華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 836)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2016

SUMMARY OF OPERATING RESULTS

The board of directors (the "Board") of China Resources Power Holdings Company Limited (the "Company" or "CR Power") announces the unaudited financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2016.

For the first half of 2016, the Group recorded a profit attributable to owners of the Company ("net profit") of HK$5,336 million, representing a decrease of HK$1,477 million or 21.7% from a net profit of HK$6,813 million for the first half of 2015. Basic earnings per share for the first half of 2016 is 111.81 HK cents, representing a decrease of 21.8% from 143.06 HK cents for the first half of 2015.

The Board resolved to declare an interim dividend of 12.5 HK cents per share for the six months ended 30 June 2016.

	Six months ended	
	30 June 2016	**30 June 2015**
	(unaudited)	*(unaudited)*
Turnover *(HK$'000)*	30,971,184	36,942,294
Profit attributable to owners of the Company *(HK$'000)*	5,336,094	6,812,796
Basic earnings per share *(HK cents)*	111.81	143.06
Interim dividend per share *(HK cents)*	12.50	10.00
	As at 30 June 2016	**As at 31 December 2015**
	(unaudited)	*(audited)*
Total assets *(HK$'000)*	200,225,737	208,085,879
Cash and cash equivalents *(HK$'000)*	3,392,185	7,273,945
Pledged and restricted bank deposits *(HK$'000)*	657,912	723,404
Bank and other borrowings *(HK$'000)*	92,129,973	88,517,336
Equity attributable to owners of the Company *(HK$'000)*	70,790,335	70,917,575
Net debt to shareholders' equity (%)	124.4	113.5

BUSINESS REVIEW FOR THE FIRST HALF OF 2016

Adjustment of organization structure

With domestic oversupply of electric power and the slow growth in demand for power consumption, the Company will slow down its construction of coal-fired units while accelerating the development of clean and renewable energy projects. To actively respond to the challenges brought about by the reform of the Chinese power industry and to integrate the Group's various power generation businesses, the Group completed the restructuring of its corporate organization structure in the first half of the year. This was achieved mainly by combining the efforts of development, construction and operational capabilities of our coal-fired power generation business with renewable energy, and zoning the target provinces in China under 10 major regions, with each region responsible for the development, construction and operation of all power projects within the region. The Group believes that the retructuring will facilitate the Group to accelerate its development of renewable energy projects and further enhance the operational efficiency of its power generation business.

Generation capacity

As at 30 June 2016, the Group had a total attributable operational generation capacity of 34,636MW, in which the attributable operational generation capacity of our coal-fired power plants amounted to 29,746MW, representing 85.9% of the Group's total attributable operational generation capacity. Wind, hydro, photovoltaic and gas-fired power generation capacity amounted to 4,403MW, 280MW, 104MW and 77MW, respectively, in aggregate representing 14.1% of our total attributable operational generation capacity, representing an increase of 0.8 percentage point compared to the end of 2015.

In the first half of 2016, the Group commissioned 195MW of attributable wind power capacity and 84MW of attributable photovoltaic generation capacity.

Net generation volume

The total net generation volume of our consolidated operating power plants amounted to 70,958,229MWh in the first half of 2016, representing a decrease of 0.7% from 71,450,677MWh in the first half of 2015.

The decrease in net generation volume of our consolidated operating power plants was mainly due to (1) a weak national demand for electricity caused by macroeconomic factors particularly a downturn in industrial production and industrial restructuring; (2) a reduction in coal-fired generation volume as a result of a significant increase in hydropower generation volume in China in the first half of 2016; and (3) further increase in coal-fired generation capacity in China during the first half of 2016, which had a negative impact on net generation volume of the existing coal-fired power plants.

For the 27 consolidated coal-fired power plants which were in operation for the entire first six months of 2015 and 2016, the average full-load equivalent utilization hours amounted to 2,315 hours, representing a decrease of 8.6% from 2,532 hours for the first half of 2015, but exceeded the national average utilization hours for the thermal power industry by 351 hours.

In the first half of 2016, the net generation volume of the Group's consolidated power plants that participated in direct power supply amounted to 11,837,481 MWh, and the average tariff of the direct power supply volumes compared with the average tariff of the consolidated power plants that participated in direct power supply was at a discount of approximately 11.6%. As the reform of the power industry moves forward, the Group accelerated collaboration with businesses of China Resources (Holdings) Company Limited, our controlling shareholder. In the first half of 2016, the Group has provided direct power supply for businesses including China Resources Cement Holdings Limited and China Resources Microelectronics Limited, and carried out retail agency services for sales of electricity in Guangdong Province.

Fuel costs

In the first half of 2016, average standard coal cost of our consolidated coal-fired power plants was RMB420.6/tonne, representing a decrease of 17.4% compared with the first half of 2015. Average unit fuel cost for our consolidated operating power plants was RMB128.4/MWh, representing a decrease of 18.1% compared with the first half of 2015. This was mainly due to decreased coal prices and further enhanced operating efficiency of our subsidiary power plants as a result of our continuous implementation of lean management. The average net generation standard coal consumption rate of our consolidated coal-fired power plants for the first half of 2016 was 303.5g/kWh, representing a decrease of 2.5g/kWh in comparison with the same period last year.

