

Neary Thomas J  
Form 3  
July 25, 2011

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Neary Thomas J		(Month/Day/Year)	Pendrell Corp [PCO]	
(Last)	(First)	(Middle)	07/21/2011	
2300 CARILLON POINT			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
KIRKLAND,Â WAÂ 98033			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			Chief Financial Officer	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date			
		Title	Amount or Number of Shares		

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Neary Thomas J 2300 CARILLON POINT KIRKLAND, WA 98033	Â	Â	Â Chief Financial Officer	Â

## Signatures

/s/ Timothy M. Dozois,  
attorney-in-fact

07/25/2011

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

### No securities are beneficially owned

\* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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Fair value changes of available-for-sale financial asset

558,261 840,289 (106,244)

Shares of other comprehensive income/ (loss) of investees accounted for under the equity method

678,793 87,579 (35,481)

Effective portion of cash flow hedges

51,922 (789,915) 417,891

Translation differences of the financial statements of foreign operations

(133,116) (377,889) (782,063)

Other comprehensive income/(loss), net of tax

1,155,860 (239,936) (505,897)

Total comprehensive income

18,414,967 13,322,436 12,394,121

Net profit attributable to:

- Equity holders of the Company

13,651,933 10,757,317 10,426,024

- Non-controlling interests

3,607,174 2,805,055 2,473,994 17,259,107 13,562,372 12,900,018

Total comprehensive income attributable to:

- Equity holders of the Company

14,807,889 10,517,694 9,920,884

- Non-controlling interests

3,607,078 2,804,742 2,473,237 18,414,967 13,322,436 12,394,121

Earnings per share attributable to the equity holders of the Company (expressed in RMB per share)

- Basic and diluted

The accompanying notes are an integral part of these financial statements.

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Huaneng Power International, Inc.  
Consolidated Statements of Financial Position  
As at 31 December 2015 and 2014  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

	Note	As at 31 December	
		2015	2014
		RMB	RMB
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	7	219,673,070	188,379,057
Investments in associates and joint ventures	8	19,745,192	17,626,910
Available-for-sale financial assets	10	5,077,863	4,333,377
Land use rights	11	8,313,766	4,953,844
Power generation license	12	3,679,175	3,720,959
Mining rights	13	1,646,271	1,922,655
Deferred income tax assets	30	1,064,391	884,274
Derivative financial assets	14	45,044	40,598
Goodwill	15	11,677,182	11,725,555
Other non-current assets	16	4,378,997	3,719,255
<b>Total non-current assets</b>		<b>275,300,951</b>	<b>237,306,484</b>
Current assets			
Inventories	17	5,422,732	6,702,274
Other receivables and assets	18	4,087,989	3,411,720
Accounts receivable	19	16,377,401	14,881,963
Derivative financial assets	14	139,468	261,135
Bank balances and cash	34	7,537,813	12,608,192
<b>Total current assets</b>		<b>33,565,403</b>	<b>37,865,284</b>
<b>Total assets</b>		<b>308,866,354</b>	<b>275,171,768</b>

The accompanying notes are an integral part of these financial statements.

Huaneng Power International, Inc.  
Consolidated Statements of Financial Position (Continued)  
As at 31 December 2015 and 2014  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

	Note	As at 31 December	
		2015	2014
		RMB	RMB
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to equity holders of the Company			
Share capital	20	15,200,383	14,420,383
Capital surplus		24,815,489	19,622,199
Surplus reserves	21	8,140,030	7,196,349
Currency translation differences		(1,327,839 )	(1,194,819 )
Retained earnings		37,313,885	30,085,379
		84,141,948	70,129,491
Non-controlling interests		17,551,741	14,653,215
Total equity		101,693,689	84,782,706
Non-current liabilities			
Long-term loans	23	66,028,023	57,638,458
Long-term bonds	24	11,261,322	22,725,535
Deferred income tax liabilities	30	2,494,143	1,810,755
Derivative financial liabilities	14	430,089	649,513
Other non-current liabilities	25	3,122,455	2,718,680
Total non-current liabilities		83,336,032	85,542,941
Current liabilities			
Accounts payable and other liabilities	26	26,185,764	27,035,864
Taxes payable	27	2,071,471	1,858,024
Dividends payable		788,895	431,681
Salary and welfare payables		313,284	171,262
Derivative financial liabilities	14	874,852	832,727
Short-term bonds	28	19,347,706	18,244,806
Short-term loans	29	49,883,489	43,529,004
Current portion of long-term loans	23	12,351,205	7,392,433
Current portion of long-term bonds	24	11,480,661	5,020,760
Current portion of other non-current liabilities	25	539,306	329,560
Total current liabilities		123,836,633	104,846,121
Total liabilities		207,172,665	190,389,062
Total equity and liabilities		308,866,354	275,171,768

Explanation of Responses:

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These financial statements were approved for issue by the Board of Directors on 22 March 2016 and were signed on its behalf.

The accompanying notes are an integral part of these financial statements.

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Huaneng Power International, Inc.  
Consolidated Statements of Changes in Equity  
For the years ended 31 December 2015, 2014 and 2013  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

	Attributable to equity holders of the Company							Currency translation differences	
	Share capital	Share premium	Hedging reserve	Capital surplus Available-for-sale financial assets revaluation reserve	Other capital reserve	Subtotal	Surplus reserves		
Balance as at 1 January 2013	14,055,383	16,881,764	(719,085)	492,976	1,063,422	17,719,077	7,085,454	(35,937)	17,719,077
Profit for the year ended 31 December 2013	-	-	-	-	-	-	-	-	10,000
Other comprehensive (loss)/income:									
Fair value changes from available-for-sale financial asset - gross	-	-	-	(141,658)	-	(141,658)	-	-	-
Fair value changes from available-for-sale financial asset - tax	-	-	-	35,414	-	35,414	-	-	-
Shares of other comprehensive loss of investees accounted for under the equity method - gross	-	-	-	(47,236)	-	(47,236)	-	-	-
Shares of other comprehensive loss of investees accounted for under the equity method - tax	-	-	-	11,755	-	11,755	-	-	-
Changes in fair value of effective portion of cash flow hedges - gross	-	-	303,472	-	-	303,472	-	-	-
	-	-	(54,371)	-	-	(54,371)	-	-	-

Explanation of Responses:

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Changes in fair value of effective portion of cash flow hedges - tax									
Cash flow hedges recorded in shareholders' equity reclassified to inventories - gross	-	-	7,116	-	-	7,116	-	-	-
Cash flow hedges recorded in shareholders' equity reclassified to inventories - tax	-	-	(1,210 )	-	-	(1,210 )	-	-	-
Cash flow hedges recorded in shareholders' equity reclassified to exchange gain and bank charges, net - gross	-	-	(1,759 )	-	-	(1,759 )	-	-	-
Cash flow hedges recorded in shareholders' equity reclassified to exchange gain and bank charges, net - tax	-	-	299	-	-	299	-	-	-
Cash flow hedges recorded in shareholders' equity reclassified to interest expense - gross	-	-	203,673	-	-	203,673	-	-	-
Cash flow hedges recorded in shareholders' equity reclassified to interest expense - tax	-	-	(39,329 )	-	-	(39,329 )	-	-	-
Currency translation differences	-	-	-	-	-	-	-	(781,306)	-
Total comprehensive income/(loss) for the year ended 31 December 2013	-	-	417,891	(141,725)	-	276,166	-	(781,306)	10,

Explanation of Responses:



Dividends relating to 2012	-	-	-	-	-	-	-	-	(2,9
Capital injections from non-controlling interests of subsidiaries	-	40,005	-	-	-	40,005	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-
Acquisitions of non-controlling interests	-	-	-	-	-	-	-	-	(55
Others*	-	(688,180 )	-	-	-	(688,180 )	-	-	9
Balance as at 31 December 2013	14,055,383	16,233,589	(301,194)	351,251	1,063,422	17,347,068	7,085,454	(817,243)	24,

\*Others mainly represented state-owned fund allocated from government budget received from the Ministry of Finance of PRC through China Huaneng Group (“ ”) of approximately RMB640 million in previous years, which was repaid to China Huaneng Group in 2013 and subsequently lent to the Company as an entrusted loan pursuant to relevant regulation in the PRC.

The accompanying notes are an integral part of these financial statements.

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Huaneng Power International, Inc.  
Consolidated Statements of Changes in Equity (Continued)  
For the years ended 31 December 2015, 2014 and 2013  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

	Attributable to equity holders of the Company							Surplus reserves	Currency translation differences
	Share capital	Share premium	Hedging reserve	Capital surplus Available-for-sale financial assets revaluation reserve	Other capital reserve	Subtotal			
Balance as at 1 January 2014	14,055,383	16,233,589	(301,194 )	351,251	1,063,422	17,347,068	7,085,454	(817,243 )	
Profit for the year ended 31 December 2014	-	-	-	-	-	-	-	-	
Other comprehensive income/ (loss):									
Fair value changes from available-for-sale financial asset - gross	-	-	-	1,120,385	-	1,120,385	-	-	
Fair value changes from available-for-sale financial asset - tax	-	-	-	(280,096 )	-	(280,096 )	-	-	
Shares of other comprehensive income of investees accounted for under the equity method - gross	-	-	-	116,972	-	116,972	-	-	
Shares of other comprehensive income of investees accounted for under the equity method - tax	-	-	-	(29,393 )	-	(29,393 )	-	-	
Changes in fair value of effective portion of cash	-	-	(1,479,632)	-	-	(1,479,632)	-	-	

Explanation of Responses:

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flow hedges - gross								
Changes in fair value of effective portion of cash flow hedges - tax	-	-	254,590	-	-	254,590	-	-
Cash flow hedges recorded in shareholders' equity reclassified to inventories - gross	-	-	371,725	-	-	371,725	-	-
Cash flow hedges recorded in shareholders' equity reclassified to inventories - tax	-	-	(63,193 )	-	-	(63,193 )	-	-
Cash flow hedges recorded in shareholders' equity reclassified to exchange gain and bank charges, net - gross	-	-	(51,772 )	-	-	(51,772 )	-	-
Cash flow hedges recorded in shareholders' equity reclassified to exchange gain and bank charges, net - tax	-	-	8,801	-	-	8,801	-	-
Cash flow hedges recorded in shareholders' equity reclassified to interest expense - gross	-	-	209,652	-	-	209,652	-	-
Cash flow hedges recorded in shareholders' equity reclassified to interest expense - tax	-	-	(40,086 )	-	-	(40,086 )	-	-
Currency translation differences	-	-	-	-	-	-	-	(377,576 )
Total comprehensive (loss)/income for	-	-	(789,915 )	927,868	-	137,953	-	(377,576 )

Explanation of Responses:

the year ended 31  
December 2014

Dividends

relating to 2013 - - - - - - - - -

Issuance of new

H shares, net of

issuance expenses 365,000 2,088,986 - - - 2,088,986 - -

Capital injections

from

non-controlling

interests of

subsidiaries - - - - - - - - -

Appropriation of

surplus reserve - - - - - - 110,895 -

Acquisitions of a

subsidiary - - - - - - - - -

Disposal of a

subsidiary - - - - - - - - -

Disposal of

non-controlling

interests of a

subsidiary - - - - 48,192 48,192 - -

Balance as at 31

December 2014 14,420,383 18,322,575 (1,091,109) 1,279,119 1,111,614 19,622,199 7,196,349 (1,194,819)

The accompanying notes are an integral part of these financial statements.

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Huaneng Power International, Inc.  
Consolidated Statements of Changes in Equity (Continued)  
For the years ended 31 December 2015, 2014 and 2013  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

	Attributable to equity holders of the Company							Surplus reserves	Currency translation differences
	Share capital	Share premium	Hedging reserve	Capital surplus Available-for-sale financial assets revaluation reserve	Other capital reserve	Subtotal			
Balance as at 1 January 2015	14,420,383	18,322,575	(1,091,109)	1,279,119	1,111,614	19,622,199	7,196,349	(1,194,819)	
Profit for the year ended 31 December 2015	-	-	-	-	-	-	-	-	
Other comprehensive income/ (loss):									
Fair value changes from available-for-sale financial asset - gross	-	-	-	744,348	-	744,348	-	-	
Fair value changes from available-for-sale financial asset - tax	-	-	-	(186,087 )	-	(186,087 )	-	-	
Shares of other comprehensive income of investees accounted for under the equity method - gross	-	-	-	904,007	-	904,007	-	-	
Shares of other comprehensive income of investees accounted for under the equity method - tax	-	-	-	(225,214 )	-	(225,214 )	-	-	
Changes in fair value of effective portion of cash	-	-	(962,683 )	-	-	(962,683 )	-	-	

Explanation of Responses:

flow hedges - gross								
Changes in fair value of effective portion of cash flow hedges - tax	-	-	166,135	-	-	166,135	-	-
Cash flow hedges recorded in shareholders' equity reclassified to inventories - gross	-	-	1,003,778	-	-	1,003,778	-	-
Cash flow hedges recorded in shareholders' equity reclassified to inventories - tax	-	-	(170,642 )	-	-	(170,642 )	-	-
Cash flow hedges recorded in shareholders' equity reclassified to exchange gain and bank charges, net - gross	-	-	(137,859 )	-	-	(137,859 )	-	-
Cash flow hedges recorded in shareholders' equity reclassified to exchange gain and bank charges, net - tax	-	-	23,436	-	-	23,436	-	-
Cash flow hedges recorded in shareholders' equity reclassified to interest expense - gross	-	-	161,124	-	-	161,124	-	-
Cash flow hedges recorded in shareholders' equity reclassified to interest expense - tax	-	-	(31,367 )	-	-	(31,367 )	-	-
Currency translation differences	-	-	-	-	-	-	-	(133,020 )
Total comprehensive income /(loss) for the year ended 31	-	-	51,922	1,237,054	-	1,288,976	-	(133,020 )

December 2015								
Dividends relating to 2014 (Note 22)	-	-	-	-	-	-	-	-
Issuance of new H shares, net of issuance expenses (Note 20)	780,000	3,904,314	-	-	-	3,904,314	-	-
Capital injections from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-
Transfer to surplus reserve (Note 21)	-	-	-	-	-	-	943,681	-
Business combinations (Note 39)	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Balance as at 31 December 2015	15,200,383	22,226,889	(1,039,187)	2,516,173	1,111,614	24,815,489	8,140,030	(1,327,839)

The accompanying notes are an integral part of these financial statements.

Huaneng Power International, Inc.  
Consolidated Statements of Cash Flows  
For the years ended 31 December 2015, 2014 and 2013  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

	For the year ended 31 December		
	2015 RMB	2014 RMB	2013 RMB
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax expense	22,958,050	19,049,580	17,422,689
Adjustments to reconcile profit before income tax expense to net cash provided by operating activities:			
Depreciation	14,411,632	11,646,683	11,293,522
Provision for impairment loss on property, plant and equipment	1,047,641	1,358,522	472,921
Provision for impairment loss on investment in an associate	178,131	120,050	-
Provision for impairment loss on goodwill	1,105,649	641,061	980,513
Provision for impairment loss on mining right	760,296	-	-
Provision for impairment loss on land use right	-	-	6,804
Amortization of land use rights	213,206	133,069	139,609
Amortization of other non-current assets	92,775	99,528	112,384
Amortization of employee housing subsidies	940	940	940
(Reversal)/recognition of provision for doubtful accounts	(3,392 )	4,577	(2,610 )
Recognition/(reversal) of provision for inventory obsolescence	1,828	(2,647 )	(824 )
Loss /(gain) on fair value changes of financial assets/liabilities	16,742	(42,538 )	5,701
Other investment income	(115,238 )	(80,580 )	(224,908 )
Net loss on disposals of property, plant and equipment	438,321	427,034	897,222
Unrealized exchange loss/ (gain), net	166,148	(34,769 )	(107,249 )
Share of profits less losses of associates and joint ventures	(1,525,975 )	(1,315,876 )	(615,083 )
Interest income	(160,723 )	(159,550 )	(170,723 )
Interest expense	7,945,734	7,814,114	7,787,472
Others	(89,332 )	(217,829 )	106,484
Changes in working capital:			
Inventories	2,106,821	(195,853 )	517,837
Other receivables and assets	72,925	(64,288 )	992,322
Accounts receivable	(175,429 )	466,878	(846,214 )
Restricted cash	499,899	(243,624 )	(7,091 )
Accounts payable and other liabilities	(2,932,761 )	(1,417,668 )	4,598,219
Taxes payable	1,366,209	1,245,941	1,442,845
Salary and welfare payables	75,803	(17,566 )	(26,492 )
Interest received	102,813	97,374	100,278
Income tax expense paid	(6,196,005 )	(5,992,496 )	(4,637,139 )
Net cash provided by operating activities	42,362,708	33,320,067	40,239,429

The accompanying notes are integral part of these financial statements.





