders' general meeting.

Shareholders

No less than two shareholders collectively holding no less than 10% of the voting shares in the said shareholders' general meeting so requested, may execute one or more written request(s) in the same form to request the board of directors to convene an extraordinary shareholders' general meeting or a class shareholders' general meeting, and to set forth the agenda of such meeting. The board of directors shall promptly convene the extraordinary shareholders' general meeting or class shareholders' general meeting after its receipt of such written request(s). The number of the aforesaid shares shall be calculated on the basis of the shares held by such shareholders as of the date when they submit their written request(s).

(c) Quorum

The Company shall calculate the number of voting shares represented by shareholders who intent to attend a shareholders' general meeting on the basis of the written replies it has received 20 days before the date of a shareholders' general meeting. In the event that the number of voting shares represented by shareholders who intend to attend the meeting is no less than one half of the total number of the voting shares of the Company, the Company may hold the shareholders' general meeting; if this cannot be attained, the Company shall, within five days, notify its shareholders again of the matters to be considered and approved at, and the date and place of, the meeting by a public announcement. The Company may hold the shareholders' general meeting after such announcement has been made.

(d) Voting

Resolutions of a shareholders' general meeting are divided into ordinary resolutions or special resolutions. An ordinary resolution of a shareholders' general meeting shall be adopted by affirmative votes of no less than one half of the votes being held by the shareholders who attend the meeting (including proxies). A special resolution of a shareholders' general meeting shall be adopted by affirmative votes of no less than two-thirds of the votes being held by the shareholders who attend the meeting (including proxies).

A shareholder (including proxies) shall exercise the voting rights at a shareholders' meeting on the basis of the voting shares he holds. Each share shall carry one vote.

The Company's shares held by itself shall not be entitled to exercise voting rights and shall not be calculated in the total voting shares held by the shareholders present at the shareholders' general meeting.

When connected transactions are being discussed in a shareholders' general meeting, the connected shareholders shall not vote on such transactions, and their voting shares shall not be counted in the total voting shares held by the shareholders present at the shareholders' general meeting. Announcement of resolutions adopted at such shareholders' general meeting shall fully disclose the voting of the non- connected shareholders.

Unless a poll is demanded by the following persons (before or after any voting by show of hands), voting at a shareholders' general meeting shall be conducted by show of hands:

(i) chairman of the meeting;

(ii) at least two shareholders entitled to vote or their proxies;

(iii) one or more shareholders (including proxies) individually or jointly holding 10% or more of the voting shares held by all shareholders present at the meeting.

When the number of votes for and against a resolution are equal, whether the vote is taken by show of hands or on a poll, the chairman of the meeting shall be entitled to cast an additional vote.

4.3.9 **Class Meetings (Article 126)**

(a) Shareholders holding different classes of shares shall be class shareholders. If the Company intends to vary or abrogate any right attached to any class shareholders, it must obtain the approval of shareholders in a shareholders' general meeting by way of a special resolution and approval of shareholders of the shares of such affected class at a separate shareholders' general meeting convened in accordance with the provisions of Article 128 to Article 132 of these Articles.

(b) Resolutions of a class shareholders' general meeting shall be adopted only if shareholders representing no less than two-thirds of the total voting rights present at such class shareholders' general meeting have voted in favour of such resolutions in accordance with Article 128.

(c) If the number of voting shares at such meeting held by shareholders who intend to attend such meeting has reached no less than one half of the total number of voting shares of that class at such meeting, the Company may hold such class shareholders' general meeting; if this cannot be attained, the Company shall further notify the shareholders by way of announcement within five days thereof specifying the matters to be considered and approved at, and the date and place of the meeting. The Company may hold the class shareholders' general meeting after such announcement has been made.

4.3.10 **Dividends (Article 210 and 211)**

(a) The profits of the Company after paying relevant taxes shall be applied in the following order:

(i) making up of losses;

(ii) allocation to statutory common reserve fund;

(iii) allocation to statutory provident fund;

(iv) allocation to discretionary common reserve fund;

(v) payment of dividends in respect of the ordinary shares.

(b) The detailed distribution proportions in respect of items (iv) to (v) above for any particular year shall be formulated by the board of directors in accordance with the operational conditions and development requirements of the Company and shall be submitted to the shareholders' general meeting for approval.

(c) No dividend shall be distributed before the Company has made up its losses and has made allocation to the statutory common reserve fund and statutory provident fund. No dividend, unless the same is not paid by the Company when due and payable, shall bear interest as against the Company.

(d) The Company shall allocate 10% of its after-tax profits to the statutory common reserve fund, provided however, that no allocation is required if the statutory common reserve fund has reached 50% of the registered capital of the Company. The Company shall allocate 10% of its after-tax profits to the statutory provident fund. The discretionary common reserve fund shall be allocated separately out of the profits of the Company in accordance with the resolutions of the shareholders' general meeting. The capital common reserve fund includes the following:

(i) the amount of share premium resulting from the issue of shares at a premium;

(ii) other income required by the authority in charge of finance of the State Council to be appropriated to the capital common reserve fund.

(e) The common reserve fund of the Company includes the statutory common reserve fund, discretionary common reserve fund and the capital common reserve fund. The common reserve fund may be used for the following purposes:

(i) to make up losses, provided however, that the capital common reserve fund should not be used to make up loss;

(ii) to expand the Company's production and operations; and

(iii) for the conversion into share capital. The Company may, upon approval by a resolution of the shareholders' general meeting, convert its common reserve fund into share capital and issue bonus shares to existing shareholders in proportion to their original shareholdings or increase the nominal value of each share. When converting the Company's statutory common reserve fund into capital, the amount of such common reserve fund remaining unconverted must not be less than 25% of the registered capital.

(f) The Company shall allocate monies to its statutory provident fund and use such statutory provident fund for the collective welfare of its employees.

(g) Subject to the restrictions imposed by the above provisions, annual dividends shall be paid in proportion to the shareholding of each shareholder within six months after the end of each financial year. The annual dividends shall be approved by the shareholders' general meeting, provided however, that the amount of dividends payable shall not exceed the amount recommended by the board of directors.

(h) Where the shareholders' general meeting violates the preceding paragraph to distribute profit to the shareholders prior to the make-up of losses and allocation to statutory common reserve fund, shareholders shall refund the profit hereof to the Company.

(i) The Company's shares held by itself are not entitled to the distribution of profits.