Development of renewable energy

As at 30 June 2016, the attributable operational generation capacity of the Group's wind power projects amounted to 4,430MW, representing an increase of 16.5% and 4.6% as compared to the end of June 2015 and the end of December 2015, respectively. The attributable operational generation capacity of our wind farms under construction amounted to 1,281MW. The average full-load equivalent utilization hours of wind farms that were in commercial operation for the entire first six months of 2015 and 2016 amounted to 1,111 hours in the first half of 2016, exceeding the national average utilization hours of the wind power industry by 194 hours.

As at 30 June 2016, our attributable operational photovoltaic generation capacity reached 104MW and photovoltaic capacity under construction was 41.5MW; our attributable operational hydro-electric generation capacity reached 280MW and hydro-electric capacity under construction was 107MW.

Environmental expenses

In the first half of 2016, the total amount of discharge fees incurred by our subsidiaries was approximately RMB58 million, which was RMB13 million or 18.3% lower than RMB71 million incurred in the first half of 2015. This was mainly due to the completion of the installation of ultra-low emission facilities for 42 generation units in the subsidiary power plants with a total attributable operational generation capacity of 17,839MW as at 30 June 2016.

Capital expenditure

In the first half of 2016, the total cash capital expenditure of the Group amounted to approximately HK$6.5 billion, among which, HK$1 billion was used in the upgrading of existing coal-fired units for ultra-low emission, safety and energy saving and heat supply technology, approximately HK$2.7 billion was used in the construction of coal-fired units, approximately HK$2.6 billion was used in the construction of wind farms, photovoltaic power projects and hydro-electric plants, and approximately HK$190 million was used in the upgrading and construction of coal mines.

PROSPECTS FOR THE SECOND HALF OF 2016

In the first half of 2016, the overall electricity demand and supply in China was on an easing trend. Power consumption increased by 2.7% over the same period last year. A significant growth in power consumption is not expected in the second half of 2016 as demand for power is expected to be weak, while the supply of power is expected to be abundant. One of the primary focuses for the Group will be to strive for higher utilization hours.

With the advancement of the power industry reform and for active pursuit of higher generation volume and utilization hours, the Group will further expand collaboration with companies under China Resources (Holdings) Company Limited, our controlling shareholder, including providing direct power supply and retail agency services for sales of electricity.

In the first half of 2016, with the implementation of the policy of supply side reform of the coal industry and the process of cutting excess capacity gradually put on the agenda in various provinces and municipalities, market prices of thermal coal rebounded moderately from a low base. However, the overall situation of supply exceeding demand still persists as a result of the environmental protection policy and the weak economy and coal consumption continues to decrease. Therefore, it is expected that the likelihood of a significant rebound in coal prices in the short term is low.

The Group will comprehensively, systemically and deeply promote lean management and benchmarking. The Group will continue to improve and optimize various productive and operational indicators, and enhance the overall operational efficiency and management of the Company.

In order to further reduce emissions and proactively perform our social responsibilities in energy saving and emission reduction, the Group plans to implement ultra-low emission transformation on 22 coal-fired generation units with a total attributable installed capacity of 10,262MW in 2016 to further reduce the emission of sulphur dioxide, nitrogen oxide and particulates. In particular, the Group plans to complete the ultra-low emission transformation on 5 coal-fired generation units with a total attributable installed capacity of 2,840MW in the second half of 2016.

As at the end of June 2016, the attributable generation capacity of our coal-fired power plants under construction amounted to 4,044MW, including 2x660MW supercritical generation units in Liuzhi, Guizhou, which are wholly owned by the Group and expected to commission in 2016; 2x660MW ultra-supercritical generation units in Wujianfang, Inner Mongolia, which are 70% owned by the Group and expected to commission in 2017 and 2018; and 2x1,000MW ultra-supercritical coal-fired generation units of Caofeidian Power Plant in Hebei, which are 90% owned by the Group and expected to commission in 2018.

In the second half of 2016, the Group will accelerate the development and construction of wind power and photovoltaic projects. The generation capacity of the wind power and photovoltaic projects that the Group is expected to commission in 2016 is approximately 800MW.

The Group will control the pace of capital expenditure based on the macro-economic conditions of China, in particular the demand and supply of electricity, the government policies for energy and related industries and the Group's strategies, and make prompt and necessary adjustment based on market conditions and the general policies of the government. It is expected that capital expenditure for the whole year will be approximately HK$17.1 billion, representing a decrease as compared to that planned at the beginning of the year, of which approximately HK$3.2 billion to be used in the upgrading of existing coal-fired units for ultra-low emission, safety and energy saving and heat supply technology; approximately HK$6.0 billion to be used in the construction of coal-fired units; approximately HK$7.5 billion to be used in the construction of wind farms, photovoltaic power projects and hydro-electric plants, and approximately HK$400 million to be used in the upgrading and construction of coal mines.

Unless there is a material change in the Group's business, results of operations and financial condition and subject to the approval by our shareholders at the annual general meeting for the relevant financial year, the Company intends to maintain a stable dividend per share for the upcoming three financial years (FY2016, FY2017 & FY2018).