Huaneng Power International, Inc.  
 Consolidated Statements of Cash Flows (Continued)  
 For the years ended 31 December 2015, 2014 and 2013  
 (Prepared in accordance with International Financial Reporting Standards)  
 (Amounts expressed in thousands of RMB)

	For the year ended 31 December		
	2015	2014	2013
	RMB	RMB	RMB
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for the purchase of property, plant and equipment	(24,191,285)	(19,858,216)	(17,691,382)
Proceeds from disposal of property, plant and equipment	109,013	70,712	166,459
Prepayments of land use rights	(136,045 )	(500,100 )	(5,947 )
Payment for the purchase of other non-current assets	(6,981 )	(21,576 )	(32,601 )
Cash dividends received	937,189	565,334	408,166
Payment for investment in associates and joint ventures	(889,780 )	(266,877 )	(2,017,853 )
Cash paid for acquiring available-for-sale financial assets	-	-	(200,000 )
Cash consideration paid for acquisitions of subsidiaries, net of cash acquired (Note 39)	(8,887,882 )	(17,991 )	36,599
Cash received from disposal of trading securities	-	-	102,784
Cash received from disposal of subsidiaries	-	503,809	6,199
Others	50,759	54,092	173,326
Net cash used in investing activities	(33,015,012)	(19,470,813)	(19,054,250)

The accompanying notes are integral part of these financial statements.

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Huaneng Power International, Inc.  
Consolidated Statements of Cash Flows (Continued)  
For the years ended 31 December 2015, 2014 and 2013  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

	Note	For the year ended 31 December		
		2015	2014	2013
		RMB	RMB	RMB
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of short-term bonds		18,980,000	17,971,000	24,950,000
Repayments of short-term bonds		(18,000,000)	(15,000,000)	(45,000,000)
Proceeds from short-term loans		67,298,044	61,503,204	41,314,000
Repayments of short-term loans		(62,600,955)	(55,896,200)	(30,869,290)
Proceeds from long-term loans		9,943,689	9,647,090	5,091,175
Repayments of long-term loans		(12,799,719)	(17,522,953)	(12,889,078)
Issuance of long-term bonds		-	3,988,000	6,485,000
Repayments of long-term bonds		(5,000,000 )	(5,700,000 )	-
Interest paid		(8,677,316 )	(8,097,216 )	(8,290,433 )
Net proceeds from the issuance of new H shares		4,684,314	2,453,986	-
Net capital injection from non-controlling interests of subsidiaries		623,107	606,719	868,225
Government grants		322,011	188,406	274,472
Dividends paid to shareholders of the Company		(5,535,655 )	(5,341,046 )	(2,951,631 )
Dividends paid to non-controlling interests of subsidiaries		(2,954,194 )	(1,474,329 )	(539,876 )
Proceeds from sales leaseback classified as finance lease		100,000	1,500,000	-
Repayment of state-owned fund received from China Huaneng Group in prior years		-	-	(640,485 )
Cash received from disposal of non-controlling interests of a subsidiary		-	384,702	-
Others		(523,985 )	(105,543 )	(42,167 )
Net cash used in financing activities		(14,140,659)	(10,894,180)	(22,240,088)
Effect of exchange rate fluctuations on cash held		32,846	(58,379 )	(108,806 )
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,760,117 )</b>	<b>2,896,695</b>	<b>(1,163,715 )</b>
Cash and cash equivalents as at beginning of the year		12,238,367	9,341,672	10,505,387
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	<b>34</b>	<b>7,478,250</b>	<b>12,238,367</b>	<b>9,341,672</b>

Explanation of Responses:

The accompanying notes are integral part of these financial statements.

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HUANENG POWER INTERNATIONAL, INC.

NOTES TO THE FINANCIAL STATEMENTS

(Prepared in accordance with International Financial Reporting Standards)

(Amounts expressed in thousands of RMB unless otherwise stated)

1 Company organization and principal activities

Huaneng Power International, Inc. (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) as a Sino-foreign joint stock limited company on 30 June 1994. The registered address of the Company is Huaneng Building, 6 Fuxingmennei Street, Xicheng District, Beijing, the PRC. The Company and its subsidiaries are principally engaged in the generation and sale of electric power to the respective regional or provincial grid companies in the PRC and in the Republic of Singapore (“Singapore”). The Company conducts its business in Singapore through SinoSing Power Pte Ltd. (“SinoSing Power”) and its subsidiaries.

The directors consider Huaneng International Power Development Corporation (“HIPDC”) and China Huaneng Group (“Huaneng Group”) as the parent company and ultimate parent company of the Company, respectively. Both HIPDC and Huaneng Group are incorporated in the PRC. HIPDC does not produce financial statements available for public use.

2 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirement of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial assets and liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company and its subsidiaries’ accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

As at and for the year ended 31 December 2015, a portion of the Company and its subsidiaries’ funding requirements for capital expenditures were satisfied by short-term financing. Consequently, as at 31 December 2015, the Company and its subsidiaries have net current liabilities of approximately RMB90.3 billion. Taking into consideration of the expected operating cash flows of the Company and its subsidiaries and the undrawn available banking facilities of approximately RMB235.7 billion as at 31 December 2015, the Company and its subsidiaries are expected to refinance certain of its short term loans and bonds and also to consider alternative sources of financing, where applicable and when needed. Therefore, the directors of the Company are of the opinion that the Company and its subsidiaries will be able to meet its liabilities as and when they fall due within the next twelve months and accordingly, these consolidated financial statements are prepared on a going concern basis.



2

## Principal accounting policies (Continued)

## (a) Basis of preparation (Continued)

Except as described below, the principal accounting policies adopted are consistent with those applied in the annual financial statements for the year ended 31 December 2014 described in those annual financial statements.

The Company and its subsidiaries have adopted the following new amendments to standards that are first effective for the current accounting period:

- Amendments to IAS 19, Employee benefits - Defined benefit plans: Employee contributions
  - Annual Improvements to IFRSs 2010-2012 Cycle
  - Annual Improvements to IFRSs 2011-2013 Cycle

None of these developments have had a material effect on how the Company and its subsidiaries' results and financial position for the current or prior periods have been prepared or presented. The Company and its subsidiaries have not applied any new standard or interpretation that is not yet effective for current accounting period.

## (b) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries.

Subsidiaries are investees over which the Company and its subsidiaries have the power to exercise control. The Company and its subsidiaries control an entity when it is exposed, or have rights to variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. In assessing whether the Company and its subsidiaries have power, only substantive rights (held by the Company and its subsidiaries and other parties) are considered.

Subsidiaries are consolidated from the date when control is transferred to the Company and its subsidiaries. They are de-consolidated from the date when control ceases. Intra-group balances, transactions and cash flows, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company and its subsidiaries' interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. The portion of the shareholders' equity of the subsidiaries, which is not attributable directly or indirectly to the parent company, is separately presented as non-controlling interests in the shareholders' equity in the consolidated financial statements.

When there is any inconsistency on the accounting policies or financial period adopted between subsidiaries and the Company, the financial statements of subsidiaries are adjusted according to the accounting policies or financial period adopted by the Company.

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2	Principal accounting policies (Continued)
(b)	Consolidation (Continued)
(i)	Business combinations

The acquisition method is used to account for the business combinations of the Company and its subsidiaries (including business combination under common controls). The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company and its subsidiaries. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company and its subsidiaries recognize any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2(i)). If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the equity owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Associates and joint ventures

Associates are investees over which the Company and its subsidiaries have significant influence on the financial and operating decisions. A joint venture is an arrangement whereby the Company and its subsidiaries and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are initially recognized at cost and are subsequently measured using the equity method of accounting, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The excess of the initial investment cost over the proportionate share of the fair value of identifiable net assets of investee acquired is included in the initial investment cost (Note 2(i)). Any shortfall of the initial investment cost to the proportionate share of the fair value of identifiable net assets of investee acquired is recognized in current period profit or loss and long-term investment cost is adjusted accordingly.



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## Principal accounting policies (Continued)

## (b) Consolidation (Continued)

## (iii) Associates and joint ventures (Continued)

When applying equity method, the Company and its subsidiaries adjust net profit or loss of the investees, including the fair value adjustments on the net identifiable assets of the associates and joint ventures and the adjustments to align with the accounting policies of the Company and the Company's financial reporting periods. Current period investment income is then recognized based on the proportionate share of the Company and its subsidiaries in the investees' net profit or loss. Net losses of investees are recognized to the extent of the carrying value of long-term equity investments and any other constituting long-term equity investments in investees that in substance form part of the investments in the investees. The Company and its subsidiaries continue to recognize investment losses and provision if they bear additional obligations which meet the recognition criteria.

The Company and its subsidiaries adjust the carrying amount of the investment and directly recognize into related other comprehensive income based on their proportionate share on the movements of the investees' other comprehensive income except net profit or loss, given there is no change in shareholding ratio.

When the investees appropriate profit or declare dividends, the carrying value of long-term equity investments are reduced correspondingly by the proportionate share of the distribution.

The Company and its subsidiaries determine at each reporting date whether there is any objective evidence that the investment in the associate or the joint venture is impaired. If this is the case, the Company and its subsidiaries calculate the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying value and recognize the amount in the consolidated statement of comprehensive income.

Profits or losses resulting from transactions between the Company and its subsidiaries and the associates and joint ventures are recognized in the Company and its subsidiaries' financial statements only to the extent of the unrelated third party investor's interests in the associates and joint ventures. Loss from transactions between the Company and its subsidiaries and the associates and joint ventures is fully recognized and not eliminated when there is evidence for asset impairment.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

Gains and losses arising from dilution of investments in associates and joint ventures are recognized in the consolidated statement of comprehensive income.

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less provision for impairment losses (Note 2(j)) unless classified as held for sale (or included in a disposal group that is classified as held for sale). Investment income from investments in associates and joint ventures is accounted for by the Company based on dividends received and receivable.

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## Principal accounting policies (Continued)

## (b) Consolidation (Continued)

## (iii) Associates and joint ventures (Continued)

In all other cases, when the Company and its subsidiaries cease to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(k)).

## (c) Separate financial statements of the Company

Investments in subsidiaries are accounted for at cost less impairment unless classified as held for sale (or included in a disposal group that is classified as held for sale). Cost also includes direct attributable costs of investment. Investment income is recognized when the subsidiaries declare dividend.

## (d) Segment reporting

The Company and its subsidiaries determine the operating segment based on the internal organization structure, management requirement and internal reporting system for purposes of presenting reportable segment information.

An operating segment represents a component of the Company and its subsidiaries that meets all the conditions below: (i) the component earns revenue and incurs expenses in its daily operating activities; (ii) chief operating decision maker of the Company and its subsidiaries regularly reviews the operating results of the component in order to make decisions on allocating resources and assessing performance; (iii) the financial position, operating results, cash flows and other related financial information of the component are available. When the two or more operating segments exhibit similar economic characteristics and meet certain conditions, the Company and its subsidiaries combine them as one reportable segment.

## (e) Foreign currency translation

## (i) Functional and presentation currency

Items included in the financial statements of each of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s functional and presentation currency.

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## Principal accounting policies (Continued)

## (e) Foreign currency translation (Continued)

## (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction dates. As at the end of reporting period, foreign currency monetary items are translated into functional currency at the spot exchange rate as at the end of reporting period. Exchange differences are directly expensed in current period profit or loss unless they arise from foreign currency loans borrowed for purchasing or construction of qualifying assets which is eligible for capitalization or they arise from monetary items that qualify as hedging instruments in cash flow hedges which are recorded in other comprehensive income to the extent that the hedge is effective.

## (iii) Foreign subsidiaries

The operating results and financial position of the foreign subsidiaries are translated into presentation currency as follows:

Asset and liability items in each statement of financial position of foreign operations are translated at the closing rates at the end of reporting period; equity items excluding retained earnings are translated at the spot exchange rates at the date of the transactions. Income and expense items in the statement of comprehensive income of the foreign operations are translated at average exchange rates approximating the rate on transaction dates. All resulting translation differences are recognized in other comprehensive income.

The cash flows denominated in foreign currencies and cash flows of overseas subsidiaries are translated at average exchange rates approximating the rates at the dates when cash flows incurred. The effect of the foreign currency translation on the cash and cash equivalents is presented in the statement of cash flows separately.

On the disposal of a foreign operation (that is, a disposal of the Company and its subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint ventures that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Company and its subsidiaries losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Company and its subsidiaries' ownership interest in associates or joint venture that includes a foreign operation that do not result in the Company and its subsidiaries losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

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2 Principal accounting policies (Continued)

(f) Property, plant and equipment

Property, plant and equipment consists of dam, port facilities, buildings, electric utility plant in service, transportation facilities, others and construction-in-progress (“CIP”). Property, plant and equipment acquired or constructed are initially recognized at cost and carried at the net value of cost less accumulated depreciation and accumulated impairment loss, unless classified as held for sale (or included in a disposal group that is classified as held for sale).

Cost of CIP comprises construction expenditures, other expenditures necessary for the purpose of preparing the CIP for its intended use, those borrowing costs incurred before the assets are ready for intended use that are eligible for capitalization. CIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Subsequent costs about property, plant and equipment are included in the asset’s carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and its subsidiaries and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Other subsequent expenditures not qualified for capitalization are charged in the current period profit or loss when they are incurred.

Depreciation of property, plant and equipment is provided based on book value of the asset less estimated residual value over the estimated useful life using straight-line method. For those impaired property, plant and equipment, depreciation is provided based on book value after deducting impairment provision over the estimated useful life of the asset. The estimated useful lives are as follows:

	Estimated useful lives
Dam	8 – 50 years
Port facilities	20 – 40 years
Buildings	8 – 30 years
Electric utility plant in service	5 – 30 years
Transportation facilities	8 – 27 years
Others	5 – 14 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. At the end of each year, the Company and its subsidiaries review the estimated useful lives, residual values and the depreciation method of the property, plant and equipment and make adjustment when necessary.

Property, plant and equipment is derecognized when it is disposed of, or is not expected to bring economic benefit through use or disposal. The amount of disposal income arising from sale, transfer, disposal or write-off of the property, plant and equipment less book value and related tax expenses is recorded in ‘operating expenses – others’ in the statement of comprehensive income.

The carrying amount of property, plant and equipment is written down immediately to its recoverable amount when its carrying amount is greater than its recoverable amount (Note 2(j)).

2

## Principal accounting policies (Continued)

## (g) Power generation license

The Company and its subsidiaries acquired the power generation license as part of the business combination with Tuas Power Ltd. (“Tuas Power”). The power generation license is initially recognized at fair value at the acquisition date. The license has an indefinite useful life and is not amortized. The assessment that the license has an indefinite useful life is based on the expected renewal of power generation license without significant restriction and cost, together with the consideration on related future cash flows generated and the expectation of continuous operations. It is tested annually for impairment and carried at cost less accumulated impairment loss. Useful life of the power generation license is reviewed by the Company and its subsidiaries each financial period to determine whether events and circumstances continue to support the indefinite useful life assessment.