(j) The dividends distribution policy of the Company shall include the following:

(i) the Company's dividends distribution policy shall maintain continuity and stability. On the basis that such dividends distribution policy shall pay great attention to the reasonable investment return of the shareholders and also take into account the long term interests of the Company, the overall interests of all shareholders, the Company's reasonable demand of funds and the sustainable development of the Company, the Company shall implement an active method to distribute its dividends (i.e. distribution by way of cash shall be the priority way for profit distribution). The Company may distribute dividends by way of cash or shares (or by both ways);

(ii) dividends and other distributions in respect of the ordinary shares shall be declared and denominated in Renminbi. Dividends and other cash distributions in respect of the Domestic-Invested Shares shall be paid in Renminbi. Dividends and other cash distributions in respect of the Overseas-Listed Foreign-Invested Shares listed in Hong Kong and London shall be paid in Hong Kong dollars in accordance with relevant PRC foreign exchange regulations. The exchange rate shall be calculated on the basis of the average closing exchange price of Hong Kong dollars against Renminbi issued by the People's Bank of China in each business day of the week immediately preceding the date when such dividends are declared;

(iii) the board of directors may distribute interim dividends or bonus unless the shareholders' general meeting decides otherwise;

(iv) where the Company distributes dividends to its shareholders, it shall withhold taxes levied upon such dividends in accordance PRC tax laws;

(v) where the Company distributes dividends by way of shares, it shall obtain approvals from approval authorities of the State;

(vi) the Company shall disclose information relating to profit appropriation in accordance with the state's laws, rules and regulations; and

(vii) the dividend distribution policy of the Company shall be consistent and stable.

(k) In the event that the Company has generated profits; the accumulative undistributed profit is a positive figure; and the cash flow of the Company is sufficient for the normal operation and sustainable development of the Company, the Company shall distribute its dividends by way of cash. The amount of profit to be distributed by way of cash in a year in principle shall be 50% of the net profit of the parent company realised in such year in accordance with PRC accounting standards.

(l) The board of directors shall comprehensively take account of the features of the industry where the Company operates, its stage of development, its own business model, and profitability and the factors such as whether there is significant capital expenditure arrangement in distinguishing the following situations and form different cash dividend distribution policies in accordance with the procedures stipulated in the Articles of Association:

(m) If the Company is in a mature stage of development and without significant capital expenditure, the minimum percentage of cash dividend in this profit distribution shall be 80%;

(n) If the Company is in a mature stage of development and with significant capital expenditure, the minimum percentage of cash dividend in this profit distribution shall be 40%;

(o) If the Company is in a growing stage of development and with significant capital expenditure, the minimum percentage of cash dividend in this profit distribution shall be 20%.

(p) The board of directors of the Company shall determine the Company's stage of development for the purpose of cash dividend distribution with reference to the actual situation. If the stage of the Company cannot be easily distinguished but is with significant capital expenditure, cash dividend shall be distributed according to the requirement mentioned above.

(q) In the event that the Company is well operated and the board of directors of the Company considers that the price of Company's shares does not match the size of the share capital of the Company and that distributing dividends by way of shares is to the interests of all shareholders of the Company as a whole, the Company may propose a plan for the distribution of dividends by way of shares, provided that the requirements for the distribution of cash dividends have been fulfilled. In the event that resolutions in respect of the profit distribution plan have been adopted at a shareholders' general meeting, the board of directors shall complete the distribution of dividends by way of cash (or shares) within 2 months after such shareholders' general meeting.

4.3.11 **Transfer of Shares (Article 43)**

(a) All fully paid Overseas-Listed Foreign-Invested Shares listed in Hong Kong and London may be transferred freely in accordance with the Articles. However, the board of directors may refuse to recognise any instrument of transfer without stating any reasons unless the following conditions are satisfied:

(i) the instrument of transfer only involves the Overseas-Listed Foreign-Invested Shares listed in Hong Kong and London;

(ii) the stamp duty (if any) required for the instrument of transfer has been paid in full;

(iii) the relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the right to transfer such shares shall be provided;

(iv) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four;

(v) the Company does not have any lien on the relevant shares.

(b) Revision or correction of each part of the register of shareholders shall be made in accordance with the laws of the place where that part of the register of shareholders is maintained.

(c) None of the shares of the Company may be transferred to juveniles, persons who are mentally incompetent, or persons who are not legally eligible.

(d) If all or any part of the shares are listed in a jurisdiction or traded in relevant securities exchange(s) of a jurisdiction, the board of directors may, charge fees in respect of the registration of a transfer relating to or affecting the title to any shares, or fees in respect of the registration of any will, administration of estate, power of attorney, death or marriage certificate, letter of authorization, notice or other document relating to or affecting the title to any shares, provided however, that such fees shall not exceed the corresponding maximum amount prescribed or permitted from time to time by any relevant securities exchange(s) or regulatory authorities in that jurisdiction.

(e) Transfer of shares may not be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends.

4.3.12 **Distribution of assets on a winding-up (Article 232)**

(a) After the liquidation committee has thoroughly examined the assets of the Company and has prepared a balance sheet and an assets list, it shall draw up a liquidation proposal and submit the same to the shareholders' general meeting or relevant governing authorities for confirmation. The Company's assets shall be applied in the following order

(i) liquidation costs;

(ii) outstanding salaries, social security insurance premium and relevant statutory compensation;

(iii) outstanding taxes, surcharges and funds payable;

(iv) bank loans, Company debentures and other debts of the Company.

(b) The remaining assets of the Company after full payment pursuant to the preceding paragraph shall be distributed to the Company's shareholders in proportion to their shareholdings with reference to the class of shares held.

(c) In the course of liquidation, the Company shall not conduct business activities not related to liquidation.

5. DIRECTORS', SENIOR MANAGERS' AND OTHERS' SHARE INTERESTS AND OPTIONS

5.1 The interests of the Directors, Senior Managers, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) the persons closely associated with them (within the meaning of MAR any person connected with a Director or Senior Manager (all of which are beneficial unless otherwise stated) in the issued share capital of the Company were as at 15 March 2019 (being the Latest Practicable Date prior to the publication of this document) and are expected to be immediately following Admission, to the extent that their existence is known to, or could with reasonable diligence be ascertained by, the Directors, as follows:

	As at 15 March 2019		*Immediately following Admission*	
Director	*Number of A Shares*	*% of issued share capital*	*Number of A - Shares*	*% of issued share capital*
Liu Jizhen	9,100	0.000068%	9,100	0.000068%

5.2 As at 15 March 2019 (being the Latest Practicable Date prior to the publication of this document) the Executive Directors and Senior Managers do not hold any options over the Company's shares.