OPERATING RESULTS

The results of operations for the six months ended 30 June 2016, which have been reviewed in accordance with the Hong Kong Standard on Review Engagements 2410 by the auditors and the Audit and Risk Committee of the Company, are set out as follows:

Interim Condensed Consolidated Statement of Income

	Six months ended 30 June 2016 *HK$'000* *(unaudited)*	Six months ended 30 June 2015 *HK$'000* *(unaudited)*
Turnover	30,971,184	36,942,294
Operating expenses		
Fuels	(10,748,371)	(14,203,816)
Depreciation and amortisation	(4,949,895)	(4,861,281)
Employee benefit expenses	(2,143,099)	(2,323,591)
Repairs and maintenance	(1,076,213)	(966,520)
Consumables	(440,846)	(479,393)
Impairment charges	(125,182)	(1,167,847)
Business tax and surcharge	(402,033)	(501,640)
Others	(1,782,830)	(1,646,755)
Total operating expenses	(21,668,469)	(26,150,843)
Other income	581,583	855,263
Other gains/(losses) - net	237,364	(59,784)
Operating profit	10,121,662	11,586,930
Finance costs	(1,827,642)	(1,463,661)
Share of results of associates	173,554	481,419
Share of results of joint ventures	14,561	132,833
Profit before income tax	8,482,135	10,737,521
Income tax expense	(2,525,096)	(2,724,726)
Profit for the period	5,957,039	8,012,795
Profit for the period attributable to:		
Owners of the Company	5,336,094	6,812,796
Non-controlling interests		
- Perpetual capital securities	150,164	210,807
- Others	470,781	989,192
	620,945	1,199,999
	5,957,039	8,012,795
Earnings per share attributable to owners of the Company during the period		
- Basic	HK$1.12	HK$1.43
- Diluted	HK$1.12	HK$1.43

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2016	Six months ended 30 June 2015
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Profit for the period	5,957,039	8,012,795
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Currency translation differences	(2,020,070)	88,415
Share of other comprehensive income of investments accounted for using the equity method		
— Share of currency translation reserve	(111,300)	11,350
Release to profit or loss in relation to disposal of associates	—	(100,441)
Fair value changes on cash flow hedges, net of tax	20,204	50,112
Fair value changes on available-for-sale investments, net of tax	22,543	—
Total items that may be reclassified subsequently to profit or loss, net of tax	(2,088,623)	49,436
Total comprehensive income for the period, net of tax	3,868,416	8,062,231
Attributable to:		
Owners of the Company	3,450,599	6,854,556
Non-controlling interests		
- Perpetual capital securities	150,164	210,807
- Others	267,653	996,868
	417,817	1,207,675
Total comprehensive income for the period	3,868,416	8,062,231

Interim Condensed Consolidated Balance Sheet

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
ASSETS		
Non-current assets		
Property, plant and equipment	139,170,786	142,845,210
Prepaid lease payments	3,336,290	3,344,056
Mining rights	15,379,295	15,815,897
Exploration and resources rights	158,747	161,947
Prepayment for non-current assets	4,649,507	2,789,219
Investments in associates	8,731,563	9,484,351
Loans to an associate	510,116	—
Investments in joint ventures	3,689,907	3,694,388
Goodwill	1,743,202	1,760,924
Deferred income tax assets	769,061	556,150
Available-for-sale investments	1,512,714	1,497,284
Loan to an available-for-sale investee company	297,222	303,214
	179,948,410	182,252,640
Current assets		
Inventories	2,349,566	2,306,640
Trade receivables, other receivables and prepayments	13,264,802	14,587,390
Loans to associates	22,933	23,395
Loans to joint ventures	167,158	170,528
Loan to an available-for-sale investee company	87,900	89,673
Loan to a controlling shareholder of a subsidiary	15,796	16,114
Amounts due from associates	136,698	465,471
Amounts due from joint ventures	143,412	137,249
Amounts due from other related companies	38,965	39,430
Pledged and restricted bank deposits	657,912	723,404
Cash and cash equivalents	3,392,185	7,273,945
	20,277,327	25,833,239
Total assets	200,225,737	208,085,879

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	22,253,398	22,252,458
Other reserves	8,975,060	10,408,713
Retained earnings	39,561,877	38,256,404
	70,790,335	70,917,575
Non-controlling interests		
- Perpetual capital securities	—	5,897,219
- Others	5,509,813	6,924,549
	5,509,813	12,821,768
Total equity	76,300,148	83,739,343
LIABILITIES		
Non-current liabilities		
Borrowings	70,285,916	61,113,715
Deferred income tax liabilities	2,373,502	2,459,682
Deferred income	906,725	958,222
Retirement and other long-term employee benefits obligations	144,231	149,764
	73,710,374	64,681,383
Current liabilities		
Trade payables, other payables and accruals	24,973,627	28,622,007
Amounts due to associates	465,792	796,493
Amounts due to joint ventures	792,983	908,628
Amounts due to other related companies	1,307,559	577,667
Derivative financial instruments	3,874	26,571
Current income tax liabilities	827,323	1,330,166
Borrowings	21,844,057	27,403,621
	50,215,215	59,665,153
Total liabilities	123,925,589	124,346,536
Total equity and liabilities	200,225,737	208,085,879

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June 2016	Six months ended 30 June 2015
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES - NET	9,977,322	15,308,115
Cash flows from investing activities		
Dividends received from associates	1,328,080	312,939
Dividends received from a joint venture	27,889	—
Dividends received from available-for-sale investments	14,993	126,136
Decrease in pledged and restricted bank deposits	65,492	142,953
Proceeds from disposal of other equity investments	182,472	1,173,955
Acquisition of and deposits paid for property, plant and equipment and prepaid lease payments	(6,328,403)	(7,149,596)
Capital contribution into an associate	—	(12,329)
Capital contribution into a joint venture	(95,434)	—
Loans to associates	(736,371)	(868,233)
Other investing cash inflows	89,955	238,995
CASH FLOWS USED IN INVESTING ACTIVITIES-NET	(5,451,327)	(6,035,180)