## (h) Mining rights

Mining rights are stated at cost less accumulated amortization and impairment losses (Note 2(j)) and are amortized based on the units of production method utilizing only recoverable coal reserves as the depletion base, unless the mining rights are classified as held for sale (or included in a disposal group that is classified as held for sale).

## (i) Goodwill

Goodwill arising from the acquisitions of subsidiaries, associates and joint ventures represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the Company and its subsidiaries’ share of the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(j)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

## (j) Impairment of non-financial assets

The carrying amounts of property, plant and equipment, mining rights, intangible assets with definite useful lives, land use rights and long-term equity investments not accounted for as financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested for impairment annually regardless of whether there are indications of impairment or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (“CGU”) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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## Principal accounting policies (Continued)

## (j) Impairment of non-financial assets (Continued)

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

An impairment loss in respect of goodwill is not reversed. Except for goodwill, all impaired non-financial assets are subject to review for possible reversal of impairment at each reporting date. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior year. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

## (k) Financial assets

Financial assets are classified in the following categories at initial recognition: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the intention and ability of the Company and its subsidiaries to hold the financial assets.

## (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and designated upon initial recognition as at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

## (ii) Loans and receivables

Loans and receivables refer to the non-derivative financial assets for which there is no quotation in the active market with fixed or determinable amount. They are included in current assets, except for maturities greater than 12 months after the end of reporting period which are classified as non-current assets. Loans and receivables are primarily included in as 'accounts receivable', 'other receivables and assets' and 'other non-current assets' in the statement of financial position.

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2

## Principal accounting policies (Continued)

(k) Financial assets (Continued)

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in current assets when management intends to dispose of the available-for-sale financial assets within 12 months of the end of reporting period.

(iv) Recognition and measurement

Regular purchases and sales of financial assets are recognized at fair value initially on trade-date – the date on which the Company and its subsidiaries commit to purchase or sell the asset. Transaction costs relating to financial assets at fair value through profit or loss are directly expensed in the profit or loss as incurred. Transaction costs for other financial assets are included in the carrying amount of the asset at initial recognition. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and all risks and rewards related to the ownership of the financial assets have been transferred to the transferee.

Financial assets at fair value through profit or loss and available-for-sale are subsequently measured at fair value. When an active market exists for a financial instrument, fair value is determined based on quoted prices in the active market. When no active market exists, fair value is determined by using valuation techniques. When applying valuation techniques, the Company and its subsidiaries maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Changes in the fair value of financial assets at fair value through profit or loss are recorded in ‘gain/(loss) on fair value changes of financial assets/liabilities’.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Loans and receivables are carried at amortized cost using the effective interest method.

Except for impairment loss and translation differences on monetary financial assets, changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income. When these financial assets are derecognized, the accumulated fair value adjustments recognized in equity are included in the statement of comprehensive income as ‘other investment income’. Dividends on available-for-sale financial assets are recorded in ‘other investment income’ when the right of the Company and its subsidiaries to receive payments is established.

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2	Principal accounting policies (Continued)
(k)	Financial assets (Continued)
(v)	Impairment of financial assets

Except for financial assets at fair value through profit or loss, the Company and its subsidiaries perform assessment on the book value of financial assets at the end of reporting period. Provision for impairment is made when there is objective evidence showing that a financial asset is impaired.

For investments in subsidiaries, associates and joint ventures, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, is removed from equity and recognized in profit or loss. Impairment losses recognized in the profit or loss on equity instruments are not reversed through the profit or loss.

When financial assets carried at amortized cost are impaired, the carrying amount of the financial assets is reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The impaired amount is recognized as assets impairment loss in the current period. If there is objective evidence that the value of the financial assets has recovered as a result of objective changes in circumstances occurring after the impairment loss was originally recognized, the originally recognized impairment loss is reversed through profit or loss. For the impairment test of receivables, please refer to Note 2(l).

(vi)	Derivative financial instruments and hedging activities
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Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Gain or loss arising from subsequent change in the fair value of derivative financial instruments is recognized in profit or loss except for the effective portions of gain or loss on the derivative financial instruments designated as cash flow hedges which are recognized directly in other comprehensive income. Cash flow hedge represents a hedge against the exposure to variability in cash flows, which such cash flow is originated from a particular risk associated with highly probable forecast transactions and variable rate borrowings and which could affect the statement of comprehensive income.

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## Principal accounting policies (Continued)

## (k) Financial assets (Continued)

## (vi) Derivative financial instruments and hedging activities (Continued)

The hedged items of cash flow hedge are the designated items with respect to the risks associated with future cash flow change resulting from variability in cash flows of a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction. Hedging instruments are designated derivative for cash flow hedge whose cash flows are expected to offset changes in the cash flows of a hedged item.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedge item is more than 12 months.

The Company and its subsidiaries document their assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. The Company and its subsidiaries apply ratio analysis method to evaluate the ongoing effectiveness of the cash flow hedge.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income within 'gain/(loss) on fair value changes of financial assets/liabilities'.

Amounts accumulated in equity are reclassified to the profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the statement of comprehensive income within 'interest expense'. The gain or loss relating to the effective portion of exchange forward hedging foreign currency denominated payables is recognized in the statement of comprehensive income within 'exchange gain/(loss) and bank charges, net'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. In the case where the Company and its subsidiaries expect all or a portion of net loss previously recognized directly in other comprehensive income will not be recovered in future financial periods, the irrecoverable portion will be reclassified into profit or loss.

When a hedging instrument expires or is sold, terminated or exercised or when a hedge no longer meets the criteria for hedge accounting, the Company and its subsidiaries will discontinue hedge accounting. Any cumulative gain or loss existing in equity at that time remains in equity and is subsequently recognized when the forecast transaction is ultimately recognized in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within 'gain/(loss) on fair value changes of financial assets/liabilities'.

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## Principal accounting policies (Continued)

## (l) Loans and receivables

Loans and receivables, which primarily include accounts receivable, other receivables and other non-current assets, are recognized initially at fair value. Loans and receivables are subsequently measured at amortized cost less provision for doubtful debts using the effective interest method.

The Company and its subsidiaries establish an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

When there is objective evidence that the Company and its subsidiaries will not be able to collect all amounts due according to the original terms of the receivables, impairment test is performed and related provision for doubtful accounts is made based on the shortfall between carrying amounts and respective present value of estimated future cash flows. The carrying amounts of the receivables are reduced through the use of allowance accounts, and the amount of the provision is recognized in the statement of comprehensive income within 'operating expenses – others'. When a receivable is uncollectible, it is written off against the allowance account for the receivable. Subsequent recoveries of amounts previously written off are credited against 'operating expenses – others' in the statement of comprehensive income.

## (m) Inventories

Inventories include fuel for power generation, materials for repairs and maintenance and spare parts, and are stated at lower of cost and net realizable values.

Inventories are initially recorded at cost and are charged to fuel costs or repairs and maintenance, respectively when used, or capitalized to property, plant and equipment when installed, as appropriate, using weighted average cost basis. Cost of inventories includes costs of purchase and transportation costs.

When the forecast transaction that is hedged results in the recognition of the inventory, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the inventory.

Provision for inventory obsolescence is determined by the excess of cost over net realizable value. Net realizable values are determined based on the estimated selling price less estimated conversion costs during power generation, selling expenses and related taxes in the ordinary course of business.

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## Principal accounting policies (Continued)

## (n) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or jointly control of the same third party; one party is controlled or jointly controlled by a third party and the other party is an associate or a joint venture of the same third party.

## (o) Cash and cash equivalents

Cash and cash equivalents listed in the statement of cash flows represents cash in hand, call deposits held with banks and other financial institutions, and other short-term (3 months or less), highly-liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flow.

## (p) Borrowings

Borrowings are recognized initially at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method. Borrowings are classified as current liabilities unless the Company and its subsidiaries have an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

## (q) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. The capitalization of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

The amount of specific borrowing costs capitalized is net of the investment income on any temporary investment of the funds pending expenditure on the asset.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## (r) Payables

Payables primarily include accounts payable and other liabilities, and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

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## Principal accounting policies (Continued)

## (s) Taxation

## (i) Value-added tax ("VAT")

The domestic power, heat and coal sales of the Company and its subsidiaries are subject to VAT. VAT payable is determined by applying 17% (or 13% on heat) on the taxable revenue after offsetting deductible input VAT of the period.

According to the relevant regulations of Ministry of Finance of PRC and State Administration of Taxation, certain pilot regions have been under the Pilot Program for the transformation from Business Tax to VAT since 1 January 2012 and all other regions since 1 August 2013 for specified industry. The applicable tax rate of VAT for the Company and its subsidiaries in respect of the lease of tangible movable properties, transportation industry and other modern services industry are 17%, 11% and 6%, respectively.

## (ii) Goods and service tax ("GST")

The power sales of the subsidiaries in Singapore are subject to goods and service tax of the country where they operate. GST payable is determined by applying 7% on the taxable revenue after offsetting deductible GST of the period.

## (iii) Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred income tax assets and liabilities are recognized based on the differences between tax bases of assets and liabilities and respective book values (temporary differences). For deductible tax losses or tax credit that can be brought forward in accordance with tax law requirements for deduction of taxable income in subsequent years, it is considered as temporary differences and related deferred income tax assets are recognized. No deferred income tax liability is recognized for temporary difference arising from initial recognition of goodwill. For those temporary differences arising from initial recognition of an asset or liability in a non-business combination transaction that affects neither accounting profit nor taxable profit (or deductible loss) at the time of the transaction, no deferred income tax asset and liability is recognized. The temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Company and its subsidiaries control the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

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## Principal accounting policies (Continued)

## (s) Taxation (Continued)

## (iii) Current and deferred income tax (Continued)

The Company and its subsidiaries recognize deferred income tax assets to the extent that it is probable that taxable profit will be available to offset the deductible temporary difference, deductible tax loss and tax credit.

At the end of reporting period, deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or liability is settled.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred income tax assets and deferred income tax liabilities are offset when meeting all the conditions below:

- (1) The Company and its subsidiaries have the legal enforceable right to offset current income tax assets and current income tax liabilities;
- (2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax authority of the Company and its subsidiaries.

## (t) Employee benefits

Employee benefits include all expenditures relating to the employees for their services. The Company and its subsidiaries recognize employee benefits as liabilities during the accounting period when employees render services and allocates to related cost of assets and expenses based on different beneficiaries.

In connection with pension obligations, the Company and its subsidiaries operate various defined contribution plans in accordance with the local conditions and practices in the countries and provinces in which they operate. A defined contribution plan is a pension plan under which the Company and its subsidiaries pay fixed contributions into a separate publicly administered pension insurance plan on mandatory and voluntary bases. The Company and its subsidiaries have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit when incurred. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in the future payment is available.

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## Principal accounting policies (Continued)

## (u) Government grants

Government grants are recognized when the Company and its subsidiaries fulfill the conditions attaching to them and they are probable to be received. When government grants are received in the form of monetary assets, they are measured at the amount received or receivable. When the grant is in the form of non-monetary assets, it is measured at fair value. When fair value cannot be measured reliably, nominal amount is assigned.

Asset-related government grant is recognized as deferred income and is amortized evenly in profit or loss over the useful lives of related assets.

Income-related government grant that is used to compensate subsequent related expenses or losses of the Company and its subsidiaries are recognized as deferred income and recorded in the profit or loss when related expenses or losses incurred. When the grant is used to compensate expenses or losses that were already incurred, they are directly recognized in current period profit or loss.

## (v) Revenue and income recognition

Revenue and income are recognized based the following methods:

Revenue and income are recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and its subsidiaries and the amount of the revenue and income can be measured reliably.

## (i) Electricity sales revenue

Electricity sales revenue represents the fair value of the consideration received or receivable for electricity sold in the ordinary course of the activities of the Company and its subsidiaries (net of VAT or GST). Revenue is earned and recognized upon transmission of electricity to the customers or the power grid controlled and owned by the respective regional or provincial grid companies.

## (ii) Coal sales revenue

Coal sales revenue represents the fair value of the consideration received or receivable for the sale of the coal in the ordinary course of the activities of the Company and its subsidiaries. Coal sales revenue is recognized when the coal is delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the coal.

## (iii) Service revenue

Service revenue refers to amounts received from service of port loading, conveying and transportation. The Company and its subsidiaries recognize revenue when the relevant service is provided.

## (iv) Dividend income

Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established. Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.





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Principal accounting policies (Continued)

(v) Revenue and income recognition (Continued)

(v) Interest income

Interest income from deposits is recognized on a time proportion basis using effective interest method. Interest income from the finance lease is recognized on a basis that reflects a constant periodic rate of return on the net investment in the finance lease.

(w) Leases

Leases where all the risks and rewards incidental to ownership of the assets are in substance transferred to the lessees are classified as finance leases. All other leases are operating leases.

(i) Operating leases (lessee)

Operating lease expenses are capitalized or expensed on a straight-line basis over the lease term.

The cost of acquiring land held under an operating lease is amortized on a straight-line basis over the period of the lease term.

(ii) Finance lease

The Company and its subsidiaries recognize the aggregate of the minimum lease receipts and the initial direct costs on the lease inception date as the receivable. The difference between the aggregate of the minimum lease receipts and the initial direct costs and sum of their respective present values is recognized as unrealized finance income. The Company and its subsidiaries adopt the effective interest method to allocate such unrealized finance income over the lease term. At the end of reporting period, the Company and its subsidiaries present the net amount of finance lease receivable after deducting any unrealized finance income in non-current assets and current assets, respectively.

Please refer to Note 2(k)(v) for impairment test on finance lease receivables.

Where the Company and its subsidiaries acquire the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Company and its subsidiaries will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(j). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

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## Principal accounting policies (Continued)

## (x) Purchase of electricity

The overseas subsidiary of the Company recognizes electricity purchase cost when it purchases the electricity and transmits to its customers.

## (y) Financial guarantee contracts

The Company issues financial guarantee contracts that transfer significant insurance risk. Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holders for losses they incur because specified debtors fail to make payments when due in accordance with the original or modified terms of debt instruments. Where the Company issues a financial guarantee, the fair value of the guarantee is initially recognized as deferred income within accounts payable and other liabilities. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognized in accordance with the Company's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognized in profit or loss on initial recognition of any deferred income. The amount of the guarantee initially recognized as deferred income is amortized in profit or loss over the term of the guarantee as income from financial guarantees issued.

## (z) Dividend distribution

Dividend distribution to the shareholders of the Company and its subsidiaries is recognized as a liability in the period when the dividend is approved in the shareholders' meeting.

## (aa) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

(ab) Standards and amendments to published standards that are not yet effective but relevant to the Company and its subsidiaries

The following are standards or amendments to existing standards that have been published and are mandatory for the accounting periods beginning on or after 1 January 2016, but the Company and its subsidiaries have not early adopted:

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## Principal accounting policies (Continued)

(ab) Standards and amendments to published standards that are not yet effective but relevant to the Company and its subsidiaries (Continued)

- IFRS 14, 'Regulatory deferral accounts', which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IFRS 11, 'Accounting for acquisitions of interests in joint operations', which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 16 and IAS 38, 'Clarification of acceptable methods of depreciation and amortization', which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 27, 'Equity method in separate financial statements', which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture', which will be effective for accounting periods beginning on or after 1 January 2016.
- Annual improvements to IFRSs 2012-2014 Cycle, which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 1 and IAS 7, 'Disclosure initiative', which will be effective for accounting periods beginning on or after 1 January 2016 and 1 January 2017 respectively.
- Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses', which will be effective for accounting periods beginning on or after 1 January 2017.
- IFRS 15, 'Revenue from contracts with customers', which will be effective for accounting periods beginning on or after 1 January 2018.
- IFRS 9, 'Financial instrument', which will be effective for accounting periods beginning on or after 1 January 2018.
  - IFRS 16, 'Leases', which will be effective for accounting periods beginning on or after 1 January 2019.