5.3 Save as disclosed at paragraph 5.1 above, none of the Directors, chief executive of the Company and Supervisors had any interests and short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which was required to be (a) notified change disclosure to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, chief executive or supervisor is taken or deemed to have under such provisions of the SFO); or (b) entered into the register required to be kept by the Company under section 352 of the SFO; or (c) otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules;

5.4 Save as disclosed under the paragraph headed "Disclosure of Interests – Substantial Shareholders" in this Appendix, and save and except for the following Supervisors, i.e. Mr. Zhang Xiaoxu (employee of Tianjin Energy Investment Group Limited) and Mr. Liu Quancheng (employee of COC), none of the Directors or Supervisors is a director or employee of the substantial shareholder of the Company.

5.5 None of the Directors or Supervisors had any existing or proposed service contracts with any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation); none of the Directors or Supervisors have any interest, direct or indirect, in any assets which have been, since 31 December 2017 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any members of the Group, or which are proposed to be acquired or disposed of by or leased to any members of the Group;

5.6 Save for Chen Jinhang, Liu Chuandong and Liang Yongpan who are deemed by the Shanghai Listing Rules to be connected directors of the Company by virtue of their employment with CDC, none of the Directors or Supervisors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this Prospectus which is significant in relation to the business of the Group.

5.7 Save as set out in paragraphs 5.1 and 5.2 above, none of the Directors or Senior Managers or any person connected with any Director or Senior Manager (within the meaning of section 252 of the Act), had as at 15 March 2019 (being the Latest Practicable Date prior to the publication of this document) or will immediately following Admission have, any interest, whether beneficial or non-beneficial, in any of the share capital of the Company or any of its subsidiaries, or any options over the Company's shares.

5.8 In addition to the interests of the Directors and Senior Managers disclosed in this paragraph 5, the Directors are aware that the persons set out below are, or will immediately following Admission be, interested in three per cent or more of the issued share capital or voting rights of the Company, so far as is notifiable under English law:

	Interest prior to the issue of the H Subscription Shares					***Interest following the issue of the H Subscription Shares***	
Name of Shareholder	**Class of Shares**	**No. of Shares Held**	**Approx % to Total Issued Share Capital of the Company (%)**	**Approx % to Total Issued A Shares of the Company (%)**	**Approx % to Total Issued H Shares of the Company (%)**	*Number of Shares*	*% of issued share capital*
CDC (together with its subsidiaries)	A shares	6,549,445,120	35.39	52.84	-	6,549,445,120	35.39
	H shares	3,275,623,820	17.70	-	53.61	3,275,623,820	17.70
Tianjin Jinneng Investment Company	A shares	1,296,012,600	7.00	10.46	-	1,296,012,600	7.00
Hebei Construction & Investment Group Co., Ltd.	A shares	1,281,872,927	6.93	10.34	-	1,281,872,927	6.93
Beijing Energy Investment Holding Co., Ltd.	A shares	1,260,988,672	6.81	10.17	-	1,260,988,672	6.81
JP Morgan Chase & Co.	H shares	218,104,188	1.18	-	3.55	218,104,188	1.18

5.9 There are no differences between the voting rights enjoyed by the shareholders described in paragraphs 5.1 and 5.8 above and those enjoyed by any other holder of A Shares in the Company.

5.10 Other than the disclosure at 5.11 below, the Directors are not aware of any person who can currently or who will immediately following Admission, directly or indirectly, jointly or severally, own or exercise or could exercise control over the Company.

5.11 CDC and its subsidiary completed their subscription of 2,794,943,820 H shares of the Company and 2,401,729,106 A shares of the Company on 19 March 2018 and 23 March 2018, respectively, following the non-public issuance of H shares and A shares of the Company. CDC and its subsidiaries held a total of 9,825,068,940 issued shares of the Company, representing approximately 53.09% of the total issued shares of the Company. As at 30 June 2018, Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan, all non-executive Directors, are employees of CDC.

5.12 There are no arrangements the Company is aware of which may, at a subsequent date, result in a change in control of the Company.

6. DIRECTORS' AND SENIOR MANAGERS' REMUNERATION AND DIRECTORS' TERMS AND CONDITIONS

Director	***Fees*** ***RMB'000***	***Basic salaries and allowances*** ***RMB'000***	***Bonus*** ***RMB'000***	***Subtotal*** ***RMB'000***	***Retirement benefits*** ***RMB'000***	***Other benefits*** ***RMB'000***	***Total*** ***RMB'000***
Jinhang Chen	-	-	-	-		-	
Wang Xin	-	353	314	667	34	135	836
Yongpan Liang	-	-	-	-	-	-	-
Xuejun Ying	-	295	360	655	29	115	799
Liu Haixia	-	-	-	-	-	-	-
Guan Tiangang	-	-	-	-	-	-	-
Xin Cao	-	-	-	-	-	-	-
Xianguo Zhao	-	-	-	-	-	-	-
Feng Genfu	137	-	-	-	-	-	137
Luo Zhongwei	137	-	-	-	-	-	137
Liu Huangsong	137	-	-	-	-	-	137
Jiang Fuxiu	137	-	-	-	-	-	137
Shaowen Zhu	-	-	-	-	-	-	-
Liu Chuandong	-	-	-	-	-	-	-
Liu Jizhen	63	-	-	-	-	-	63
	611	**648**	**674**	**1,322**	**63**	**250**	**2,246**
Name of supervisor							
Zhang Xiaoxu	-	-	-	-	-	-	-
Yu Meiping	-	299	354	653	29	115	797
Guo Hong	-	560	-	560	23	115	698
Liu Quancheng	-	-	-	-	-	-	-
	-	859	354	1,213	52	230	1,495
Total for 2017	**611**	**1,507**	**1,028**	**2,535**	**115**	**480**	**3,741**

6.1 Compensation to key management personnel of the Group

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2018 RMB '000 (unaudited)	**2017** RMB '000 (unaudited and restated)
Fees	500	306
Salaries and other benefits	3,128	3,282
Contributions to retirement benefits scheme	362	405
	3,990	3,993

The remuneration of directors and other members of key management are determined by the remuneration committee having regard to the performance of the individuals and market trends

6.2 The Directors' aggregate remuneration for financial year ended 31 December 2017 was RMB 2.246 million.

6.3 The Directors' aggregate remuneration for financial year ended 31 December 2016 was RMB 2.785 million.

6.4 The Directors' aggregate remuneration for financial year ended 31 December 2015 was RMB 2.237 million.

6.5 The Group is required to make specific contributions to the state-sponsored retirement plan at a rate of 20% (2015: 20%) of the specified salaries of the PRC employees. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

6.6 In addition, the Group has implemented a supplementary defined contribution retirement scheme. Under this scheme, the employees of the Group make a specified contribution based on their service duration. The Group is required to make a contribution equal to 2 to 3 times of the staff's contributions. The Group may, at their discretion, provide additional contributions to the retirement fund depending on the operating results of the year. The employees will receive the total contributions and any returns thereon, upon their retirements. The total retirement costs relating to continuing operations incurred by the Group during the year ended 31 December 2016 pursuant to these arrangements amounted to RMB 604,275,000 (2015: RMB 575,540,000).