	Six months ended	
	30 June 2016	**30 June 2015**
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Cash flows from financing activities		
Proceeds from bank borrowings	19,846,757	18,390,515
Proceeds from notes discounted	—	722,969
Proceeds from issuance of corporate bonds	5,892,050	—
Proceeds from issuance of shares for exercised options	635	13,861
Proceeds from disposal of interests in a subsidiary without loss of control	—	389,555
Repayment of bank and other borrowings	(21,001,102)	(16,569,926)
Repayment of bonds	—	(1,982,720)
Repayment of advance to associates	(314,746)	(205,011)
(Repayment of advance to)/ advance from joint ventures	(98,248)	145,146
Dividends paid to owners of the Company	(3,578,050)	(3,330,663)
Dividends paid to non-controlling interests of the subsidiaries	(956,278)	(917,857)
Interests paid	(2,059,122)	(2,256,540)
Interest paid on perpetual capital securities	(210,915)	(210,717)
Redemption of perpetual capital securities	(5,835,750)	—
Other financing cash inflows	12,790	100,858
CASH FLOWS USED IN FINANCING ACTIVITIES-NET	(8,301,979)	(5,710,530)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,775,984)	3,562,405
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,273,945	8,285,135
EXCHANGE (LOSSES)/GAINS	(105,776)	3,324
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,392,185	11,850,864

Overview

For the six months ended 30 June 2016, the Group's operating profit decreased by 12.6% to HK$10,122 million as compared to the same period in 2015, and our net profit decreased by 21.7% to HK$5,336 million from HK$6,813 million for the same period in 2015.

The decrease in net profit was mainly attributable to the following factors:

- Decrease in turnover. Turnover in the first half of 2016 decreased by 16.2%, mainly attributable to a decrease in average tariff of our consolidated coal-fired power plants, and a decrease in net generation volume of our consolidated coal-fired power plants in comparison with the first half of 2015;

- Decrease in other income. Other income in the first half of 2016 decreased by 32.0% as compared to the first half of 2015, mainly attributable to a reduction in income from sales of scrap materials as a result of a decrease in the volume and price of the by-products such as fly ash caused by the market impact;

- Decrease in share of results of associates and joint ventures. This was mainly attributable to a decline in profit of the associate coal mines and the associate and joint venture coal-fired power plants of the Group. As a result, share of results of associates and joint ventures decreased by HK$426 million or 69.4% in comparison with the first half of 2015.

However, these decreases were partially offset by:

- Decrease in unit fuel costs. Average unit fuel cost was RMB128.4/MWh in the first half of 2016, representing a decrease of 18.1% when compared with the first half of 2015, which is mainly due to the fact that in the first half of 2016, the unit price of standard coal decreased by 17.4% and the net generation standard coal consumption rate decreased by 2.5g/kWh when compared with the same period last year;

- Decrease in impairment charges. In the first half of 2015, total impairment charges of HK$1,168 million were made in relation to the shutdown of certain generation units, trade receivables and goodwill of acquired projects. In the first half of this year, impairment charges of HK$125 million were made mainly in relation to the shutdown of the small units of Jiaozuo Power Plant, write-off of environmental protection equipment of individual power plants, inventories in individual coal mines and trade receivables.

Basis of preparation of financial statements and principal accounting policies

The financial information relating to the year ended 31 December 2015 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2016 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

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

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim financial reporting" by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group had net current liabilities as at 30 June 2016. The Directors of the Company are of the opinion that, taking into account the current available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is, at least for the next 12 months from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

New and amended standards, effective for the financial year beginning on or after 1 January 2016:

- HKFRS 14 regulatory deferral accounts: The change in accounting standards does not have any material impact on the Group.

- Amendment to HKFRS 11 accounting for acquisitions of interests in joint operations: The change in accounting standards does not have any material impact on the Group.

- Amendments to HKAS 16 and HKAS 38 clarification of acceptable methods of depreciation and amortisation: The changes in accounting standards do not have any material impact on the Group.

- Amendments to HKAS 16 and HKAS 41 agriculture: bearer plants: The changes in accounting standards do not have any material impact on the Group.

- Amendment to HKAS 27 equity method in separate financial statements: The change in accounting standards does not have any material impact on the Group.

- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 investment entities: applying the consolidation exception: The changes in accounting standards do not have any material impact on the Group.

- Amendments to HKAS 1 disclosure initiative: The change in accounting standards does not have any material impact on the Group.

- 2014 annual improvements do not have any material impact on the Group.

The Group has not applied any new standard or amendment that is not effective for the current accounting period.

SEGMENT INFORMATION

The Group is engaged in three business areas - thermal power (inclusive of coal-fired and gas-fired power plants), renewable energy (inclusive of wind farms, photovoltaic and hydro-electric projects) and coal mining.