The Company and its subsidiaries have not assessed full impact of adoption of these standards or amendments upon their effective date.

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## Financial and capital risks management

(a)

## Financial risk management

Risk management, including the management on the financial risks, is carried out under the instructions of the Strategic Committee of Board of Directors and the Risk Management Team. The Company works out general principles for overall management as well as management policies covering specific areas. In considering the importance of risks, the Company identifies and evaluates risks at head office and individual power plant level, and requires analysis and proper communication of the information collected periodically.

SinoSing Power and its subsidiaries are subject to financial risks that are different from the entities operating within the PRC. They have a series of controls in place to maintain the cost of risks occurring and the cost of managing the risks at an acceptable level. Management continually monitors the risk management process to ensure that an appropriate balance between risk and control is achieved. SinoSing Power and its subsidiaries have their written policies and financial authorization limits in place which are reviewed periodically. These financial authorization limits seek to mitigate and eliminate operational risks by setting approval thresholds required for entering into contractual obligations and investments.

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- 3 Financial and capital risks management (Continued)
- (a) Financial risk management (Continued)
- (i) Market risk
- (1) Foreign exchange risk

Foreign exchange risk of the entities operating within the PRC primarily arises from loans denominated in foreign currencies of the Company and its subsidiaries. SinoSing Power and its subsidiaries are exposed to foreign exchange risk on accounts payable and other payables that are denominated primarily in US\$, a currency other than Singapore dollar (“S\$”), their functional currency. Please refer to Note 23, 26 and 29 for details. The Company and its subsidiaries manage exchange risk through closely monitoring interest and exchange market.

As at 31 December 2015, if RMB had weakened/strengthened by 5% (2014 and 2013: 5%) against US\$ and 3% (2014 and 2013: 3%) against EUR (“€”) with all other variables constant, the Company and its subsidiaries would further recognize exchange loss/gain amounted RMB144 million (2014 and 2013: RMB155 million and RMB186 million) and RMB10 million (2014 and 2013: RMB13 million and RMB19 million), respectively. The ranges of such sensitivity disclosed above were based on the observation on the historical trend of related exchange rates during the previous year under analysis.

As at 31 December 2015, if S\$ had weakened/strengthened by 10% (2014 and 2013: 10%) against US\$ with all other variables constant, the Company and its subsidiaries would further recognize exchange loss/gain amounted RMB2 million (2014 and 2013: RMB6 million and RMB12 million), respectively. The ranges of such sensitivity disclosed above were based on the management’s experience and forecast.

SinoSing Power and its subsidiaries also are exposed to foreign exchange risk on fuel purchases that are denominated primarily in US\$. They substantially hedge their estimated foreign currency exposure in respect of forecast fuel purchases over the following three months using primarily foreign currency contracts.

- (2) Price risk

The available-for-sale financial assets of the Company and its subsidiaries are exposed to equity security price risk.

Detailed information relating to the available-for-sale financial assets is disclosed in Note 10. The Company has a supervisor in the supervisory committee of the most significant investment in available-for-sale financial assets (China Yangtze Power Co., Ltd. (“Yangtze Power”)) and may exercise protective rights. The Company also closely monitors the pricing trends in the open market in determining its long-term strategic stakeholding decisions.

The Company and its subsidiaries are exposed to fuel price risk on fuel purchases. In particular, SinoSing Power and its subsidiaries use fuel oil swap to hedge against such a risk and designate them as cash flow hedges. Please refer to Note 14 for details.

- 3 Financial and capital risks management (Continued)
- (a) Financial risk management (Continued)
- (i) Market risk (Continued)
- (3) Cash flow interest rate risk

The interest rate risk of the Company and its subsidiaries primarily arises from long-term loans. Loans borrowed at variable rates expose the Company and its subsidiaries to cash flow interest rate risk. The exposures of these risks are disclosed in Note 23 to the financial statements. The Company and its subsidiaries have entered into interest rate swap agreements with banks to hedge against a portion of cash flow interest rate risk.

As at 31 December 2015, if interest rates on RMB-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, interest expense for the year would have been RMB410 million (2014 and 2013: RMB380 million and RMB389 million) higher/lower. If interest rates on US\$-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, interest expense for the year would have been RMB8 million (2014 and 2013: RMB8 million and RMB9 million) higher/lower. If interest rates on S\$-denominated borrowings had been 100 basis points higher/lower with all other variables held constant, interest expense for the year would have been RMB60 million (2014 and 2013: RMB58 million and RMB64 million) higher/lower. The ranges of such sensitivity disclosed above were based on the observation on the historical trend of related interest rates during the previous year under analysis.

The Company has entered into a floating-to-fixed interest rate swap agreement to hedge against cash flow interest rate risk of a loan. According to the interest rate swap agreement, the Company agrees with the counterparty to settle the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts quarterly until 2019. Tuas Power Generation Pte Ltd. (“TPG”) also entered into a number of floating-to-fixed interest rate swap agreements to hedge against cash flow interest rate risk of a loan. According to the interest rate swap agreements, TPG agrees with the counterparty to settle the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amount semi-annually until 2020. Please refer to Note 14 for details.

- (ii) Credit risk

Credit risk arises from bank deposits, accounts receivable, other receivables and other non-current assets. The maximum exposures of other non-current assets, other receivables, accounts receivable and bank deposits are disclosed in Note 16, 18, 19 and 34 to the financial statements, respectively.

Bank deposits are placed with reputable banks and financial institutions. In addition, a significant portion is deposited with a non-bank financial institution which is a related party of the Company. The Company has a director on the Board of this non-bank financial institution and exercises influence. Corresponding maximum exposures of these bank deposits are disclosed in Note 35(a)(i) to the financial statements.

## 3 Financial and capital risks management (Continued)

## (a) Financial risk management (Continued)

## (ii) Credit risk (Continued)

Most of the power plants of the Company and its subsidiaries operating within the PRC sell electricity generated to their sole customers, the power grid companies of their respective provinces or regions where the power plants operate. These power plants communicate with their individual grid companies periodically and believe that adequate provision for doubtful accounts have been made in the financial statements.

Singapore subsidiaries derive revenue mainly from sale of electricity to the National Electricity Market of Singapore operated by Energy Market Company Pte Ltd., which does not have high credit risk. Singapore subsidiaries also derive revenue mainly from retailing electricity to consumers with monthly consumption of more than 4,000kWh. These customers engage in a wide spectrum of manufacturing and commercial activities in a variety of industries. Singapore subsidiaries hold cash deposits of RMB172.51 million (2014: RMB157.80 million) and guarantees from creditworthy financial institutions as a security from these customers.

## (iii) Liquidity risk

Liquidity risk management is to primarily ensure the ability of the Company and its subsidiaries to meet its liabilities as and when they are fall due. The liquidity reserve comprises the undrawn borrowing facility and cash and cash equivalents available as at each month end in meeting its liabilities.

The Company and its subsidiaries maintain flexibility in funding by cash generated by their operating activities and availability of committed credit facilities.

Financial liabilities due within 12 months are presented as current liabilities in the statement of financial position. The cash flows of derivative financial liabilities, and repayment schedules of the long-term loans and long-term bonds are disclosed in Note 14, 23 and 24, respectively.

## (b) Fair value estimation

## (i) Fair value measurements

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

## 3 Financial and capital risks management (Continued)

(b) Fair value estimation (Continued)

(i) Fair value measurements (Continued)

The following table presents the assets and liabilities that are measured at fair value at 31 December 2015.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Trading derivatives (Note 14)	-	40,843	-	40,843
Derivatives used for hedging (Note 14)	-	143,669	-	143,669
Available-for-sale financial assets				
– Equity securities (Note 10)	3,492,510	-	-	3,492,510
<b>Total assets</b>	<b>3,492,510</b>	<b>184,512</b>	<b>-</b>	<b>3,677,022</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
– Trading derivatives (Note 14)	-	23,391	-	23,391
Derivatives used for hedging (Note 14)	-	1,281,550	-	1,281,550
<b>Total liabilities</b>	<b>-</b>	<b>1,304,941</b>	<b>-</b>	<b>1,304,941</b>

The following table presents the assets and liabilities that are measured at fair value at 31 December 2014.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Trading derivatives (Note 14)	-	184,756	-	184,756
Derivatives used for hedging (Note 14)	-	116,977	-	116,977
Available-for-sale financial assets				
– Equity securities (Note 10)	2,748,162	-	-	2,748,162
<b>Total assets</b>	<b>2,748,162</b>	<b>301,733</b>	<b>-</b>	<b>3,049,895</b>
<b>Liabilities</b>				

Explanation of Responses:



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Financial liabilities at fair value through profit or loss				
– Trading derivatives (Note 14)	-	149,989	-	149,989
Derivatives used for hedging (Note 14)	-	1,332,251	-	1,332,251
Total liabilities	-	1,482,240	-	1,482,240

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## 3 Financial and capital risks management (Continued)

## (b) Fair value estimation (Continued)

## (i) Fair value measurements (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company and its subsidiaries is the current bid price. These instruments are included in level 1. As at 31 December 2015 and 2014, instrument included in level 1 is an equity investment in Yangtze Power classified as available for sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The forward exchange contracts and fuel oil swaps are both valued using quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Instruments included in level 2 comprise forward exchange contracts, fuel oil swaps and interest rate swaps.

Yangtze Power suspended trading of its stock from 12 June 2015 to 15 November 2015 in Shanghai Stock Exchange, and as a result there is no quoted market price available during the period. The Company determined the fair value of available-for-sale financial asset by considering observable market data for comparable companies, and transferred the available-for-sale financial asset from level 1 to level 2 fair value hierarchy. After resumption of trading on 16 November 2015, the Company transferred the available-for-sale financial asset from level 2 to level 1 fair value hierarchy. Except for above, during the year ended 31 December 2015 there is no transfers of financial instruments between level 1 and level 2, or transfers into or out of level 3.

## (ii) Fair value disclosures

The carrying value less provision for doubtful accounts of accounts receivable, other receivables and assets, accounts payable and other liabilities, short-term bonds and short-term loans approximated their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company and its subsidiaries for similar financial instruments.

## 3 Financial and capital risks management (Continued)

(b) Fair value estimation (Continued)

(ii) Fair value disclosures (Continued)

The estimated fair value of long-term loans and long-term bonds (both including current maturities) was approximately RMB78.31 billion and RMB23.15 billion as at 31 December 2015 (2014: RMB64.89 billion and RMB28.03 billion), respectively. The aggregate book value of these liabilities was approximately RMB78.38 billion and RMB22.74 billion as at 31 December 2015 (2014: RMB65.03 billion and RMB27.75 billion), respectively.

(c) Capital risk management

The objectives of the Company and its subsidiaries when managing capital are to safeguard the ability of the Company and its subsidiaries in continuing as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company and its subsidiaries monitor capital by using debt ratio analysis. This ratio is calculated as total liabilities (sum of current liabilities and non-current liabilities) divided by total assets as shown in the consolidated statement of financial position. During 2015, the strategy of the Company and its subsidiaries remained unchanged from 2014. The debt ratio of the Company and its subsidiaries as at 31 December 2015 was 67.08% (2014: 69.19%).

## 4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company and its subsidiaries make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Accounting estimates on impairment of goodwill and power generation license

The Company and its subsidiaries perform test annually whether goodwill and power generation license have suffered any impairment in accordance with the accounting policies stated in Notes 2(g) and 2(j), respectively. The recoverable amounts of CGU or CGUs to which goodwill and the power generation license have been allocated are determined based on value-in-use calculations. These calculations require the use of estimates (Note 12 and 15). It is reasonably possible, based on existing knowledge, that outcomes within the next financial period that are different from assumptions could require a material adjustment to the carrying amounts of goodwill and power generation license.

## 4 Critical accounting estimates and judgments (Continued)

## (a) Accounting estimates on impairment of goodwill and power generation license (Continued)

For goodwill allocated to CGUs in the PRC, changes of assumptions in tariff and fuel price could have affected the results of goodwill impairment assessment. As at 31 December 2015, if tariff had decreased by 1% or 5% from management's estimates with other variables constant with the expectations, the Company and its subsidiaries would have to further recognize impairment against goodwill by approximately RMB14 million and RMB180 million, respectively. If fuel price had increased by 1% or 5% from the management's estimates with other variables constant with the expectations, the Company and its subsidiaries would have to further recognize impairment against goodwill by RMB11 million and RMB59 million, respectively.

For the sensitivity analysis of power generation license of Tuas Power and goodwill, please refer to Note 12 and 15.

## (b) Useful life of power generation license

As at year end, management of the Company and its subsidiaries assessed that the estimated useful life for its power generation license is indefinite. This assessment is based on the expected renewal of power generation license without significant restriction and cost, together with the consideration on related future cash flows generated and the expectation of continuous operations. Based on existing knowledge, outcomes within the next financial period that are different from assumptions could require a change to the carrying amount of power generation license.

## (c) Useful lives of property, plant and equipment

Management of the Company and its subsidiaries determines the estimated useful lives of property, plant and equipment and respective depreciation. The accounting estimate is based on the expected wears and tears incurred during power generation. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the depreciation and carrying amount of property, plant and equipment.

## (d) Estimated impairment of property, plant and equipment and mining rights

The Company and its subsidiaries test whether property, plant and equipment and mining rights suffered any impairment whenever an impairment indication exists. In accordance with Note 2(j), an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. It is reasonably possible, based on existing knowledge, that outcomes within the next financial period that are different from assumptions could require a material adjustment to the carrying amount of property, plant and equipment and mining rights.

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## 4 Critical accounting estimates and judgments (Continued)

## (d) Estimated impairment of property, plant and equipment and mining rights (Continued)

Changes of assumptions in tariff and fuel price will affect the result of property, plant and equipment and mining rights impairment assessment. For power plants assets that are subject to impairment testing, as at 31 December 2015, if tariff had decreased by 1% or 5% from management's estimates with other variables constant with the expectations, the Company and its subsidiaries would have to further recognize impairment against property, plant and equipment by approximately RMB224 million and RMB1,566 million, respectively. If fuel price had increased by 1% or 5% from the management's estimates with other variables constant with the expectations, the impairment against property, plant and equipment and mining rights of the Company and its subsidiaries would decrease totaling by approximately RMB112 million and RMB54 million, respectively.

## (e) Approval of construction of new power plants

The receiving of the ultimate approvals from National Development and Reform Commission ("NDRC") on certain power plant construction projects of the Company and its subsidiaries is a critical estimate and judgment of the directors. Such estimates and judgments are based on initial approval documents received as well as their understanding of the projects. Based on historical experience, the directors believe that the Company and its subsidiaries will receive final approvals from NDRC on the related power plant projects. Deviation from the estimate and judgment could result in significant adjustment to the carrying amount of property, plant and equipment.

## (f) Deferred tax assets

The Company and its subsidiaries recognized the deferred tax assets to the extent that it is probable that future taxable profit will be available against which the asset can be utilized, using tax rates that are expected to be applied in the period when the asset is recovered. The management assesses the deferred tax assets based on the expected amount and timing of future taxable profit, the enacted tax laws and applicable tax rates. It is reasonably possible, based on existing knowledge, the outcomes within the next financial period that are different from assumptions could require a material adjustment to the carrying amount of deferred tax assets.

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## Revenue and segment information

Revenues recognized during the year are as follows:

	For the year ended 31 December		
	2015	2014	2013
Sales of power and heat	127,849,408	124,561,854	132,478,643
Port service	211,685	204,763	352,988
Transportation service	104,721	135,256	133,147
Others	739,059	504,982	868,097
Total	128,904,873	125,406,855	133,832,875

Directors and certain senior management of the Company perform the function as the chief operating decision maker (collectively referred to as the “senior management”). The senior management reviews the internal reporting of the Company and its subsidiaries in order to assess performance and allocate resources. The Company has determined the operating segments based on these reports. The reportable segments of the Company are the PRC power segment, Singapore segment and all other segments (mainly including port and transportation operations). No operating segments have been aggregated to form a reportable segment.