The total retirement costs relating to continuing operations incurred by the Group during the year ended 31 December 2017 pursuant to these arrangements amounted to RMB596,187 thousand.

Non-executive Directors

6.7 The following non-executive Directors entered into letters of appointment with the Company on the dates listed below in respect of their services as non-executive Directors:

Genfu Feng – 01/07/16

Zhongwei Luo – 01/07/16

Huangsong Liu – 01/07/16

Fuxiu Jiang – 01/07/16

Jizhen Liu – 29/12/16.

Save as mentioned above in this paragraph 6.7, there are no existing or proposed service agreements between any Director and the Company or any of its subsidiaries providing for benefits upon termination of employment. Each of these appointments are due to expire on 30 June 2019.

6.8 As at 31 December 2016, the Company has not entered into any service contracts with its Executive Directors. Therefore, none of the Directors and supervisors has or proposed to have any service contracts with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

7. ADDITIONAL INFORMATION ON THE DIRECTORS AND SENIOR MANAGERS

7.1 Details of the Directors' and Senior Managers' functions and relevant management expertise and experience are set out on pages 48 to 51 of this document under the heading "Directors and Senior Managers". Their current business address is No. 9 Guangningbo Street, Xicheng District, Beijing, 100033, the People's Republic of China.

7.2 In addition to their directorships in the Company and certain of its subsidiaries, the Directors and Senior Managers hold, or have held within the past five years, the following directorships and partnerships:

Name	**Current**	**Past 5 years**
Jinxing Chen	None	None
Chuandong Liu	China Datang Capital Holdings Co., Ltd China Datang Finance Co., Ltd Alltrust Property Insurance Co., Ltd Datang Environment Industry Group Co., Ltd	None
Xin Wang	None	None
Yongpan Liang	Guangxi Guiguan Electric Power Co., Ltd Datang Huayin Electric Power Co., Ltd Datang Power Fuel Co., Ltd China Datang Capital Holdings Co., Ltd Chongqing Yuneng Industry (Group) Co., Ltd Chian Datang Corporation Renewable Power Co., Ltd Datang Environment Industry Group Co., Ltd	None

Name	Current	Past 5 years
	Shenyang Huachuang Wind Energy Co., Ltd GreenGen Co., Ltd Yangcheng International Generation Ltd Datang Yangcheng Generation Ltd	
Xuejun Ying	n/a	None
Shaowen Zhu	Tianjin Jinneng Wind Power Ltd Shanxi Datang International Shentou Generation Ltd Tianjin SDIC Jinneng Electric Power Co., Ltd Tianjin Jundian Thermoelectricity Ltd Tianjin Junliangcheng Generation Ltd Tianjin Guohua Jinneng Generation Ltd	None
Xin Cao	China Suntien Green Energy Co., Ltd Hebei Construction & Investment New Energy Ltd Suntien Green Energy (Hong Kong) Ltd Hebei Natural Gas Company Ltd Yanshan International Investment Ltd Guohua Dingzhou Generation Ltd Qinghuangdao Qianye Cement Ltd Hebei Coastal Industry Investment Fund Management Co., Ltd	None
Xianguo Zhao	HCIG Guo-rong Energy Service Co., Ltd Guohua Dingzhou Generation Ltd Datang Baoding Huayuan Thermoelectricity Ltd Cangzhou TDI ltd Shanhaiguan Shipping Industry Ltd Tianwei Baobian (Qinghuangdao) Transformer Ltd	None
Haixia Liu	Beijing Jingneng Power Co., Ltd Beijing Jingxi Generation Ltd Beijing Jingxi Gas Thermoelectric Co., Ltd Beijing Jing Feng Thermoelectric Co., Ltd Beijing Jiangfeng Gas Generation Ltd Beijing Jingqiao Thermoelectric Co., Ltd Sichuan Dachuan Power Co., Ltd. Sichuan Zhongneng Power Co., Ltd. Beijing Energy Investment Holding Co., Ltd Baotou Shenghua Coal Sales Co., Ltd Inner Mongolia Jingbang Kangbashi Thermoelectric Co., Ltd. Inner Mongolia Jingyuan Electric Management Co., Ltd. Shandong Jingneng Biomass Generation Co., Ltd Inner Mongolia Huaning Thermoelectric Co., Ltd.	None

Name	Current	Past 5 years
	Inner Mongolia Jingning Thermoelectric Co., Ltd Hebei Jingneng Zhuozhou Thermoelectric Co., Ltd Jingneng Coal Electric Assets Co., Ltd Inner Mongolia Jingke Generation Co., Ltd Inner Mongolia International Tuoketuo Generation Co., Ltd Huaneng Beijing Thermoelectric Co., Ltd Guodian Dalian Zhuanghe Generation Co., Ltd Inner Mongolia Datang International Tuoketuo Generation No. 2 Co., Ltd China Investment Corporation	
Tiangang Guan	Inner Mongolia Jingneng Shengle Thermoelectric Co., Ltd Shenzhen Yuhu generation Co., Ltd Beijing Jingxi Generation Ltd Beijing Jingxi Gas Thermoelectric Co., Ltd Beijing Jingfeng Thermoelectric Co., Ltd Beijing Jingfeng Gas Generation Ltd Sanhe Generation Ltd Guohua Energy Co., Ltd Guodian Datong Generation Co., Ltd Inner Mongolia Jingda Generation Co., Ltd Inner Mongolia Mengda Generation Co., Ltd Huaneng Beijing Thermoelectric Co., Ltd Inner Mongolia Datang Tuoketuo Generation Co., Ltd Inner Mongolia Datang International Tuoketuo Generation No. 2 Co., Ltd	None
Genfu Feng	Xi'an Bode Energy Equipment Co., Ltd Biocause Group Co., Ltd Changchai Co., Ltd China Securities Co., Ltd	None
Zhongwei Luo	-	None
Huangsong Liu	Shanghai XinHua Media Co.,Ltd Shanghai Zijiang Group Co., Ltd	None
Fuxiu Jiang	Yantai Longyuan Power Technology Co., Ltd Beijing UTour International Travel Service Co., Ltd Shandong Qixing Iron Tower Co., Ltd	None
Fuxiu Jiang	China Electricity Council Chinese Society for Electrical Engineering Chinese Society of Power Engineering	None
Jizhen Liu	China Electricity Council	None

Name	Current	Past 5 years
	Chinese Society for Electrical Engineering Chinese Society of Power Engineering	

Save as indicated above, none of the Directors or Senior Managers has performed any business activities outside the Group which are significant with respect to the Group.