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

For the six months ended 30 June 2016

	Thermal power *HK$'000*	**Renewable energy** *HK$'000*	**Coal mining** *HK$'000*	**Eliminations** *HK$'000*	**Total** *HK$'000*
Segment revenue					
External sales	26,502,437	3,105,657	1,363,090	—	30,971,184
Inter-segment sales	—	—	49,876	(49,876)	—
Total	26,502,437	3,105,657	1,412,966	(49,876)	30,971,184
Segment profit/(loss)	8,706,484	1,799,667	(399,110)	—	10,107,041
Unallocated corporate expenses					(344,173)
Interest income					137,299
Fair value changes on derivative financial instruments					2,494
Gains on disposal of equity investments					174,007
Finance costs					(1,827,642)
Share of results of associates					173,554
Share of results of joint ventures					14,561
Dividend income from available-for-sale investments					14,993
Net exchange gains					30,001
Profit before income tax					8,482,135

For the six months ended 30 June 2015

	Thermal power *HK$'000*	Renewable energy *HK$'000*	Coal mining *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Segment revenue					
External sales	32,337,646	2,987,919	1,616,729	—	36,942,294
Inter-segment sales	—	—	81,023	(81,023)	—
Total	32,337,646	2,987,919	1,697,752	(81,023)	36,942,294
Segment profit/(loss)	10,646,087	1,821,068	(644,692)	—	11,822,463

Unallocated corporate expenses	(333,183)
Interest income	145,197
Fair value changes on derivative financial instruments	(14,263)
Gains on disposal of equity investments	41,258
Finance costs	(1,463,661)
Share of results of associates	481,419
Share of results of joint ventures	132,833
Dividend income from available-for-sale investments	49,360
Net exchange losses	(123,902)
Profit before income tax	10,737,521

Geographical information

Substantially all of the Group's non-current assets are located in the People's Republic of China (the "PRC"), and operations for the reporting period were substantially carried out in the PRC.

Turnover

Turnover represents the amount received and receivable arising on sales of electricity, heat generated by thermal power plants and sales of coal, net of value-added tax, during the period.

Turnover for the first half of 2016 was HK$30,971 million, representing a 16.2% decrease from HK$36,942 million for the first half of 2015. The decrease in turnover was mainly due to two rounds of on-grid tariff cuts for coal-fired power plants in the first half of 2015 and at the beginning of 2016, respectively, and a year-on-year decrease of 0.7% in net generation volume of our consolidated power plants.

Operating expenses

Operating expenses mainly comprise fuels, repairs and maintenance, depreciation and amortisation, employee benefit expenses, consumables, business tax and surcharge, impairment charges, and other operating expenses. Other operating expenses include (among others) taxes, water charges, coal safety production fees, office rent, production maintenance fees, utility expenses and other management fees. Total operating expenses for the first half of 2016 amounted to HK$21,668 million, representing a decrease of HK$4,483 million or 17.1% from HK$26,151 million in the first half of 2015.

Fuels in the first half of 2016 amounted to approximately HK$10,748 million, representing a decrease of HK$3,456 million or 24.3% from HK$14,204 million in the first half of 2015. This was mainly due to decreased standard coal cost per tonne for consolidated coal-fired power plants by 17.4%, decline in net generation standard coal consumption rate by 2.5g/kWh, and decreased net generation volume of our consolidated coal-fired power plants by 2.0% over the same period last year, as a result, fuels decreased year-on-year.

Repairs and maintenance expenses increased from HK$967 million for the first half of 2015 to HK$1,076 million for the first half of 2016, representing an increase of HK$109 million or 11.3%. The increase in repairs and maintenance expenses was mainly due to a year-on-year increase in repairs and maintenance expenses in 2016 of five coal-fired generation units newly commissioned in the first half of 2015 and increased number of overhaul of units arranged in the first half of 2016 as compared to the same period in 2015.

Depreciation and amortisation increased from HK$4,861 million for the first half of 2015 to HK$4,950 million for the first half of 2016, representing an increase of HK$89 million or 1.8%. This was mainly due to the five coal-fired generation units commissioned last year, and wind and photovoltaic projects of the Group newly commissioned.

Employee benefit expenses decreased by HK$181 million or 7.8% from HK$2,324 million in the first half of 2015 to HK$2,143 million in the first half of 2016, mainly due to the decrease in the number of employees in some subsidiaries.

Business tax and surcharge decreased by HK$100 million or 19.9% from HK$502 million in the first half of 2015 to HK$402 million, among which business tax decreased by approximately HK$51 million, urban maintenance and construction tax and education surcharge decreased by approximately HK$45 million mainly due to the levy of value-added tax instead of business tax for taxable items such as interest income from inter-company loans since 1 May 2016.

Impairment charges decreased by HK$1,043 million from HK$1,168 million in the first half of 2015 to HK$125 million. Impairment was made mainly in relation to the shutdown of the small units of Jiaozuo power plant, the write-off of environmental protection equipment of individual power plants, inventories in certain coal mines and trade receivables.

Other operating expenses increased from HK$1,647 million for the first half of 2015 to HK$1,783 million for the first half of 2016, mainly due to increased sales of coal, and increased related expenses, such as safety production cost and maintenance fees, by HK$130 million in the first half of 2016 over the corresponding period of last year. Other operating expenses for the first half of 2016 mainly included other production costs for our coal operations such as safety production fees and production maintenance fees in an aggregated amount of approximately HK$248 million; other production costs for power operations such as discharge fees, utility expenses and water charges in an aggregated amount of approximately HK$697 million; and management fees such as taxes, office rent, building management fees, professional fees, transportation costs and other administrative fees in an aggregated amount of approximately HK$838 million.

Other income and other gains - net

Other income amounted to approximately HK$582 million for the first half of 2016, representing a decrease of HK$273 million or 32.0% from HK$855 million for the first half of 2015, which was mainly attributable to a decrease in income from sales of scrap materials as a result of a decrease in the volume and the price of the by-products such as fly ash under the impact of the market and a decrease in government grant and dividend income. Other income for the first half of 2016 mainly included sales of scrap materials of approximately HK$235 million, interest income of approximately HK$137 million, government grant of approximately HK$72 million and service income from heat connection contracts of approximately HK$54 million.