Senior management assesses the performance of the operating segments based on a measure of profit before income tax expense under China Accounting Standard for Business Enterprises (“PRC GAAP”) excluding dividend income received from available-for-sale financial assets and operating results of the centrally managed and resource allocation functions of headquarters (“Segment results”). Other information provided, except as noted below, to the senior management of the Company is measured under PRC GAAP.

Segment assets exclude prepaid income tax, deferred income tax assets, available-for-sale financial assets and assets related to the centrally managed and resource allocation functions of headquarters that are not attributable to any operating segment (“corporate assets”). Segment liabilities exclude current income tax liabilities, deferred income tax liabilities and liabilities related to the centrally managed and resource allocation functions of headquarters that are not attributable to any operating segment (“corporate liabilities”). These are part of the reconciliation to total assets and liabilities of consolidated statement of financial position.

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## Revenue and segment information (Continued)

All sales among the operating segments were performed at market price or close to market price, and have been eliminated as internal transactions when preparing consolidated financial statements.

	(Under PRC GAAP)			
	PRC power segment	Singapore segment	All other segments	Total
For the year ended 31 December 2015				
Total revenue	118,418,506	10,143,793	588,266	129,150,565
Inter-segment revenue	-	-	(245,692)	(245,692)
Revenue from external customers	118,418,506	10,143,793	342,574	128,904,873
Segment results	24,073,432	(313,253)	(281,457)	23,478,722
Interest income	93,324	66,898	501	160,723
Interest expense	(7,181,116)	(452,034)	(163,325)	(7,796,475)
Impairment (loss)/reversal	(2,913,766)	1,744	(178,131)	(3,090,153)
Depreciation and amortization	(13,244,965)	(772,003)	(245,936)	(14,262,904)
Net (loss)/gain on disposal of non-current assets	(427,286)	22,450	(1)	(404,837)
Share of profits less losses of associates and joint ventures	1,421,072	-	24,915	1,445,987
Income tax expense	(6,104,619)	254,772	14,397	(5,835,450)
For the year ended 31 December 2014 (Restated*)				
Total revenue	125,271,587	14,370,406	537,452	140,179,445
Inter-segment revenue	-	-	(152,755)	(152,755)
Revenue from external customers	125,271,587	14,370,406	384,697	140,026,690
Segment results	22,113,100	138,143	(850,805)	21,400,438
Interest income	97,012	72,128	813	169,953
Interest expense	(7,803,090)	(426,019)	(172,189)	(8,401,298)
Impairment (loss)/reversal	(1,488,619)	3,228	(696,812)	(2,182,203)
Depreciation and amortization	(12,131,006)	(821,574)	(180,484)	(13,133,064)
Net loss on disposal of non-current assets	(469,819)	(5)	(8)	(469,832)
Share of profits less losses of associates and joint ventures	1,143,326	-	49,208	1,192,534
Income tax expense	(6,204,709)	(8,767)	1,590	(6,211,886)

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For the year ended 31 December 2013 (Restated*)				
Total revenue	134,332,938	14,239,562	660,029	149,232,529
Inter-segment revenue	-	-	(151,122)	(151,122 )
Revenue from external customers	134,332,938	14,239,562	508,907	149,081,407
Segment results	19,983,931	157,079	(108,246)	20,032,764
Interest income	107,500	70,445	1,541	179,486
Interest expense	(7,895,903 )	(448,876 )	(138,139)	(8,482,918 )
Impairment loss	(689,157 )	(431,985 )	(453,431)	(1,574,573 )
Depreciation and amortization	(11,858,529 )	(686,619 )	(158,583)	(12,703,731 )
Net (loss)/gain on disposal of non-current assets	(942,960 )	(987 )	10,560	(933,387 )
Share of profits less losses of associates and joint ventures	587,062	-	(127,387)	459,675
Income tax expense	(4,907,082 )	(43,774 )	(14,591 )	(4,965,447 )

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## Revenue and segment information (Continued)

	(Under PRC GAAP)			
	PRC power segment	Singapore segment	All other segments	Total
31 December 2015				
Segment assets	253,376,399	27,487,701	10,703,373	291,567,473
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	22,421,000	160,282	642,949	23,224,231
Investments in associates	13,026,027	-	2,806,231	15,832,258
Investments in joint ventures	1,569,614	-	785,004	2,354,618
Segment liabilities	(176,406,566)	(14,876,229)	(5,097,402)	(196,380,197)
31 December 2014 (Restated*)				
Segment assets	254,113,135	28,899,723	10,622,010	293,634,868
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	30,325,524	444,658	872,615	31,642,797
Investments in associates	11,638,863	-	2,400,808	14,039,671
Investments in joint ventures	1,121,082	-	1,009,180	2,130,262
Segment liabilities	(181,003,200)	(15,865,147)	(5,511,400)	(202,379,747)

A reconciliation of revenue from external customers to operating revenue is provided as follows:

	For the year ended 31 December		
	2015	2014 (Restated*)	2013 (Restated*)
Revenue from external customers (PRC GAAP)	128,904,873	140,026,690	149,081,407
Reconciling item:			
Impact of restatement under PRC GAAP in relation to business combination under common control* (Note 39)	-	(14,619,835)	(15,248,532)
Operating revenue per IFRS consolidated statement of comprehensive income	128,904,873	125,406,855	133,832,875

A reconciliation of segment result to profit before income tax expense is provided as follows:

	For the year ended 31 December		
	2015	2014 (Restated*)	2013 (Restated*)

Explanation of Responses:

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Segment results (PRC GAAP)	23,478,722	21,400,438	20,032,764
Reconciling items:			
Loss related to the headquarter	(327,262 )	(87,313 )	(381,830 )
Investment income from China Huaneng Finance Co., Ltd. (“Huaneng Finance”)	135,971	156,061	166,734
Dividend income of available-for-sale financial assets	97,696	102,229	185,403
Impact of restatement under PRC GAAP in relation to business combination under common control* (Note 39)	-	(2,696,622 )	(2,353,770 )
Impact of other IFRS adjustments**	(427,077 )	174,787	(226,612 )
Profit before income tax expense per IFRS consolidated statement of comprehensive income	22,958,050	19,049,580	17,422,689

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## Revenue and segment information (Continued)

(Under PRC GAAP)

Reportable segments' assets are reconciled to total assets as follows:

	As at 31 December	
	2015	2014 (Restated*)
Total segment assets (PRC GAAP)	291,567,473	293,634,868
Reconciling items:		
Investment in Huaneng Finance	1,329,753	1,347,956
Deferred income tax assets	1,305,548	1,115,232
Prepaid income tax	2,393	19,899
Available-for-sale financial assets	5,127,863	4,383,515
Corporate assets	396,693	379,385
Impact of restatement under PRC GAAP in relation to business combination under common control* (Note 39)	-	(28,715,907 )
Impact of other IFRS adjustments**	9,136,631	3,006,820
Total assets per IFRS consolidated statement of financial position	308,866,354	275,171,768

Reportable segments' liabilities are reconciled to total liabilities as follows:

	As at 31 December	
	2015	2014 (Restated*)
Total segment liabilities (PRC GAAP)	(196,380,197)	(202,379,747)
Reconciling items:		
Current income tax liabilities	(1,054,246 )	(881,687 )
Deferred income tax liabilities	(1,417,972 )	(1,595,025 )
Corporate liabilities	(4,937,450 )	(5,562,871 )
Impact of restatement under PRC GAAP in relation to business combination under common control* (Note 39)	-	21,674,285
Impact of other IFRS adjustments**	(3,382,800 )	(1,644,017 )
Total liabilities per IFRS consolidated statement of financial position	(207,172,665)	(190,389,062)

Other material items:

Reportable segment total	Headquarters	Investment income from Huaneng Finance	Impact of restatement under PRC	Impact of other IFRS adjustments**	Total
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Explanation of Responses:

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GAAP  
in  
relation  
to  
business  
combination  
under  
common  
control\*

For the year ended  
31 December 2015

Interest expense	(7,796,475 )	(149,259 )	-	-	-	(7,945,734 )
Depreciation and amortization	(14,262,904)	(60,236 )	-	-	(394,473 )	(14,717,613)
Impairment loss	(3,090,153 )	-	-	-	-	(3,090,153 )
Share of profits less losses of associates and joint ventures	1,445,987	-	135,971	-	(55,983 )	1,525,975
Net loss on disposal of non-current assets	(404,837 )	(6 )	-	-	(33,478 )	(438,321 )
Income tax expense	(5,835,450 )	-	-	-	136,507	(5,698,943 )

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## Revenue and segment information (Continued)

	Reportable segment total	Headquarters	Investment income from Huaneng Finance	Impact of restatement under PRC GAAP in relation to business combination under common control*	Impact of other IFRS adjustments*	Total
For the year ended 31 December 2014 (Restated*)						
Interest expense	(8,401,298 )	(180,305 )	-	767,489	-	(7,814,114 )
Depreciation and amortization	(13,133,064 )	(54,896 )	-	1,253,101	55,579	(11,879,280 )
Impairment (loss)/ reversal	(2,182,203 )	-	-	60,640	-	(2,121,563 )
Share of profits less losses of associates and joint ventures	1,192,534	-	156,061	(5,553 )	(27,166 )	1,315,876
Net (loss)/gain on disposal of non-current assets	(469,832 )	5	-	42,793	-	(427,034 )
Income tax expense	(6,211,886 )	-	-	701,307	23,371	(5,487,208 )
For the year ended 31 December 2013 (Restated*)						
Interest expense	(8,482,918 )	(231,945 )	-	927,391	-	(7,787,472 )
Depreciation and amortization	(12,703,731 )	(23,540 )	-	1,225,130	(43,374 )	(11,545,515 )
Impairment loss	(1,574,573 )	-	-	118,324	(555 )	(1,456,804 )
Share of profits less losses of associates and joint ventures	459,675	-	166,734	(272 )	(11,054 )	615,083
Net (loss)/gain on disposal of non-current assets	(933,387 )	108	-	43,557	-	(889,722 )
Income tax expense	(4,965,447 )	-	-	420,494	22,282	(4,522,671 )

\*

Explanation of Responses:

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The Company completed the acquisition of equity interests of ten companies from Huaneng Group and HIPDC, see Note 39 for details. As the acquisition is a business combination under common control, the transaction is accounted for under merger accounting method under PRC GAAP. The assets and liabilities acquired in business combinations are measured at the carrying amounts of the acquirees in the consolidated financial statements of the ultimate controlling party on the acquisition date. The operating results for all periods presented are retrospectively restated as if the current structure and operations resulting from the acquisition had been in existence from the date when the acquirees first became under the control of the same ultimate controlling party. Therefore the relevant comparative figures in the segment information were restated under PRC GAAP while the acquisition is accounted for using acquisition method under IFRS.

\*\* Other GAAP adjustments above primarily represented the classification adjustments and other adjustments. Other than the classification adjustments, the differences will be gradually eliminated following subsequent depreciation and amortization of related assets or the extinguishment of liabilities.

Geographical information (Under IFRS):

(i) External revenue generated from the following countries:

	For the year ended 31 December		
	2015	2014	2013
PRC	118,761,080	111,036,449	119,593,313
Singapore	10,143,793	14,370,406	14,239,562
Total	128,904,873	125,406,855	133,832,875

(ii) Non-current assets (excluding financial assets and deferred income tax assets) are located in the following countries:

	As at 31 December	
	2015	2014
PRC	245,620,977	207,709,257
Singapore	22,874,396	23,808,140
Total	268,495,373	231,517,397

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## Revenue and segment information (Continued)

The information on sales to major customers of the Company and its subsidiaries at amount equal to or more than 10% of external revenue is as follows:

	For the year ended 31 December					
	2015		2014		2013	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
State Grid Shandong Electric Power Corporation	14,855,655	12 %	16,621,611	13 %	16,545,732	12 %
Jiangsu Electric Power Company	14,835,745	12 %	15,573,769	12 %	16,950,098	13 %

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## Profit before income tax expense

Profit before income tax expense was determined after charging/(crediting) the following:

	For the year ended 31 December		
	2015	2014	2013
Total interest expense on borrowing	8,716,074	8,371,506	8,285,936
Less: amounts capitalized in property, plant and equipment	770,340	557,392	498,464
Interest expenses charged in consolidated statement of comprehensive income	7,945,734	7,814,114	7,787,472
Auditors' remuneration	41,640	33,840	32,340
Operating leases charge	526,929	422,749	331,559
Fuel	59,242,367	64,762,908	73,807,817
Depreciation of property, plant and equipment	14,411,632	11,646,683	11,293,522
Amortization of other non-current assets	92,775	99,528	112,384
Impairment loss of property, plant and equipment (Note 7)	1,047,641	1,358,522	472,921
Impairment loss of investment in an associate (Note 8)	178,131	120,050	-
Impairment loss of mining rights (Note 13)	760,296	-	-
Impairment loss of goodwill (Note 15)	1,105,649	641,061	980,513
(Reversal)/recognition of provision for doubtful accounts	(3,392 )	4,577	(2,610 )
Recognition/(reversal) of provision for inventory obsolescence	1,828	(2,647 )	(824 )
Net loss on disposals of property, plant and equipment	438,321	427,034	897,222
Government grants	(696,735 )	(787,988 )	(253,729 )

Explanation of Responses:

Other operating expenses consist of impairment loss of property, plant and equipment, goodwill, mining rights and investment in an associate, environmental protection expenses, substituted power arrangement expenses, insurance, government grants and other miscellaneous expenses.