7.3 None of the Directors or Senior Managers has at any time within the last five years:

7.3.1 had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;

7.3.2 been adjudged bankrupt or the subject of any individual voluntary arrangement;

7.3.3 had a receiver appointed with respect to any assets belonging to him;

7.3.4 been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);

7.3.5 been disqualified by a court from acting as a director or other officer of any company or from acting in the management or conduct of the affairs of any company;

7.3.6 been a partner in a partnership which, while he was a partner or within 12 months of his ceasing to be a partner, was put into compulsory liquidation or administration or entered into any partnership voluntary arrangement, or had a receiver appointed over any partnership asset; or

7.3.7 been a director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time while he was a director or senior manager of that company or within 12 months after his ceasing to be a director.

7.4 There are no family relationships between any of the Directors or Senior Managers.

7.5 None of the Directors, or Senior Managers has any potential conflicts of interest between their duties to the Company and their private interests or their duties to third parties.

7.6 None of the Directors, or their respective associates has interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries.

8. EMPLOYEES

8.1 The table below shows the average number of employees broken down into activity for each of the last three financial years. All of the employees are located in China:

Category	2017	2016	2015
Management personnel	5,013	5,771	6,040
Professional technicians	3,094	3,700	4,040
Production personnel	10,981	12,284	13,393
Others	1,154	1,211	1,229
Total	**20,242**	**22,966**	**24,704**

9. SHARE INCENTIVE PLANS

The Company does not operate any arrangements or share schemes for involving the employees in the capital of the issuer.

10. WORKING CAPITAL

The Company is of the opinion that the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

11. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 30 September 2018, the date as at which the interim financial information contained in Part VII (*Historical Financial Information*) has been prepared.

12. LITIGATION

12.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which during the 12 month period prior to the publication of this document may have, or have had in the recent past, significant effects on the Company or the Group's financial position or profitability.

13. FINANCIAL INFORMATION

13.1 The capitalisation and indebtedness of the Group set out in part VIII above have been reviewed by the Company's Auditors.

14. MATERIAL CONTRACTS

14.1 Set out below is a summary of each contract (not being contracts entered into in the ordinary course of business) entered into by any member of the Group:

14.1.1 within the two years immediately preceding the date of this document and which are or may be material to the Group; or

14.1.2 which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

14.2 On 6 December 2017, the Company entered into the "Equity Transfer Agreement between China Datang Corporation Ltd. and Datang International Power Generation Co., Ltd. Regarding the Equity in Datang Heilongjiang Power Generation Co., Ltd., Datang Anhui Power Generation Co., Ltd. and Datang Hebei Power Generation Co., Ltd." with CDC to acquire the 100% equity interest of Datang Hebei Power Generation Co., Ltd., the 100% equity interest of Datang Heilongjiang Power Generation Co., Ltd. and the 100% equity interest of Datang Anhui Power Generation Co., Ltd. held by CDC at the aggregate consideration of RMB18,127.5115 million. The agreement was signed in October 2017. The closing date is 1 April 2018. The total price for the transfer of the Subject A, B and C is CNY 18,127,511,500. Datang International Power Generation Co., Ltd should pay 50 percent of the total price in cash within three days of the closing date and 40 percent of the total price in cash within three months of the closing date. The above transaction was considered and approved at the 2018 first extraordinary general meeting of the Company convened on 16 March 2018 and has been completed in April 2018.

14.3 The A-Share Subscription Agreement, further details of which are set out in paragraph 10 of Part VI of this Prospectus.

14.4 The H-Share Subscription Agreement, further details of which are set out in paragraph 10 of Part VI of this Prospectus.

14.5 The A-Share Subscription Supplemental Agreement, further details of which are set out in paragraph 10 of Part VI of this Prospectus.

14.6 The A-Share Subscription Second Supplemental Agreement, further details of which are set out in paragraph 10 of Part VI of this Prospectus.

14.7 The H-Share Subscription Supplemental Agreement, further details of which are set out in paragraph 10 of Part VI of this Prospectus.

15. CONSENTS AND RELATED MATTERS

15.1 ShineWing (HK) CPA Limited and ShineWing Certified Public Accountants have each given and has not withdrawn its written consent to the issue of this document with references to its name being included in it in the form and context in which they appear.

16. EXPENSES AND NET PROCEEDS

16.1 The total costs and expenses of and incidental to the Admission, including the Financial Conduct Authority fee and the fees of the London Stock Exchange, are estimated to amount to approximately fifteen million eight hundred thousand Hong Kong dollars (HKD 15,800,000) and are payable by the Company.

17. RELATED PARTY TRANSACTIONS

17.1 The following are the related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002) that members of the Group have entered into since 31 December 2017 and up to the date of this document:

17.1.1 **H-Share Issuance**

Upon completion of the H-Share Issuance, the number of Shares held by the CDC Group (including CDC, CDFC and CDOHKC) increased from 4,628,396,014 (representing approximately 34.77% of the issued share capital of the Company immediately before completion of the H-Share Issuance) to 7,423,339,834 (representing approximately 46.09% of the enlarged issued share capital of the Company immediately after completion of the H-Share Issuance). CDC was the controlling shareholder of the Company immediately before completion of the H-Share Issuance and remains as the controlling shareholder of the Company upon completion of the H-Share Issuance. The H-Share Subscription Shares subscribed by CDOHKC under the H-Share Issuance are subject to a lock-up period of 36 months from the completion date of the H-Share Issuance in the manner disclosed in the Whitewash Circular.

17.1.2 **A-Share Issuance**

Upon completion of the A-Share Issuance, the number of Shares held by the CDC Group (including CDC, CDFC and CDOHKC) increased from 7,423,339,834 (representing approximately 46.09% of the issued share capital of the Company immediately before completion of the A-Share Issuance) to 9,825,068,940 (representing approximately 53.09% of the enlarged issued share capital of the Company immediately after completion of the A-Share Issuance). CDC was the controlling shareholder of the Company immediately before completion of the A-Share Issuance and remains as the controlling shareholder of the Company upon completion of the A-Share Issuance. The A-Share Subscription Shares subscribed by CDC under the A-Share Issuance are subject to a lock-up period of 36 months from the completion date of the A-Share Issuance.