Other gains — net were approximately HK$237 million for the first half of 2016, comprising gain on disposal of equity investments of HK$174 million which was mainly from the disposal of equity interests in Shajiao C Power Plant and exchange gains of HK$30 million.

Fair value change on derivative financial instruments

The Group uses derivative financial instruments (primarily interest rate swap) to hedge its exposure against changes in interest rate on bank borrowings. At the inception of the hedging relationship, the Group documented the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documented whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

Derivatives were initially recognised at fair value at the date when a derivative contract was entered into and subsequently re-measured their fair values at each balance sheet date. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges were deferred in equity. The gain or loss relating to the ineffective portion would be recognised immediately in the income statement under other gains/(losses). Gains of the ineffective portion arising from fair value changes on derivative financial instruments for the first half of 2016 were HK$2,494,000 (losses for the first half of 2015: HK$14,263,000).

Operating profit

Operating profit represents profit from the Company and its subsidiaries before deduction of finance costs, income tax expenses and non-controlling interests. Operating profit amounted to HK$10,122 million for the first half of 2016, representing a decrease of HK$1,465 million or 12.6% from HK$11,587 million for the first half of 2015. The decrease was mainly due to (1) two rounds of on-grid tariff cuts for coal-fired power plants in the first half of 2015 and at the beginning of 2016, respectively; and (2) a decrease in net generation volume on a same coal-fired power plant basis, which was partially offset by (1) a decrease in unit fuel cost of our subsidiary power plants; (2) profit contribution from newly commissioned units since the first half of 2015; and (3) a decrease in impairment charges.

Finance costs

Finance costs amounted to approximately HK$1,828 million for the first half of 2016, representing an increase of HK$364 million or 24.9% from HK$1,464 million for the first half of 2015, mainly due to (1) capitalized interests decreased by HK$492 million over the same period last year due to a decrease in projects under construction; (2) finance costs increased by HK$129 million due to non-deductible input value-added tax of interest expenses from internal borrowing after implementing the value-added tax reform. In the first half of 2016, average cost of bank and other borrowings was approximately 4.55%, representing an increase of 0.11 percentage point from 4.44% for the first half of 2015, mainly due to the above value-added tax reform.

	Six months ended	
	30 June 2016	**30 June 2015**
	HK$'000	*HK$'000*
Interests on bank borrowings	1,744,453	1,748,123
Interests on corporate bonds	267,311	370,011
Others	48,300	70,093
	2,060,064	2,188,227
Less: Interests capitalized in property, plant and equipment	(232,422)	(724,566)
	1,827,642	1,463,661

Share of results of associates

Share of results of associates in the first half of 2016 amounted to HK$174 million, representing a HK$307 million or 63.8% decrease from HK$481 million in the first half of 2015. The decrease was mainly due to a decline in profit of our associate coal-fired power plants as a result of a reduction in tariff and utilization hours; and increased losses of our associate coal mines.

Share of results of joint ventures

Share of results of joint ventures in the first half of 2016 amounted to HK$15 million, as compared to HK$133 million in the first half of last year. This was mainly due to the fact that (1) Hezhou Power Plant in Guangxi, a joint venture of the Group, was affected by the regional macro-economic slowdown and the negative impact of hydro-electric projects, and (2) Jinzhou Power Plant has become a joint venture after our disposal of 50% of its equity interest in September last year. Jinzhou Power Plant suffered a loss in the first half of this year, resulting in a decline in share of results of joint ventures.

Income tax expense

Income tax expense for the first half of 2016 amounted to HK$2,525 million, representing a decrease of HK$200 million or 7.3% from HK$2,725 million for the first half of 2015. The decrease in PRC enterprise income tax was mainly due to a decline in profit of our consolidated coal-fired plants. Details of the income tax expense for the six months ended 30 June 2015 and 2016 are set out below:

	Six months ended 30 June 2016	**Six months ended 30 June 2015**
	HK$'000	*HK$'000*
Current income tax - PRC enterprise income tax	2,830,851	2,952,788
Deferred income tax	(305,755)	(228,062)
	2,525,096	2,724,726

No provision for Hong Kong profits tax has been made as the Group had no taxable profit in Hong Kong for both periods.

The PRC enterprise income tax has been calculated based on the estimated assessable profits in accordance with the relevant tax rates applicable to certain subsidiaries in the PRC.

Profit for the period

	Six months ended 30 June 2016 *HK$'000*	Six months ended 30 June 2015 *HK$'000*
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	4,730,188	4,687,947
Amortisation of prepaid lease payments	40,615	38,880
Amortisation of mining rights	179,092	134,454
Total depreciation and amortisation	4,949,895	4,861,281
Employee benefit expenses	2,143,099	2,323,591
Included in other income		
Sales of scrap materials	235,089	389,327
Dividend income from available-for-sale investments	14,993	49,360
Government grant	72,268	124,959
Interest income	137,299	145,197
Service income from heat supply connection contracts	53,793	27,664
Service fee income	45,210	34,519
Management fee income	—	14,569
Sales of outsourcing coal	5	9,879
Others	22,926	59,789
Included in other gains and losses		
Fair value changes on derivative financial instruments	2,494	(14,263)
Gains on disposal of equity investments	174,007	41,258
Net exchange gains/(losses)	30,001	(123,902)
Others	30,862	37,123

Profit for the period attributable to owners of the Company

As a result of the above, the Group's net profit for the first half of 2016 amounted to approximately HK$5,336 million, representing a decrease of 21.7% as compared to HK$6,813 million in the first half of 2015.

Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June 2016 *HK$'000*	Six months ended 30 June 2015 *HK$'000*
Profit attributable to owners of the Company	5,336,094	6,812,796

	Number of ordinary shares Six months ended 30 June 2016	Number of ordinary shares Six months ended 30 June 2015
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,772,452,732	4,762,192,487
Effect of dilutive potential ordinary shares:		
-share options	1,316,215	7,884,670
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,773,768,947	4,770,077,157

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of 12.5 HK cents per share for the six months ended 30 June 2016 (2015: interim dividend of 10.0 HK cents per share). The interim dividend will be paid in cash. Based on the number of shares in issue as at the date of this announcement, a total amount of dividend of approximately HK$597 million will be distributed.

At the Board meeting held on 21 March 2016, the Directors proposed a final dividend of HK$0.75 per share for the year ended 31 December 2015. The proposal was subsequently approved by the shareholders of the Company on 6 June 2016. The final dividend paid in 2016 was approximately HK$3,578 million (2015: HK$3,334 million).

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on 27 September 2016. The register of members of the Company will be closed from Friday, 23 September 2016 to Tuesday, 27 September 2016 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 22 September 2016. The dividend will be payable on or about Friday, 7 October 2016.

Capital structure management

The Group and the Company manage its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through optimizing the debt and equity structures. The overall strategies of the Group and the Company remain unchanged from the prior year.

The capital structure of the Group consists of debt, which includes long-term bank borrowings, short-term bank borrowings, corporate bonds and cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated profits.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations from the Directors, the Group will balance its overall capital structure through payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the repayment of existing debts.

Liquidity and financial resources, borrowings, and charge of assets

The Group had net current liabilities of approximately HK$29,938 million as at 30 June 2016. The Directors are of the opinion that, taking into account the current available banking facilities and net operating cash inflows generated internally by the Group, the Group has sufficient working capital for its present requirements, that is, at least for the next 12 months from the date of the condensed consolidated financial statements.

Cash and cash equivalents as at 30 June 2016 denominated in local currency and foreign currencies mainly included HK$370 million, RMB2,308 million and US$39 million, respectively.

The bank and other borrowings of the Group as at 31 December 2015 and 30 June 2016 were as follows:

	As at 30 June 2016 *HK$'000*	**As at 31 December 2015** *HK$'000*
Secured bank loans	4,227,675	6,420,911
Unsecured bank loans	72,358,317	72,207,200
Corporate bonds and notes	15,543,981	9,889,225
	92,129,973	88,517,336

The maturity profile of the above bank and other loans is as follows:

	As at 30 June 2016 *HK$'000*	**As at 31 December 2015** *HK$'000*
Within 1 year	21,844,057	27,403,621
Between 1 and 2 years	5,079,900	6,982,328
Between 2 and 5 years	37,487,901	39,098,179
Over 5 years	27,718,115	15,033,208
	92,129,973	88,517,336
The above secured bank and other borrowings are secured by:		
Pledge of assets (note)	3,254,073	5,367,363

Note: Certain bank loans were secured by the Group's land use rights, buildings, power generating plant and equipment with carrying values of HK$5,338,000 (2015: HK$51,985,000), HK$1,030,295,000 (2015: HK$1,067,607,000) and HK$2,218,440,000 (2015: HK$4,247,771,000), respectively.

The bank and other borrowings as at 30 June 2016 denominated in local currency and foreign currencies mainly amounted to HK$19,430 million, RMB61,128 million and US$150 million, respectively.

As at 30 June 2016, the borrowings denominated in HK$ and US$ included in bank and other borrowings bore interest at a range from HIBOR plus 1.1% to 1.8% (30 June 2015: HIBOR plus 0.9% to 2.2%) per annum and LIBOR plus 1.6% (30 June 2015: LIBOR plus 1.34% to 2%) per annum, respectively, and the remaining borrowings carried interest rates at a range from 2.77% to 6.4% (30 June 2015: 3.77% to 7.21%) per annum.

The Group made use of interest rate swaps (net quarterly settlement) to minimise its exposure to changes in interest expenses of certain Hong Kong Dollar ("HKD") bank borrowings by swapping floating interest rates into fixed interest rates. As at 30 June 2016, loans of HK$1,000 million which were provided using floating rates were swapped into fixed interest rates at 1.12% per annum.

As at 30 June 2016, the Group's net debt to shareholders' equity was 124.4%. In the opinion of the Directors, the Group has a reasonable capital structure, which can support its future development plans and operations.

For the six months ended 30 June 2016, the Group's primary sources of funding included new bank borrowings, the issuance of corporate bonds, dividend income and net cash inflow from operating activities, which amounted to HK$19,847 million, HK$5,892 million HK$1,371 million and HK$9,977 million, respectively. The Group's funds were primarily used for the repayment of bank borrowings, the repayment of perpetual capital securities, acquisition of and deposits paid for property, plant and equipment and prepaid lease payments, interest and dividend payments, which amounted to HK$21,001 million, HK$5,836 million, HK$6,328 million, HK$2,059 million and HK$4,534 million, respectively.

Trade receivables, other receivables and prepayments

Trade receivables are generally due within 60 days from the date of billing, except for the portion of wind power or photovoltaic electricity tariff beyond the local thermal power benchmark tariff. The settlement of the portion of wind power or photovoltaic electricity beyond the local thermal power benchmark tariff is subject to approval by government agencies, and included in the renewable energy tariff subsidy directory. Funds to the local grid companies is disbursed upon obtaining the relevant approvals from government agencies, consequently resulting in a relatively longer time for settlement.