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## Property, plant and equipment

	Dam	Port facilities	Buildings	Electric utility plant in service	Transportation facilities	Others	CIP	Total
As at 1 January 2014								
Cost	668,650	3,479,480	5,644,172	260,624,078	768,203	4,610,653	21,584,252	297,379,488
Accumulated depreciation	(30,416 )	(433,993 )	(1,883,488 )	(105,512,124 )	(254,447 )	(2,647,293 )	-	(110,767,761 )
Accumulated impairment loss	-	-	(44,216 )	(5,059,682 )	-	(70,208 )	(28,440 )	(5,202,546 )
Net book value	638,234	3,045,487	3,716,468	150,052,272	513,756	1,893,152	21,555,812	181,415,137
Year ended 31 December 2014								
Beginning of the year	638,234	3,045,487	3,716,468	150,052,272	513,756	1,893,152	21,555,812	181,415,137
Reclassification	-	-	227,917	(344,746 )	31,812	85,017	-	-
Business combination (Note 39)	-	-	-	-	-	156	10,594	10,750
Additions	-	-	68	331,026	85,465	134,743	20,150,978	20,702,270
Transfer from CIP	167,544	1,648,442	806,588	18,474,896	2,082	659,735	(21,759,287)	-
Disposals	-	-	(89 )	(457,662 )	-	(832 )	-	(458,583 )
Net effect of sales leaseback finance lease	-	-	-	30,829	-	-	-	30,829
Depreciation charge	(17,630 )	(115,444 )	(182,472 )	(10,946,184 )	(44,624 )	(364,520 )	-	(11,670,274 )
Impairment charge	(80,910 )	(568,637 )	(18,338 )	(336,328 )	-	(3,442 )	(350,867 )	(1,358,512 )
Currency translation differences	-	-	-	(305,025 )	-	(551 )	13,572	(292,004 )
End of the year	707,238	4,009,848	4,550,142	156,499,078	588,491	2,403,458	19,620,802	188,379,051
As at 31 December 2014								
Cost	836,194	5,127,923	6,711,769	276,801,979	893,417	5,480,587	20,000,109	315,851,878
Accumulated depreciation	(48,046 )	(549,438 )	(2,099,073 )	(115,023,072 )	(304,926 )	(3,003,834 )	-	(121,020,363 )
Accumulated impairment loss	(80,910 )	(568,637 )	(62,554 )	(5,279,829 )	-	(73,295 )	(379,307 )	(6,444,532 )
Net book value	707,238	4,009,848	4,550,142	156,499,078	588,491	2,403,458	19,620,802	188,379,051

Year ended 31 December 2015									
Beginning of the year	707,238	4,009,848	4,550,142	156,499,078	588,491	2,403,458	19,620,802	188,379	
Reclassification	-	-	94,127	(23,353 )	70,432	(141,206 )	-	-	
Business combination (Note 39)	330,578	-	502,852	19,822,767	13	285,819	5,519,969	26,461,9	
Additions	-	-	17	133,482	-	141,991	21,574,660	21,850,1	
Transfer from CIP	573,234	47,480	832,961	21,654,923	-	125,889	(23,234,487)	-	
Disposals/Write-off	-	-	(859 )	(802,652 )	508	7,575	-	(795,428	
Transfer from a subsidiary to a joint venture*	-	(522,289 )	(16,097 )	-	-	(81,462 )	-	(619,848	
Depreciation charge	(24,498 )	(111,245 )	(234,073 )	(13,618,136 )	(50,380 )	(403,120 )	-	(14,441,	
Impairment charge	(152,714 )	-	(302 )	(526,191 )	-	(557 )	(367,877 )	(1,047,6	
Currency translation differences	-	-	-	(133,733 )	-	22,847	(2,880 )	(113,760	
End of the year	1,433,838	3,423,794	5,728,768	183,006,185	609,064	2,361,234	23,110,187	219,673	
As at 31 December 2015									
Cost	1,856,144	3,860,009	8,306,471	327,827,738	980,290	5,809,400	23,851,697	372,491	
Accumulated depreciation	(153,325 )	(436,215 )	(2,508,772)	(138,852,591)	(371,226)	(3,366,838)	-	(145,688	
Accumulated impairment loss	(268,981 )	-	(68,931 )	(5,968,962 )	-	(81,328 )	(741,510 )	(7,129,7	
Net book value	1,433,838	3,423,794	5,728,768	183,006,185	609,064	2,361,234	23,110,187	219,673	

\*Huaneng Yingkou Port Limited Liability Company (“Yingkou Port”) was previously a subsidiary of the Company. Pursuant to the terms of the shareholder agreement signed in June, 2008, between the Company and the other 50% shareholder, the Company was given the rights and ability to solely direct the relevant activities, including all financial and operating decisions, whilst the Company holds 50% equity interest in Yingkou Port.

For the purpose of better utilization of the expertise of both shareholders in terms of port operation and management, the Company and the other shareholder agreed to optimize the business model of Yingkou Port and amended the articles of association and shareholder agreement of Yingkou Port on 1 January 2015. In accordance with the amended articles of association and shareholder agreement, the Company’s rights and ability to solely direct significant financial and operating decisions have been removed, and therefore, Yingkou Port became a joint venture and is jointly controlled by the Company and the other shareholder.

#### Interest capitalization

Interest expense of approximately RMB770 million (2014 and 2013: RMB557 million and RMB498 million) arising on borrowings for the construction of property, plant and equipment was capitalized during the year and was included in 'Additions' in property, plant and equipment. The weighted average capitalization rate was approximately 5.31% (2014 and 2013: 5.98% and 5.74%) per annum.

#### Impairment

In 2015, impairment losses for certain property, plant and equipment of approximately RMB1,048 million have been recognized. Factors leading to the impairment of operating projects primarily included lower utilization hours and tariff of two coal-fired power plants as a result of over supply of electricity in two provinces, as well as low utilization hours of a hydropower plant as a result of low level of water inflow to the main dam. Discount rates of 7.86%, 8.81% and 7.60% were adopted in the value in use model in the determination of the recoverable amounts for the two coal-fired power plants and the hydropower plant respectively. Besides, as a result of the low demand of coal-fired power in local market, management estimated the possibility of further development of a coal-fired power project was remote, therefore the project under construction with a carrying value of RMB368 million was fully impaired in 2015.

In 2014, impairment losses for certain property, plant and equipment of approximately RMB1,359 million have been recognized. Factors leading to the impairment primarily included continuous losses and external environment deterioration in respect of port industry, continuous low level of water inflow to the main dam of a hydropower plant and shut-down of a coal-fired power plant. Discount rates of 9.54%, 7.24% and 8.68% were adopted in the value in use model in the determination of the recoverable amounts for the port plant, hydropower plant and coal-fired power plant respectively.

In 2013, impairment losses for certain property, plant and equipment of approximately RMB473 million have been recognized. Factors leading to the impairment primarily included shut-down of power plants and the continuous deterioration in utilization of certain non-power assets in a foreign subsidiary. Discount rates of 8.80% and 12.84% were adopted in the value in use model in the determination of the recoverable amounts for the coal-fired power plants and for the CGU of the foreign subsidiary respectively.

#### Property, plant and equipment held under finance leases

As at 31 December 2015, certain property, plant and equipment with original cost of RMB1,912 million (2014: RMB1,657 million) were held under finance leases, which mainly included power generation assets, ships and pipeline assets.

#### Security

As at 31 December 2015, certain property, plant and equipment were secured to a bank as collateral against a long-term loan (Note 23).

## Investments in associates and joint ventures

	2015	2014
Beginning of the year	17,626,910	16,678,694
Additional capital injections in associates	300,280	266,877
Acquisition of associates	589,500	-
Business combination (Note 39)	136,244	-
Share of net profit less loss	1,525,975	1,315,876
Share of other comprehensive income	678,793	87,579
Dividends	(934,379 )	(602,066 )
Impairment charge	(178,131 )	(120,050 )
End of the year	19,745,192	17,626,910

As at 31 December 2015, investments in associates and joint ventures of the Company and its subsidiaries are unlisted except for Shenzhen Energy Corporation Limited (“SECL”) which is listed on the Shenzhen Stock Exchange. The following list contains only the particulars of material associates and joint ventures:

Name	Country of incorporation	Registered capital	Business nature and scope of operation	Percentage of equity interest held	
				Direct	Indirect <sup>1</sup>
Associates:					
SECL*	PRC	RMB2,642,994,398	Energy and investment in related industries	25.02%	-
Hebei Hanfeng Power Generation Limited Liability Company (“Hanfeng Power”)	PRC	RMB1,975,000,000	Power generation	40%	-
Huaneng Finance	PRC	RMB5,000,000,000	Provision for financial service including fund deposit services, lending, finance lease arrangements, notes	20%	-

			discounting and entrusted loans and investment arrangement within Huaneng Group		
Huaneng Sichuan Hydropower Co., Ltd. (“Sichuan Hydropower”)	PRC	RMB1,469,800,000	Development, investment, construction, operation and management of hydropower	49%	-
China Huaneng Group Fuel Co., Ltd. (“Huaneng Group Fuel Company”) **	PRC	RMB3,000,000,000	Wholesale of coal, import and export of coal	50%	-
Hainan Nuclear Power Limited Liability Company (“Hainan Nuclear”)	PRC	RMB2,059,334,000	Construction and operation of nuclear power plants; production and sales of electricity and related products	30%	-
Joint ventures:					
Shanghai Time Shipping Co., Ltd. (“Shanghai Time Shipping”)	PRC	RMB1,200,000,000	International and domestic sea transportation	50%	-
Jiangsu Nantong Power Generation Co., Ltd. (“Jiangsu Nantong Power”)	PRC	RMB1,596,000,000	Operation and Management of power generation plants and transportation related projects	-	35%

1 The indirect percentage of equity interest held represents the effective ownership interest of the Company and its subsidiaries.

\* As at 31 December 2015, the fair value of the Company’s shares in SECL was RMB9,729 million (2014: RMB7,379 million).

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## 8 Investments in associates and joint ventures (Continued)

\*\*In accordance with the articles of the association of the investee, the Company could only exercise significant influence on the investee and therefore accounts for the investment under the equity method.

In 2015, due to continuous loss as a result of deterioration of coal industry, impairment loss of RMB178 million (2014: RMB120 million) was provided for the investment in an associate engaged in coal production and sales.

All the above associates and joint ventures are accounted for under the equity method in the consolidated financial statements.

Summarized financial information of the material associates, adjusted for any differences in accounting policies and acquisition adjustments, and reconciliation to the carrying amounts in the consolidated financial statements, are disclosed below:

	Sichuan Hydropower		SECL		Huaneng Finance		Hanfeng Power	
	2015	2014	2015	2014	2015	2014	2015	2014
Gross amounts of the associates'								
Current assets	1,207,407	1,004,545	16,556,930	10,877,590	15,612,635	17,210,954	663,263	442,5
Non-current assets	14,734,831	14,680,349	39,075,400	27,206,670	16,012,855	12,411,987	3,016,665	3,136
Current liabilities	(2,894,554 )	(2,752,050 )	(15,009,530)	(13,805,720)	(24,881,159)	(22,761,053)	(1,158,424)	(1,358
Non-current liabilities	(8,349,972 )	(8,228,061 )	(16,130,880)	(4,152,700 )	(95,567 )	(122,110 )	(35,968 )	(10,91
Equity	4,697,712	4,704,783	24,491,920	20,125,840	6,648,764	6,739,778	2,485,536	2,209
-Equity attributable to shareholders	3,573,323	3,617,367	21,679,710	17,563,160	6,648,764	6,739,778	2,485,536	2,209
-Non-controlling interests	1,124,389	1,087,416	2,812,210	2,562,680	-	-	-	-
Revenue	2,379,072	2,544,980	11,361,320	12,691,060	1,182,782	1,314,173	2,272,013	2,508
Profit from continuing operations attributable to shareholders	308,603	367,955	1,865,095	1,985,921	679,857	780,304	431,337	267,8
Other comprehensive (loss)/income attributable to shareholders	-	(588 )	2,765,600	49,170	(80,871 )	379,393	-	-
Total comprehensive income	308,603	367,367	4,630,695	2,035,091	598,986	1,159,697	431,337	267,8

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attributable to shareholders									
Dividend received from the associate	189,499	172,894	132,232	165,290	138,000	154,000	115,954	-	
Reconciled to the interests in the associates									
Gross amounts of net assets of the associate	3,573,323	3,617,367	21,679,710	17,563,160	6,648,764	6,739,778	2,485,536	2,209	
The Company's effective interest	49%	49%	25.02%	25.02%	20%	20%	40%	40%	
The Company's share of net assets of the associate	1,750,928	1,772,510	5,423,179	4,393,424	1,329,753	1,347,956	994,214	883,6	
Impact of adjustments	207,586	224,288	1,161,810	1,165,428	-	-	293,082	347,1	
Carrying amount in the consolidated financial statements	1,958,514	1,996,798	6,584,989	5,558,852	1,329,753	1,347,956	1,287,296	1,230	

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## 8 Investments in associates and joint ventures (Continued)

Summarized financial information of material joint ventures adjusted for any differences in accounting policies and acquisition adjustment, and reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	Shanghai Time Shipping		Jiangsu Nantong Power	
	2015	2014	2015	2014
Gross amounts of joint ventures'				
Current assets	889,689	764,956	629,933	639,132
Non-current assets	5,675,480	6,010,052	6,587,197	6,706,755
Current liabilities	(3,506,971)	(2,853,997)	(1,583,902)	(1,688,700)
Non-current liabilities	(1,524,838)	(1,939,297)	(2,494,000)	(3,415,025)
Equity	1,533,360	1,981,714	3,139,228	2,242,162
Included in the above assets and liabilities:				
Cash and cash equivalents	197,894	236,737	144,001	72,549
Current financial liabilities (excluding trade and other payables and provisions)	(3,027,511)	(2,545,093)	(954,448 )	(1,044,610)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1,524,837)	(1,939,297)	(2,494,000)	(3,415,025)
Revenue	3,071,262	4,270,631	3,583,167	3,429,254
Profit from continuing operations	1,646	62,335	897,066	646,163
Total comprehensive income	1,646	62,335	897,066	646,163
Dividend received from the joint venture				
	225,000	-	-	-
Included in the above profit:				
Depreciation and amortization	339,204	338,690	390,262	342,520
Interest income	812	1,844	3,436	3,325
Interest expense	172,382	210,461	199,769	260,486
Income tax expense	561	7,797	261,023	262,335
Reconciled to the interest in the joint venture:				
Gross amounts of net assets	1,533,360	1,981,714	3,139,228	2,242,162
The Company's effective interest	50%	50%	50%	50%
The Company's share of net assets	766,680	990,857	1,569,614	1,121,081
Impact of adjustments	18,324	18,324	-	-
Carrying amount in the consolidated financial statements	785,004	1,009,181	1,569,614	1,121,081

Explanation of Responses:

Aggregate information of associates and a joint venture that are not individually material:

	2015	2014
Aggregate carrying amount of individually immaterial associates and joint venture in the consolidated financial statements	3,202,906	2,576,601
Aggregate amounts of the Company and its subsidiaries' share of those associates and joint venture profit / (loss) from continuing operations	113,891	(55,939 )
Total comprehensive income / (loss)	113,891	(55,939 )

As at 31 December 2015, the Company's share of losses of an associate and a joint venture exceeded its interest in the associate and the joint venture and the unrecognized further losses amounted to RMB76 million (2014: The unrecognized further loss of an associate amounted RMB35 million).

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## Investments in subsidiaries

As at 31 December 2015, the investments in subsidiaries of the Company and its subsidiaries, all of which are unlisted, are as follows:

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng International Power Fuel Limited Liability Company	PRC	held directly	RMB 200,000,000	Wholesale of coal	100%	100%
Huaneng Shanghai Shidongkou Power Generation Limited Liability Company (“Shidongkou Power Company”)(i)	PRC	held directly	RMB 990,000,000	Power generation	50%	50%
Huaneng Nantong Power Generation Limited Liability Company	PRC	held directly	RMB 798,000,000	Power generation	70%	70%
Huaneng Yingkou Power Generation Limited Liability Company	PRC	held directly	RMB 844,030,000	Production and sales of electricity and heat sale of coal ash and lime	100%	100%
Huaneng Hunan Xiangqi Hydropower Co., Ltd.	PRC	held directly	RMB 328,000,000	Construction, operation and management of hydropower and related projects	100%	100%
Huaneng Zuoquan Coal-fired Power Generation Limited Liability Company	PRC	held directly	RMB 960,000,000	Construction, operation and management of power plants and related projects	80%	80%
Huaneng Kangbao Wind Power Utilization Limited Liability Company	PRC	held directly	RMB 370,000,000	Construction, operation and management of wind power and related	100%	100%

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					projects; solar power generation		
Huaneng Jiuquan Wind Power Generation Co., Ltd.	PRC	held directly	RMB 1,360,170,000	Construction, operation and management of wind power generation and related projects		100%	100%
Huaneng Jiuquan II Wind Power Generation Co., Ltd.	PRC	held directly	RMB 10,000,000	Construction, operation and management of wind power generation and related projects		100%	100%
Huaneng Wafangdian Wind Power Generation Co., Ltd.	PRC	held directly	RMB 50,000,000	Construction, operation and management of wind power generation and related projects		100%	100%
Huaneng Changtu Wind Power Generation Co., Ltd.	PRC	held directly	RMB 50,000,000	Construction, operation and management of wind power generation and related projects		100%	100%
Huaneng Rudong Wind Power Generation Co., Ltd.	PRC	held directly	RMB 90,380,000	Construction and management of wind power generation projects		90%	90%
Huaneng Guangdong Haimen Port Limited Liability Company	PRC	held directly	RMB 197,400,000	Loading warehousing and conveying services, providing facilities services		100%	100%
Huaneng Taicang Port Limited Liability Company	PRC	held directly	RMB 510,800,000	Port development and construction, coal mixture, machinery leasing and repair		85%	85%
Huaneng Taicang Power Co., Ltd.	PRC	held directly	RMB 804,146,700	Power generation		75%	75%

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## Investments in subsidiaries (Continued)