17.1.3 **Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as "China Datang Group") and associates of the Group and their respective subsidiaries**

	Six months ended 30 June	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
China Datang Group		
Purchases of fuel	2,807,388	331,721
Purchases of materials and equipment	197,176	301,865
Operating lease expenses for buildings and facilities	696	697
Receipt of repairs and maintenance services	10,483	10,531
Receipt of desulfurisation and denitrification services	792,379	778,022
Receipt of material management services	4,080	2,268
Receipt of property management services	165	1,279
Receipt of technical support services	37,751	11,541
Receipt of construction services	277,339	76,958
Receipt of environmental protection and energy conservation solutions	55,074	-
Receipt of construction consulting services	-	7,182
Receipt of finance lease services	-	256,000
Provision of technical support services	15,469	2,031
Provision of construction services	308	-
Provision of project management and repairs and maintenance services	-	15,985
Provision of desulfurisation and denitrification services	209,423	33,844
Sales of desulfurisation materials	-	26,193
Sales of equipment	-	17,099
Sales of electricity	20,537	16,564
Sales of fuel	763,509	-
Alternative power generation income	-	32,541
Interest expense on loans	21,871	19,119
Rental income	3,479	1,089
Associates of the Group		
Interest expense on loans	87,162	93,531
Interest expense on financial leases	15,587	3,431
Interest income on deposits	39,854	23,524
Receipt of finance lease services	54,000	26,129
Provision of technical support services	-	160
Drawdown of loans	3,784,910	3,932,959
Interest income on entrusted loans	-	4,990

17.1.4 **Financial guarantees and financing facilities with China Datang Group and associates and joint ventures of the Group**

	30 June 2018 RMB'000 (unaudited)	31 December 2017 RMB'000 (unaudited and restated)	1 January 2017 RMB'000 (unaudited and restated)
China Datang Group			
Long-term loans of the Group guaranteed by China Datang	2,000,000	2,000,000	3,099,990
Long-term bonds of the Group guaranteed by China Datang (Note)	12,000,000	12,000,000	12,000,000
Long-term loans of associates of China Datang guaranteed by the Company	14,030,000	14,030,000	14,106,000
Associates of the Group			
Long-term loans of associates guaranteed by the Company	825,926	838,726	1,020,080
Integrated credit facilities provided by an associate to the Company	24,000,000	24,000,000	24,000,000
Joint ventures of the Group			
Long-term loans of joint ventures guaranteed by the Company	71,050	102,410	139,405
Short-term loan of a joint venture guaranteed by the Company	–	–	75,000

Note:

Of which 65.29% (31 December 2017: 65.29%, 1 January 2017: 65.29%) of RMB3 billion (31 December 2017: RMB3 billion, 1 January 2017: RMB3 billion) long-term bonds were counter-guaranteed by the Company.

17.1.5 **Significant transactions with government-related entities**

(a) Government-related entities, other than entities under China Datang which is a state-owned enterprise and its subsidiaries, directly or indirectly controlled by the Central People's Government of the PRC ("Government-Related Entities") are also regarded as related parties of the Group. For the purpose of the related party transactions disclosure, the Group has established procedures for determination, to the extent possible, of the identification of the ownership structure of its customers and suppliers as to whether they are Government-Related Entities to ensure the adequacy of disclosure for all material related party transactions given that many Government-Related Entities have multi- layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs.

(b) During the six months ended 30 June 2018 and 2017, the Group sold substantially all of its electricity to local government-related power grid companies The Group maintained most of its bank deposits in government-related financial institutions while lenders of most of the Group's loans are also government- related financial institutions, associated with the respective interest income or interest expense incurred

(c) During the six months ended 30 June 2018 and 2017, other collectively significant transactions with Government-Related Entities also included purchases of fuel and property, plant and equipment.

18. MANDATORY BIDS AND COMPULSORY ACQUISITION RULES

UK Takeover Code

18.1 As the Company is registered in the PRC, the UK Takeover Code will not apply to this transaction.

Hong Kong Takeovers Code

18.2 The Hong Kong Takeovers Code is issued by the Securities and Futures Commission of Hong Kong ("**SFC**").

18.3 Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the Hong Kong Takeovers Code. The Hong Kong Takeovers Code do not have the force of law. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers, mergers and share buy-backs affecting public companies in Hong Kong.

18.4 The primary purpose of the Hong Kong Takeovers Code is to afford fair treatment for shareholders who are affected by takeovers, mergers and share buy-backs. It requires equality of treatment of shareholders and timely disclosure of adequate information to enable shareholders to make an informed decision as to the merits of any offer and ensuring that there is a fair and informed market in the shares of companies affected by takeovers, mergers and share buy-backs. It also provides an orderly framework within which takeovers, mergers and share buy-backs are to be conducted.

18.5 The Hong Kong Takeovers Code regulates acquisitions of shares (whether by way of takeovers, mergers and share buy-backs) in an offeree company and a potential offeree company, or a company in which control may change or be consolidated would be relevant. Control is currently defined as a holding, or aggregate holdings, of 30% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control.

18.6 The Hong Kong Takeovers Code also applies not only to the offeror and the offeree company, but also to those persons ''acting in concert'' with the offeror. Under the Hong Kong Takeovers Code, ''acting in concert'' are persons who ''pursuant to an agreement or understanding (whether formal or informal), actively cooperate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company''.

18.7 The Hong Kong Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class unless the contrary is established.

Mandatory offers

The Hong Kong Takeovers Code specifically requires a mandatory offer to be made to all the shareholders of the offeree company by the offeror in the following circumstances:

- when any person (individually or together with parties acting in concert with it) acquires, whether by a series of transactions over a period of time or not, 30% or more of the voting rights of a company; or
- when any person (individually or together with parties acting in concert with it) holds not less than 30%, but not more than 50%, of the voting rights of a company acquires additional voting rights and such acquisition has the effect of increasing his or their collective holding of voting rights by more than 2%

from the lowest percentage holding by such person (or the concert group) in the 12 month period ending on and inclusive of the date of the relevant acquisition.

If as a result of any share buy-backs a shareholder's proportionate interest in the voting rights of a company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Takeovers Code. Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Takeovers Code.

Implications under the Hong Kong Takeovers Code

18.8 As at the Latest Practicable Date, the CDC Group in aggregate holds 4,628,396,014 Shares, representing approximately 34.77% of the total number of issued Shares of the Company.

18.9 Upon completion of the A-Share Issuance and the H-Share Issuance, 2,794,943,820 A-Share Subscription Shares were issued to CDC and 2,794,943,820 H-Share Subscription Shares were issued to the H-Share Subscription Shares Subscriber, and the interests of the CDC Group in the voting rights of the Company were increased from approximately 34.77% to approximately 54.07%.