The following is an ageing analysis based on the invoice dates of trade receivables at the end of the reporting period:

	As at 30 June 2016	As at 31 December 2015
	HK$'000	*HK$'000*
0-30 days	6,225,308	7,728,447
31-60 days	441,134	388,482
Over 60 days	2,237,968	1,359,320
	8,904,410	9,476,249

Trade payables

The following is an ageing analysis based on the invoice dates of trade payables at the end of the reporting period:

	As at 30 June 2016	As at 31 December 2015
	HK$'000	*HK$'000*
0-30 days	4,296,715	5,555,057
31-90 days	1,826,705	2,502,235
Over 90 days	1,752,877	2,365,826
	7,876,297	10,423,118

Key financial ratios of the Group

	As at 30 June 2016	As at 31 December 2015
Current ratio (times)	0.40	0.43
Quick ratio (times)	0.36	0.39
Net debt to shareholders' equity (%)	124.4%	113.5%
EBITDA interest coverage (times)[1]	7.5	8.3

Current ratio	=	balance of current assets at the end of the period/balance of current liabilities at the end of the period
Quick ratio	=	(balance of current assets at the end of the period - balance of inventories at the end of the period)/balance of current liabilities at the end of the period
Net debt to shareholders' equity	=	(balance of borrowings at the end of the period - cash and cash equivalents at the end of the period - balance of pledged cash at the end of the period)/balance of equity attributable to owners of the Company at the end of the period
EBITDA interest coverage	=	(profit before income tax + interest expense + depreciation and amortisation) / interest expenses (including capitalized interests)

Foreign exchange risk

The Group collects substantially all of its revenue in Renminbi ("RMB") and most of its expenditures, including expenditures incurred in the operation of power plants as well as capital expenditures, are denominated in RMB. Dividends receivables from the Company's subsidiaries and associates are collected in either RMB, United States dollar ("USD") or HKD.

Note:

(1) Excluding non-cash charges, such as impairment charges, fair value change on derivative financial instrument, net exchange gains and losses.

RMB is not a freely convertible currency. Future exchange rates of RMB may vary significantly from the current or historical exchange rates. The exchange rates may also be affected by economic developments and political changes and supply and demand of RMB. The appreciation or depreciation of RMB against HKD or USD may have positive or negative impact on the results of operations of the Group.

The majority of the Group's operations are in the PRC and transactions are mainly denominated in RMB which is the functional currency of the respective group entities. Foreign exchange risk mainly arises from certain borrowings denominated in HKD and USD, particularly depreciation of the RMB against HKD and USD. The Group does not use derivative financial instruments to hedge its exposure against changes in exchange rates of the RMB against HKD and USD.

As at 30 June 2016, the Group had HK$370 million and US$39 million cash at bank, and HK$19,430 million and US$150 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent liabilities

As at 30 June 2016, the Group provided certain guarantees in the amount of HK$1,309,973,000 (31 December 2015: HK$950,797,000) to its related parties.

In addition, there were certain pending litigations and claims against the Group. After consulting with legal counsel, the Directors are of the view that the likelihood of any material adverse financial impact to the Group is remote. Therefore, no provisions have been made in light of such litigations and claims.

Employees

As at 30 June 2016, the Group had approximately 38,637 employees.

The Group has entered into employment contracts with all of its employees. The compensation of employees mainly includes salaries and performance-based bonuses. The Company has also implemented share option schemes and the Medium to Long-term Performance Evaluation Incentive Plan in order to attract and retain the best employees and to provide additional incentives to employees.

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the period, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules, except for the deviation from code provision A.2.1 with regard to the separate roles of the Chairman and the President during the period from 1 January 2016 to 15 April 2016.

The division of responsibilities between the Chairman and the President has been clearly established and set out in writing. From 26 August 2014 to 15 April 2016, both roles were assumed by Ms. Zhou Junqing until a replacement could be identified for the role of the President. On 16 April 2016, Ms. Zhou Junqing terminated her role of Acting President of the Company and continued to serve as Executive Director and Chairman of the Company. Mr. Hu Min has been appointed Executive Director and President of the Company with effect from 16 April 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards set out in the Model Code.

AUDITORS AND AUDIT AND RISK COMMITTEE

The interim results for the six months ended 30 June 2016 have been reviewed by the Audit and Risk Committee under the Board of the Company and its auditors, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the HKICPA.

CHANGES SINCE 30 JUNE 2016

There were no other significant changes in the Group's financial position or from the information disclosed under Management Discussion and Analysis in the interim report for the six months ended 30 June 2016.

By Order of the Board
China Resources Power Holdings Company Limited
ZHOU Junqing
Chairman

Hong Kong, 18 August 2016

As at the date of this announcement, the Board of Directors of the Company comprises five executive directors, namely, Ms. ZHOU Junqing (Chairman), Mr. ZHANG Shen Wen (Vice Chairman), Mr. GE Changxin (Vice Chairman), Mr. HU Min (President) and Ms. WANG Xiao Bin (Chief Financial Officer and Company Secretary); two non-executive directors, namely Mr. WANG Yan and Mr. CHEN Ying; and four independent non-executive directors, namely Mr. MA Chiu-Cheung, Andrew, Ms. LEUNG Oi-sie, Elsie, Dr. CH'IEN Kuo-fung, Raymond and Mr. SO Chak Kwong, Jack.