## (i) Subsidiaries acquired through establishment or investment (Continued)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng Huaiyin II Power Limited Company	PRC	held directly	RMB 930,870,000	Power generation	63.64%	63.64%
Huaneng Xindian Power Co., Ltd.	PRC	held directly	RMB 465,600,000	Power generation	95%	95%
Huaneng Shanghai Combined Cycle Power Limited Liability Company	PRC	held directly	RMB 699,700,000	Power generation	70%	70%
Huaneng Yumen Wind Power Generation Co., Ltd.	PRC	held directly	RMB 719,170,000	Construction, operation and management of wind power generation and related projects	100%	100%
Huaneng Qingdao Co-generation Limited Liability Company	PRC	held directly	RMB 214,879,000	Construction, operation and management of cogeneration power plants and related projects, production and sales of electricity and heat	100%	100%
Huaneng Tongxiang Combined Cycle Cogeneration Co., Ltd.	PRC	held directly	RMB 300,000,000	Investment in related industries	95%	95%
Huaneng Eastern Yunnan Energy Mine Construction Co. Ltd.	PRC	held indirectly	RMB 10,000,000	Constructing and operating of mine and related construction projects	100%	100%
Huaneng Nanjing Combined Cycle Cogeneration Co., Ltd.	PRC	held directly	RMB 582,000,000	Power generation	60%	60%
	PRC	held directly	RMB		80%	80%

Explanation of Responses:

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Huaneng Shantou Haimen Power Limited Liability Company			1,508,000,000	Construction, operation and management of power plants and related projects		
Huaneng Chongqing Liangjiang Power Generation Limited Liability Company	PRC	held directly	RMB 360,000,000	Construction, operation and management of natural gas power plants and related projects	100%	100%
Chongqing Huaqing Energy Co., Ltd.	PRC	held indirectly	RMB 44,420,000	Thermal energy, cold energy installation of instrumentation, promotion service for energy saving technology	60%	60%
Huaneng Fuyuan Wind Power Generation Co., Ltd.	PRC	held directly	RMB 54,000,000	Wind Power Project investment and management	100%	100%
Huaneng Panxian Wind Power Generation Co., Ltd.	PRC	held directly	RMB 10,000,000	Construction and management of wind power plants and related projects	100%	100%
Huaneng Jiangxi Clean Energy Limited Liability Company	PRC	held directly	RMB 5,000,000	Development, management and construction of clean energy project	100%	100%
Huaneng Suzhou Combined Cycle Co-generation Co., Ltd.	PRC	held directly	RMB 160,000,000	Construction and management of natural gas power plant and related projects	100%	100%
Huaneng Hunan Subaoding Wind Power Generation Co., Ltd.	PRC	held directly	RMB 6,000,000	Construction and operation of wind power plants and related projects	100%	100%

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## Investments in subsidiaries (Continued)

## (i) Subsidiaries acquired through establishment or investment (Continued)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng Suixian Jieshan Wind Power Generation Co., Ltd.	PRC	held directly	RMB 2,000,000	Construction and operation of wind power plants and related projects	100%	100%
Huaneng Taiyuan Dongshan Combined Cycle Co-generation Co., Ltd.	PRC	held directly	RMB 10,000,000	Construction and operation of power plants; thermal heating services	100%	100%
Jiangsu Huayi Energy Co., Ltd.	PRC	held directly	RMB 5,000,000	Development of new energy distribution of coal and coal products	100%	100%
Huaneng Xuzhou Tongshan Wind Power Co., Ltd.	PRC	held directly	RMB 169,000,000	Wind power generation	70%	70%
Huaneng Nanjing Co-generation Co., Ltd	PRC	held directly	RMB 300,000,000	Construction and operation of power plants; thermal heating services	70%	70%
Huaneng Hunan Guidong Wind Power Generation Co., Ltd.	PRC	held directly	RMB 2,000,000	Construction and operation of wind power plants and related projects	100%	100%
Huaneng Nanjing Luhe Wind Power Generation Co., Ltd.	PRC	held directly	RMB 5,000,000	Research and development of wind power technology, construction and operation of wind power plants	100%	100%
Huaneng Luoyuan Power Limited Liability Company	PRC	held directly	RMB 1,000,000,000	Construction and operation of power plants and related projects	100%	100%
	PRC	held directly	RMB		100%	100%

Explanation of Responses:

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Huaneng Lingang (Tianjin) Gas Co-generation Co., Ltd.			180,000,000	Power generation, installation and maintenance of power equipment		
Huaneng Anhui Huaining Wind Power Generation Co., Ltd.	PRC	held directly	RMB 6,000,000	Construction and operation of wind power plants and related projects	100%	100%
Huaneng Mianchi Co-generation Limited Liability Company	PRC	held directly	RMB 570,000,000	Construction and operation of coal-fired plants and related projects	60%	60%
Huaneng Yingkou Xianrendao Co-generation Co., Ltd.	PRC	held directly	RMB 277,690,000	Construction and operation of cogeneration power plants and related projects	100%	100%
Huaneng Nanjing Xingang Heating Co., Ltd.	PRC	held directly	RMB 10,000,000	Construction and operation of heat supply network and related projects	65%	65%
Huaneng Changxing Photovoltaic Power Limited Liability Company	PRC	held directly	RMB 16,000,000	Construction and operation of distributed photovoltaic power generation and related projects	100%	100%

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## Investments in subsidiaries (Continued)

## (i) Subsidiaries acquired through establishment or investment (Continued)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng Rudong Baxianjiao Offshore Wind Power Generation Co., Ltd.	PRC	held directly	RMB 610,000,000	Infrastructure construction of wind power plants	70%	70%
Huaneng Shanxi City of Science & Technology Project Management Co., Ltd.	PRC	held directly	RMB 10,000,000	Construction and operation of supporting power project	100%	100%
Huaneng Guilin Gas distributed energy Co., Ltd.	PRC	held directly	RMB 267,450,000	Construction and operation of power plants and related projects	80%	80%
Huaneng (Dalian) Co-generation Co., Ltd.	PRC	held directly	RMB 12,500,000	Construction and operation of cogeneration power plants and related projects	100%	100%
Huaneng Zhongxiang Wind Power Generation Co., Ltd.	PRC	held directly	RMB 10,000,000	Construction and operation of wind power plants and related projects	100%	100%
Huaneng Guanyun Co-generation Co., Ltd.	PRC	held directly	RMB 15,000,000	Construction and operation of cogeneration power plants and related projects	100%	100%
Huaneng International Power Hongkong Limited Company	Hong Kong	held directly	100,000 Shares	Construction and operation of power supply, coal project and related investment and financing businesses	100%	100%
TPG	Singapore	held indirectly	S\$ 1,183,000,001	Power generation and related by products,	100%	100%

Explanation of Responses:

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				derivatives; developing power supply resources, operating electricity and power sales		
TP Utilities Pte Ltd.	Singapore	held indirectly	S\$ 255,500,001	Provision of utility services	100%	100%
Huaneng Shanxi Taihang Power Generation Limited Liability Company*	PRC	held directly	RMB 1,086,440,000	Pre service related to power generation	60%	60%
Huaneng Mianchi Clean Energy Limited Liability Company*	PRC	held directly	RMB 10,000,000	Power generation, new energy development and utilization	100%	100%
Huaneng Zhuolu Clean Energy Limited Liability Company*	PRC	held directly	RMB 10,000,000	Construction, operation and management of power plants and related projects	100%	100%
Huaneng Tongwei Wind Power Limited Liability Company*	PRC	held directly	RMB 248,000,000	Construction, operation and management of power plants and related projects	100%	100%
Huaneng Yizheng Power Generation Limited Liability Company*	PRC	held directly	RMB 200,000,000	Wind power station design, construction, management and maintenance	100%	100%

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## Investments in subsidiaries (Continued)

## (i) Subsidiaries acquired through establishment or investment (Continued)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng Yancheng Dafeng New Energy Power Generation Limited Liability Company*	PRC	held directly	RMB 5,000,000	Construction, operation and management of wind power, photovoltaic power plant	100%	100%
Huaneng Shanyin Power Generation Limited Liability Company*	PRC	held directly	RMB 1,573,000,000	Construction, operation and management of power plants and related projects	51%	51%
Huaneng Jiangsu Energy Sales Limited Liability Company*	PRC	held directly	RMB 200,000,000	Electric energy, heat energy distribution network, and water supply services; heating pipe network construction and operation	100%	100%
Huaneng Liaoning Energy Sales Limited Liability Company*	PRC	held directly	RMB 200,000,000	Electric energy, thermal energy and circulating hot water sales	100%	100%
Huaneng Guangdong Energy Sales Limited Liability Company*	PRC	held directly	RMB 200,000,000	Power supply, energy transmission and substation project contracting	100%	100%
Huaneng Suizhou Power Generation Limited Liability Company*	PRC	held directly	RMB 50,000,000	Construction, operation and management of power plants production and sales of electricity and heat	100%	100%
Huaneng Changle Photovoltaic Power Limited Liability	PRC	held directly	RMB 10,000,000	Construction, operation and management of	100%	100%

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Company*				photovoltaic power plants and related projects		
Huaneng Longyan Wind Power Generation Limited Liability Company*	PRC	held directly	RMB 10,000,000	Construction, operation and management of wind power plants and related projects	100%	100%
Huaneng Yunnan Malong Wind Power Generation Limited Liability Company*	PRC	held directly	RMB 10,000,000	Construction, operation and management of wind power plants and related projects	100%	100%
Huaneng Dandong Photovoltaic Power Limited Liability Company*	PRC	held directly	RMB 15,000,000	Construction, operation and management of photovoltaic power plants and related projects	100%	100%
Huaneng Dongguan Combined Cycle Co-generation Limited Liability Company*	PRC	held directly	RMB 10,000,000	Construction, operation and management of photovoltaic power plants and related projects production of electricity heat production and sales	100%	100%
Huaneng Yangxi Photovoltaic Power Limited Liability Company*	PRC	held directly	RMB 62,500,000	Photovoltaic electric power production and sales	80%	80%

\* These companies were newly established in 2015.

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## Investments in subsidiaries (Continued)

## (ii) Subsidiaries acquired from business combinations under common control

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng (Suzhou Industrial Park) Power Generation Co., Ltd.	PRC	held directly	RMB 632,840,000	Power generation	75%	75%
Huaneng Qinbei Power Co., Ltd.	PRC	held directly	RMB 1,540,000,000	Power generation	60%	60%
Huaneng Yushe Power Generation Co., Ltd.	PRC	held directly	RMB 615,760,000	Power generation	60%	60%
Huaneng Hunan Yueyang Power Generation Limited Liability Company	PRC	held directly	RMB 1,935,000,000	Power generation	55%	55%
Huaneng Chongqing Luohuang Power Generation Limited Liability Company (“Luohuang Power”)	PRC	held directly	RMB 1,658,310,000	Power generation	60%	60%
Huaneng Pingliang Power Generation Co., Ltd.	PRC	held directly	RMB 924,050,000	Power generation	65%	65%
Huaneng Nanjing Jinling Power Co., Ltd. (“Jinling Power”)	PRC	held directly	RMB 1,513,136,000	Power generation	60%	60%
Huaneng Qidong Wind Power Generation Co., Ltd.	PRC	held directly	RMB 391,738,500	Development of wind power project, production and sales of electricity	65%	65%
Tianjin Huaneng Yangliuqing Co-generation Limited Liability Company (“Yangliuqing Cogeneration”)	PRC	held directly	RMB 1,537,130,909	Power generation, heat supply, facilities installation, maintenance and related services	55%	55%

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Huaneng Beijing Co-generation Limited Liability Company (“Beijing Cogeneration”) (ii)	PRC	held directly	RMB 2,665,000,000	Construction and operation of power plants and related construction projects	41%	66%
Huaneng Wuhan Power Generation Co., Ltd. (“Wuhan Power”)	PRC	held directly	RMB 1,445,754,800	Power generation comprehensive utilization of fly ash	75%	75%
Huaneng Anyuan Power Generation Co., Ltd. (“Anyuan Power”)	PRC	held directly	RMB 125,000,000	Construction and operation of power plants and related construction projects	100%	100%
Huaneng Hualiangting Hydropower Co., Ltd. (“Hualiangting Hydropower”)	PRC	held directly	RMB 50,000,000	Generation and transfer of power supply, water supply (irrigation)	100%	100%
Huaneng Chaohu Power Generation Co., Ltd. (“Chaohu Power”) (iii)	PRC	held directly	RMB 800,000,000	Construction and operation of power plants and related construction projects	60%	70%
Huaneng Jingmen Thermal Power Co., Ltd. (“Jingmen Thermal Power”)	PRC	held directly	RMB 780,000,000	General business projects: thermal power, power development, power services	100%	100%

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## Investments in subsidiaries (Continued)

## (ii) Subsidiaries acquired from business combinations under common control (Continued)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Enshi Qingjiang Dalongtan Hydropwer Development Co., Ltd. (“Dalongtan Hydropower”)	PRC	held directly	RMB 76,000,000	Hydropower development, production and management of electric power urban water supply	97%	97%
Huaneng Suzhou Thermal Power Co., Ltd. (“Suzhou Thermal Power”) (iv)	PRC	held directly	RMB 240,000,000	Power generation, steam production; mechanical and electrical equipment, pipeline installation, maintenance services; hot water, fly ash sales	53.45%	100%
Huaneng Hainan Power Inc. (“Hainan Power”)	PRC	held directly	RMB 1,326,419,587	Construction power plants, new energy development, power plant engineering and equipment maintenance services	91.80%	91.80%
Huaneng Ruijin Power Generation Co., Ltd. (“Ruijin Power Generation”)	PRC	held directly	RMB 536,923,299	Construction and operation of power plants and related construction projects	100%	100%
Huaneng Yingcheng Thermal Power Co., Ltd. (“Yingcheng Thermal Power”)	PRC	held directly	RMB 650,000,000	Construction and operation of power plants and related construction projects	100%	100%
Huaneng Wenchang Wind Power Generation Co., Ltd.	PRC	held indirectly	RMB 1,000,000	Development of wind power project, operation and management of wind power and related projects, production and sales of electricity	91.80%	100%

The subsidiaries above and the Company are all controlled by Huaneng Group before and after the acquisitions.