18.10 Under Rule 26.1 of the Takeovers Code, CDC and parties acting in concert with it would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by CDC or parties acting in concert with it unless the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

Application for Whitewash Waiver

18.11 On 5 December 2016, an application was made on behalf of CDC to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

18.12 On 30 March 2017, the Executive granted the Whitewash Waiver, subject to the fulfilment of the conditions that: (i) the issue of the new securities being approved by a vote of the independent shareholders at a general meeting of the Company, to be taken on a poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by CDC and parties acting in concert with it between the announcement of the proposed issue of the new securities and the completion of the Whitewash Transactions. The A-Share Issuance, the H-Share Issuance, the Subscription Agreements and the transactions contemplated thereunder were approved by the Independent Shareholders at the EGM and the Class Meetings on 31 March 2017. The aforementioned condition (i) imposed by the Executive was therefore fulfilled as at 31 March 2017.

18.13 There have been no takeover bids since 1 January 2017.

19. DOCUMENTS ON DISPLAY

19.1 Copies of the following documents may be inspected at the principal place of business of the Company at the principal place of business in Hong Kong of the Company at 21/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours and at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF during normal business hours of any weekday (public holidays excepted) from the date of this document until a date one month following Admission:

19.1.1 the Articles;

19.1.2 the documents incorporated by reference;

19.1.3 this document;

19.1.4 the 2015 Audited Accounts;

19.1.5 the 2016 Audited Accounts;

19.1.6 the 2017 Audited Accounts;

19.1.7 the 2018 Interim Report; and

19.1.8 the 2018 Third Quarterly Report.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

A-Share Issuance	the allotment and issue of not more than 2,662,007,515 A-Share Subscription Shares (subject to adjustments) to CDC pursuant to the A-Share Subscription Agreement.
A-Share Issue Price	the issue price of each A-Share Subscription Shares.
A-Share Subscription Agreement	the subscription agreement dated 28 November 2016 and as supplemented on 6 January 2017 and 13 March 2017 by the A-Share Subscription Agreement and the A-Share Subscription Second Supplemental Agreement, respectively, in respect of the allotment and issue of the A-Share Subscription Shares.
A-Share Subscription Supplemental Agreement	the supplemental agreement dated 6 January 2017 to the A-Share Subscription Agreement entered into between the Company and CDC pursuant to which the A-Share Subscription Agreement is amended to reflect the amendments to the H-Share Subscription Agreement pursuant to the H-Share Subscription Amendment Agreement.
A-Share Subscription Second Supplemental Agreement	the supplemental agreement dated 13 March 2017 to the A-Share Subscription Agreement entered into between the Company and CDC to reflect the A-Share Issuance Amendments.
A-Share Subscription Shares	new A-Shares to be allotted and issued by the Company to CDC pursuant to the A-Share Subscription Agreement.
A-Shares	ordinary shares of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange (Stock Code: 601991).
Admission	the admission of the H-Share Subscription Shares (i) to the standard listing segment of the Official List; and (ii) to trading on the Main Market, and “Admission becoming effective” means it becoming effective in accordance with paragraph 3.2.7 of the Listing Rules and the Admission and Disclosure Standards published by the London Stock Exchange.
Articles or Articles of Association	the articles of association of the Company adopted by the Company on 28 June 2018 2018.
Auditors	the auditors from time to time of the Group, being ShineWing (HK) CPA Limited as international auditor and ShineWing Certified Public Accountants as domestic auditor as at the date of this document.
Board or **Directors**	the directors of the Company whose names are set out on page 31 of this document.
CCASS	the Central Clearing and Settlement System established and operated by HKSCC.
CDC	China Datang Corporation*, a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company.
CDC Group	CDC and its subsidiary undertakings.
CDFC	China Datang Finance Company Limited, a company established in the PRC which is a subsidiary of CDC held as to approximately 71.7898% by CDC directly, approximately 15.8931% by the Company directly, approximately 6.7544% by five other non-wholly owned subsidiaries of CDC and approximately 5.5624% by six other wholly owned subsidiaries of CDC.
CDOHKC	China Datang Overseas (Hong Kong) Co., Limited, a company incorporated in Hong Kong which is an indirect wholly owned subsidiary of CDC held through China Datang Corporation Overseas Investment Co., Limited.
Company or Datang or Datang Power	Datang International Power Generation Co., Ltd.* (Stock Code: 991), a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H-Shares

	are listed on the Hong Kong Stock Exchange and the London Stock Exchange and whose A-Shares are listed on the Shanghai Stock Exchange.
Company Law	The laws that regulate how corporations, investors, shareholders, directors, employees, creditors, and other stakeholders such as consumers, the community, and the environment interact with one another.
CSRC	China Securities Regulatory Commission.
CSRC Approval	the approval of the CSRC in respect of the A-Share Issuance and the H-Share Issuance.
CREST	the paperless share settlement system and system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations).
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended.
Depositary Interests	a UK security that represents a stock traded on an exchange outside the UK.
Disclosure Guidance and Transparency Rules	the disclosure and transparency rules of the FCA.
Executive Directors	the directors of the Company who act in an executive capacity, being Mr. Wang Xin.
EGM	an extraordinary general meeting of the Company held at 1608 Conference Room of the Company at No. 9 Guangningbo Street, Xicheng District, Beijing, the People's Republic of China on Friday, 31 March 2017, at 9.30 a.m., convened to approve, among other things, the A-Share Issuance and the H-Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver.
Euroclear UK & Ireland	Euroclear UK & Ireland Limited, the operator of CREST.
Exchange Rates	the value of one currency for the purpose of conversion to another.
FCA	the Financial Conduct Authority.
Four Commencements A Year	means that four hydro power units were put into operation within the year.
FSMA	the Financial Services and Markets Act 2000, as amended.
GBP, Sterling, pounds sterling, £, pence or p	British pounds, the lawful currency of the United Kingdom./
Group	the Company and its subsidiaries and subsidiary undertakings from time to time.
H-Share Issuance	the allotment and issue of not more than 2,794,943,820 H-Share Subscription Shares (subject to adjustments) to the H-Share Subscription Shares Subscriber pursuant to the H-Share Subscription Agreement.
H-Share Issue Price	The issue price of each H-Share Subscription Share.
H Share Subscription Agreement	the subscription agreement dated 28 November 2016 and as amended on 6 January 2017 by the H-Share Subscription Amendment Agreement and supplemented on 13 March 2017 by the H-Share Subscription Supplemental Agreement in respect of the allotment and issue of the H-Share Subscription Shares.
H Share Subscription Amendment Agreement	the amendment agreement dated 6 January 2017 to the H-Share Subscription Agreement entered into among the Company, CDC and CDOHKC pursuant to which CDC or its nominated wholly owned subsidiary shall substitute CDOHKC as the subscriber of the H-Share Subscription Shares and CDOHKC shall relinquish all its rights and obligations as a party to the H-Share Subscription Agreement and cease to be a party thereof.

H Share Subscription Supplemental Agreement	the supplemental agreement dated 13 March 2017 to the H-Share Subscription Agreement entered into between the Company and CDC.
H-Share Subscription Shares	H-Share Subscription Shares to be conditionally allotted and issued by the Company to the H-Share Subscription Shares Subscriber pursuant to the H-Share Subscription Agreement.
H-Share Subscription Shares Subscriber	the subscriber of the H-Share Subscription Shares, being CDC or its nominated wholly owned subsidiary.
H-Shareholders	holders of the H-Shares.
H-Shares	overseas-listed foreign shares of RMB1.00 each in the share capital of the Company, which are listed on (i) the Hong Kong Stock Exchange and traded in Hong Kong dollars and (ii) the London Stock Exchange and traded in pounds sterling.
HKSCC	Hong Kong Securities Clearing Company Limited.
Hong Kong dollar or HK$	Hong Kong dollars, the lawful currency of Hong Kong.
Hong Kong	the Hong Kong Special Administrative Region of the PRC.
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited.
HMRC	HM Revenue & Customs.
IFRS	International Financial Reporting Standards as adopted for use in the EU.
Issuer	the Company.
Latest Practicable Date	15 March 2019, being the latest practicable date prior to the printing of this document for ascertaining certain information in Prospectus.
Listing Rules	the Listing Rules of the FCA.
London Stock Exchange	London Stock Exchange plc.
Kwh	a unit of power generation equivalent to the output generated by 1,000 watts of power in one hour.
Main Market	the London Stock Exchange's main market for listed securities.
MAR	the Market Abuse Regulation (EU) (596/2014).
Material Contracts Summary	the whitewash circular issued by the Company on 9 February 2017 relating to (i) connected transactions in respect of the proposed A-Share Issuance and H-Share Issuance (ii) specific mandates and (iii) application for whitewash waiver
Material Contracts Summary 2	the whitewash supplemental circular dated 13 March 2017 relating to (i) connected transactions in respect of the proposed A-Share Issuance and H-Share Issuance (ii) specific mandates and (iii) application for whitewash waiver
Member States	the 28 member states of the European Union.
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company.
MOF	the Ministry of Finance of the PRC.
MW	means megawatt, 1,000,000 watts (equivalent to 1,000 kW).
New A-Shares	the A-Shares to be allotted and issued by the Company pursuant to the Non-public Issuance.

New H-Shares	the H-Shares to be allotted and issued by the Company pursuant to the Non-public Issuance.
Non-public Issuance	the issue of the H-Share Subscription Shares or New A-Shares (as applicable) pursuant to the A Subscription Agreement (as amended) and H Share Subscription Agreement (as amended and supplemented).
Offer	the non-public offer to issue the H-Shares and the A-Shares by the Company.
Official List	the Official List maintained by the UKLA.
Overseas-Listed Foreign-Invested Shares	overseas-listed foreign shares of RMB1.00 each in the share capital of the Company, which are listed on (i) the Hong Kong Stock Exchange and traded in Hong Kong dollars and (ii) the London Stock Exchange and traded in pounds sterling.
Party Committee	A committee of the Company consisting of a secretary and several other members.
PRC	The People's Republic of China.
PRC GAAP	Accounting Principles Generally Accepted in the PRC, and for the purpose of this Prospectus, refers to China Accounting Standards for Business Enterprises.
Prospectus	this document.
Prospectus Rules	the Prospectus Rules of the FCA.
Registrar	Computershare Hong Kong Investor Services Limited, 17/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong.
RMB	Renminbi, the lawful currency of the PRC.
SASAC of the State Council	State-owned Assets Supervision and Administration Commission of State Council of the PRC.
Securities Act	the United States Securities Act of 1933, as amended.
Securities Law	the Securities Law of the People's Republic of China 2005.
Shareholders	holders of the Shares.
Share(s)	ordinary share(s) of RMB1.00 each in the share capital of the Company, including A-Shares and H-Shares.
Specific Mandates	the specific mandates proposed to be granted by the Independent Shareholders to the Directors at the EGM and the Class Meetings to allot and issue the A-Share Subscription Shares and H-Share Subscription Shares.
SSE	the Shanghai Stock Exchange.
State Council	State Council of the PRC.
Subscription Agreements	collectively, the A-Share Subscription Agreement and the H-Share Subscription Agreement.
Subscription Shares	collectively, the A-Share Subscription Shares and the H-Share Subscription Shares.
subsidiary	has the meaning given in section 1159 of the Companies Act.
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act.
Subsidiaries	the Group's subsidiaries and subsidiary undertakings at the time of this prospectus.
Supervisors	supervisors of the Company.
Supervisory Committee	the supervisory body of the Company.

Supplemental Circular	the whitewash supplemental circular dated 13 March relating to (i) connected transactions in respect of the proposed A-Share Issuance and H-Share Issuance (ii) specific mandates and (iii) application for whitewash waiver.
Hong Kong Takeovers Code	The Hong Kong codes on takeovers and mergers and share buy-backs.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA in the exercise of its functions in respect of, among other things, the admission to the Official List.
United States, US or USA	the United States of America, its territories and possessions.
US dollar or US$	US dollars, the lawful currency of the United States of America.
Whitewash Circular	the whitewash circular dated 9 February 2017 containing, among other things, details of the Whitewash Transactions, the Whitewash Waiver, the letters of advice of the Independent Board Committees and the letter of advice from Gram Capital.
Whitewash Second Supplemental Announcement	the supplemental announcement dated 21 February 2017 in respect of, among others, the New PRC Regulations.
Whitewash Transactions	the A-Share Issuance and the H-Share Issuance.
Whitewash Waiver	a waiver from the Executive pursuant to Note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of CDC and/or its nominated wholly owned subsidiary to make a general offer for all securities of the Company (other than those already owned or agreed to be acquired by CDC and/or its nominated wholly owned subsidiary) as a result of the allotment and issue of the Subscription Shares under the Subscription Agreements.
12th Five Year Plan	a social and economic initiative introduced by the government of the PRC to run from 2011-2015.
13th Five Year Plan	a social and economic initiative introduced by the government of the PRC to run from 2016-2020