Explanation of Responses:

## (iii) Subsidiaries acquired from business combinations not under common control

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng Weihai Power Limited Liability Company (“Weihai Power”)	PRC	held directly	RMB 1,822,176,621	Power generation	60%	60%
Huaneng Huaiyin Power Limited Company	PRC	held directly	RMB 265,000,000	Power generation	100%	100%
Huade County Daditaihong Wind Power Utilization Limited Liability Company	PRC	held directly	RMB 196,400,000	Wind power development and utilization	100%	100%
Huaneng Zhanhua Co-generation Limited Liability Company	PRC	held directly	RMB 190,000,000	Production and sales of electricity and steam	100%	100%
Shandong Hualu Sea Transportation Limited Company	PRC	held directly	RMB 100,000,000	Cargo transportation along domestic coastal areas	53%	53%
Huaneng Qingdao Port Limited Company	PRC	held directly	RMB 219,845,000	Loading and conveying warehousing (excluding dangerous goods), conveying, supply of water carriage materials	51%	51%

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## Investments in subsidiaries (Continued)

## (iii) Subsidiaries acquired from business combinations not under common control (Continued)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held	
					Interest	Voting
Huaneng (Fujian) Harbour Limited Company	PRC	held directly	RMB 652,200,000	Port management, cargo loading, water transport material supply	51%	51%
Fujian Yingda Property Development Limited Company	PRC	held indirectly	RMB 50,000,000	Real estate development leasing, real estate agency services, warehousing, loading and conveying	51%	100%
Fujian Xinhuan Yuan Industrial Limited Company	PRC	held indirectly	RMB 93,200,000	Mineral water production and sale	51%	100%
Huaneng Yunnan Diandong Energy Limited Liability Company (“Diandong Energy”)	PRC	held directly	RMB 3,543,140,000	Power generation and coal exploitation	100%	100%
Yunnan Diandong Yuwang Energy Limited Company (“Diandong Yuwang”)	PRC	held directly	RMB 1,626,740,000	Power generation and coal exploitation	100%	100%
Huaneng Suzihe Hydropower Development Limited Company	PRC	held directly	RMB 50,000,000	Hydropower, aquaculture, agriculture irrigation	100%	100%
Enshi City Mawei Valley Hydropower Development Co., Ltd.	PRC	held directly	RMB 101,080,000	Hydro-resource development, hydropower, aquaculture	100%	100%
Kaifeng Xinli Power Generation Co., Ltd.	PRC	held indirectly	RMB 146,920,000	Power generation	60%	100%
Huaneng Luoyang Co-generation Limited	PRC	held directly	RMB 600,000,000	Production and sales of electricity and heat	80%	80%

Explanation of Responses:

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Liability Company				to the electricity and heat networks sales of ancillary products of electricity and heat generation		
Huaneng Jinling Combined Cycle Cogeneration Co., Ltd. (“Jinling CCGT”) (v)	PRC	held directly	RMB 356,350,000	Power generation	51%	72%
Huaneng Zhumadian Wind Power Generation Co., Ltd.	PRC	held directly	RMB 30,000,000	Wind power generation	90%	90%
SinoSing Power	Singapore	held directly	US\$ 1,476,420,585	Investment holding	100%	100%
Tuas Power	Singapore	held indirectly	S\$ 1,433,550,000	Electricity and gas supply and investment holding	100%	100%
Tuas Power Supply Pte Ltd.	Singapore	held indirectly	S\$ 500,000	Power sales	100%	100%
TP Asset Management Pte Ltd.	Singapore	held indirectly	S\$2	Render of environment engineering services	100%	100%
TPGS Green Energy Pte Ltd.	Singapore	held indirectly	S\$ 1,000,000	Provision of utility services	75%	75%
New Earth Pte Ltd.	Singapore	held indirectly	S\$ 10,111,841	Consultancy in waste recycling	100%	100%
New Earth Singapore Pte Ltd.	Singapore	held indirectly	S\$ 17,816,050	Industrial waste management and recycling	100%	100%

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## Investments in subsidiaries (Continued)

Note:

- (i) According to its article of association, the other shareholder who holds the remaining equity interests of Shidongkou Power Company entrusts the Company to exercise all its voting rights in relation to the operation and financial policies of Shidongkou Power Company. Accordingly, the Company has control over Shidongkou Power Company.
- (ii) Pursuant to an agreement entered into between the Company and another shareholder, the Company is entrusted to vote the 25% voting rights held by the other shareholder as long as the Company remains as the largest shareholder of Beijing Cogeneration. Thus, the Company has majority voting rights required by the article of association to control the operation and financial policies of Beijing Cogeneration. Accordingly, the Company has control over Beijing Cogeneration.
- (iii) According to the voting in concert agreement entered into between the Company and one shareholder with 10% equity interests in Chaohu Power, the shareholder agreed to vote the same in respect of significant financial and operating decisions made by the Company. As a result, the Company has control over Chaohu Power.
- (iv) According to the voting in concert agreement entered into between the Company and the other two shareholders in Suzhou Thermal Power, the shareholders agreed to vote the same in respect of significant financial and operating decisions made by the Company. As a result, the Company has control over Suzhou Thermal Power.
- (v) According to the voting in concert agreement entered into between the Company and one shareholder with 21% equity interests in Jinling CCGT, the shareholder agreed to vote the same in respect of significant financial and operating decisions made by the Company under the circumstances that its legitimate entitlements are guaranteed. As a result, the Company has control over Jinling CCGT.

For the information of material non-controlling interest (“NCI”), please refer to Note 40.

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## Available-for-sale financial assets

Available-for-sale financial assets include the following:

	As at 31 December	
	2015	2014
Listed security (Fair value measurement)		
257.56 million shares (representing 1.56% shareholding) of Yangtze Power	3,492,510	2,748,162
Unlisted securities (Cost measurement)		
10% of Shanxi Xishan Jinxing Energy Co., Ltd.	531,274	531,274
9.09% of Ganlong Double-track Railway Co., Ltd.	1,000,000	1,000,000
Others	54,079	53,941
Subtotal	1,585,353	1,585,215
Total	5,077,863	4,333,377

There were no impairment provisions on available-for-sale financial assets in 2015, 2014 and 2013.

Explanation of Responses:

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## Land use rights

The movements in the carrying amount of land use rights during the years are as follows:

	2015	2014
Beginning of the year		
Cost	6,482,189	5,900,546
Accumulated amortization	(1,309,076 )	(1,183,356)
Accumulated impairment losses	(219,269 )	(225,905 )
Net book value	4,953,844	4,491,285
Movement:		
Business combination (Note 39)	2,996,440	-
Addition	600,693	613,225
Amortization charge for the year	(227,078 )	(139,088 )
Disposals and transfer out	(6,036 )	(1,735 )
Currency translation differences	(4,097 )	(9,843 )
End of the year	8,313,766	4,953,844
Cost	10,059,872	6,482,189
Accumulated amortization	(1,530,972 )	(1,309,076)
Accumulated impairment losses	(215,134 )	(219,269 )
Net book value	8,313,766	4,953,844

All the lands located in the PRC and Singapore are leased from respective governments according to corresponding regulations applied across the countries. The Company and its subsidiaries will renew the leases according to the operation requirements of the Company and its subsidiaries and the related regulations of respective countries.

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## Power generation license

The movements in the carrying amount of power generation license during the years are as follows:

	2015	2014
Beginning of the year	3,720,959	3,837,169
Movement:		
Currency translation differences	(41,784 )	(116,210 )
End of the year	3,679,175	3,720,959

The Company and its subsidiaries acquired the power generation license in connection with the acquisition of Tuas Power. The power generation license was initially recognized at fair value at the acquisition date. Tuas Power operates power plants in Singapore pursuant to the license granted by the Energy Market Authority for a period of 30 years from 2003 until 2032. The license was extended to 2044 during 2011 with minimal costs and is subject to further renewal. The Company and its subsidiaries expect that the applicable rules and regulations surrounding the renewal can be complied with based on the current market framework. The Company and its subsidiaries assessed the useful life of the power generation license at 31 December 2015 as indefinite and therefore the license is not amortized.

## Impairment test of power generation license

Power generation license belongs to and has been assigned to Tuas Power, a CGU. The recoverable amount of the CGU is determined based on value-in-use calculation. Management prepared the impairment model based on budget approved by the Board and various factors, such as inflation, power demand and other factors as well as the terminal value.

## Key assumptions used for value-in-use calculation:

Management has assessed that, one of the most sensitive key assumptions is the discount rate which was arrived at based on weighted average cost of capital. The discount rate applied in determining the recoverable amounts of the CGU was 7.62% (31 December 2014: 7.29%). An absolute increase in the discount rate of 0.5% (31 December 2014: 0.5%) would result in approximately RMB1,704 million (31 December 2014: RMB1,540 million) decrease in the recoverable amount of the CGU.

Other key assumptions include projection of its business performance based on estimation of gross margin from electricity sold, volume of electricity sold and other operating expenses, which are largely based on a combination of past performance of the CGU, its expectation of market developments and consistency with forecasts included in industry reports. On average, the growth rates of 3.0% was used in consideration of future expansion plans and new development projects as part of the long-term strategy. Cash flows beyond the terminal year was extrapolated using a growth rate of 2%.

Based on the assessments, no impairment was provided for the power generation license.

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## Mining rights

The movements in the carrying amount of mining rights during the years are as follow:

	2015	2014
Beginning of the year		
Cost	1,922,655	1,922,655
Movement:		
Addition	483,912	-
Impairment charge for the year	(760,296 )	-
End of the year	1,646,271	1,922,655
Cost	2,406,567	1,922,655
Accumulated impairment losses	(760,296 )	-
Net book value	1,646,271	1,922,655

In 2015, due to the decrease of coal market price, impairment loss for mining rights of approximately RMB760 million have been recognized for two subsidiaries of the Company. The discount rate applied in determining the recoverable amounts of the mining rights in the value in use model were 10.46% and 10.62%.

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## Derivative financial instruments

Details of derivative financial instruments are as follows:

	As at 31 December	
	2015	2014
Derivative financial assets		
Hedging instruments for cash flow hedge (fuel swap contracts)	1	265
Hedging instruments for cash flow hedge (exchange forward contracts)	140,977	116,712
Hedging instruments for cash flow hedge (interest rate swap contracts)	2,691	-
Financial instruments at fair value through profit or loss (fuel swap contracts)	39,894	184,756
Financial instruments at fair value through profit or loss (exchange forward contracts)	949	-
Total	184,512	301,733
Less: non-current portion		
Hedging instruments for cash flow hedge (fuel swap contracts)	-	133
Hedging instruments for cash flow hedge (exchange forward contracts)	42,353	40,465
Hedging instruments for cash flow hedge (interest rate swap contracts)	2,691	-
Total non-current portion	45,044	40,598

Explanation of Responses:

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Current portion	139,468	261,135
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## Derivative financial instruments (Continued)

	As at 31 December	
	2015	2014
Derivative financial liabilities		
Hedging instruments for cash flow hedge (fuel swap contracts)	1,157,677	1,009,369
Hedging instruments for cash flow hedge (exchange forward contracts)	2,297	11
Hedging instruments for cash flow hedge (interest rate swap contract)	121,576	322,871
Financial instruments at fair value through profit or loss (fuel swap contracts)	23,047	149,989
Financial instruments at fair value through profit or loss (exchange forward contracts)	344	-
<b>Total</b>	<b>1,304,941</b>	<b>1,482,240</b>
Less: non-current portion		
Hedging instruments for cash flow hedge (fuel swap contracts)	307,573	326,634
Hedging instruments for cash flow hedge (exchange forward contracts)	940	8
Hedging instruments for cash flow hedge (interest rate swap contract)	121,576	322,871
<b>Total non-current portion</b>	<b>430,089</b>	<b>649,513</b>
<b>Current portion</b>	<b>874,852</b>	<b>832,727</b>

For the years ended 31 December 2015, 2014 and 2013, no material ineffective portion was recognized in the profit or loss arising from cash flow hedges.

The Company uses an interest rate swap contract to hedge its interest rate risk against one of its variable rate loans. The notional principal amount of the outstanding interest rate swap contract at 31 December 2015 was US\$240 million (RMB equivalents of RMB1,558.46 million) (2014: US\$278 million (RMB equivalents of RMB1,701.08 million)). Through this arrangement, the Company pays an annual fixed interest of 4.4% while the original annual floating interest expense (6-month LIBOR+1%) attached in the loan is offset by the receivable leg of the interest rate swap. Such a swap is settled on a quarterly basis from September 2009 to September 2019.

TPG uses exchange forward contracts to hedge its foreign exchange risk arising from highly probable forecast purchase transactions. It also uses fuel oil swap contracts to hedge its fuel price risk arising from highly probable forecast purchases of fuel purchases.

TPG also uses various interest rate swap contracts to hedge floating semi-annual interest payments on borrowings with maturity dates up to 2020. The notional principal amount of these outstanding interest rate swap contracts at 31 December 2015 was S\$1,399.8 million (RMB equivalents of RMB6,421.8 million) (2014: S\$1,440.9 million (RMB equivalents of RMB6,685.2 million)). Through these arrangements, TPG swaps original floating interest (6-month SOR) to annual fixed interest determined by individual swap contracts. Such swap contracts are settled semi-annually

from September 2011 to March 2020. As at 31 December 2015, these interest rate swap contracts are carried on the consolidated statements of financial position as financial asset of RMB 2.69 million and financial liability of RMB41.12 million (2014: financial liability of RMB223.71 million).

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## Derivative financial instruments (Continued)

The analysis of contractual cash inflows/(outflows) of major derivative financial instruments are as follows:

	Carrying amounts	Contractual cash flows	Cash flows		
			Within 1 year	Between 1 and 5 years	After 5 years
As at 31 December 2015					
Derivative financial assets					
Fuel derivatives used for hedging (net settlement)	1	1	1	-	-
Forward exchange contracts used for hedging					
- inflows		2,223,114	1,604,161	618,953	-
- outflows		(2,093,389)	(1,510,919)	(582,470)	-
	140,977	129,725	93,242	36,483	-
Net-settled interest rate swaps used for hedging - net cash inflows/(outflows)					
	2,691	(16,121 )	(7,241 )	(8,880 )	-
Fuel derivatives that do not qualify as hedges (net settlement)					
	39,894	39,894	39,894	-	-
Foreign exchange contracts that do not qualify as hedges (net settlement)					
	949	691	691	-	-
Derivative financial liabilities					
Fuel derivatives used for hedging (net settlement)	1,157,677	(1,157,677)	(850,104 )	(307,573 )	-
Forward exchange contracts used for hedging					
- inflows		539,730	429,306	110,424	-
- outflows		(544,985 )	(432,193 )	(112,792 )	-
	2,297	(5,255 )	(2,887 )	(2,368 )	-
Net-settled interest rate swaps used for hedging					
- net cash inflows/(outflows)	121,576	(190,867 )	(84,753 )	(106,114 )	-
Fuel derivatives that do not qualify as hedges (net					
	23,047	(23,047 )	(23,047 )	-	-

Explanation of Responses:

settlement)					
Foreign exchange contracts that do not qualify as hedges (net settlement)	344	(413 )	(413 )	-	-
As at 31 December 2014					
Derivative financial assets					
Fuel derivatives used for hedging (net settlement)	265	265	133	132	-
Forward exchange contracts used for hedging					
- inflows		2,827,425	1,969,596	857,829	-
- outflows		(2,714,818)	(1,895,789)	(819,029)	-
	116,712	112,607	73,807	38,800	-
Fuel derivatives that do not qualify as hedges (net settlement)	184,756	184,756	184,756	-	-

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## Derivative financial instruments (Continued)

	Carrying amounts	Contractual cash flows	Cash flows		
			Within 1 year	Between 1 and 5 years	After 5 years
Derivative financial liabilities					
Fuel derivatives used for hedging (net settlement)	1,009,369	(1,009,369)	(682,735)	(326,634)	-
Forward exchange contracts used for hedging					
- inflows		552,840	538,402	14,438	-
- outflows		(553,505 )	(539,020 )	(14,485 )	-
	11	(665 )	(618 )	(47 )	-
Net-settled interest rate swaps used for hedging					
- net cash inflows/(outflows)	322,871	(508,178 )	(175,843 )	(320,678 )	(11,657 )
Fuel derivatives that do not qualify as hedges (net settlement)	149,989	(149,989 )	(149,989 )	-	-

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## Goodwill

The movements of goodwill during the years are as follows:

	2015	2014
Beginning of the year		
Cost	13,865,890	14,273,513
Accumulated impairment losses	(2,140,335 )	(1,515,482 )
Net book value	11,725,555	12,758,031
Movement:		
Business combination (Note 39)	1,169,966	-
Impairment charge for the year	(1,105,649 )	(641,061 )
Disposals	-	(78,002 )
Currency translation differences	(112,690 )	(313,413 )
End of the year	11,677,182	11,725,555
Cost	14,919,930	13,865,890
Accumulated impairment losses	(3,242,748 )	(2,140,335 )

Explanation of Responses:

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Net book value	11,677,182	11,725,555

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## Goodwill (Continued)

## Impairment tests for goodwill

Goodwill is allocated to the CGUs of the Company and its subsidiaries.

The carrying amounts of major goodwill allocated to individual CGUs are as follows:

	2015	2014
PRC Power segment:		
Hainan Power	506,336	-
Wuhan Power	518,484	-
Yueyang Power Company	100,907	100,907
Beijing Cogeneration	95,088	95,088
Yangliuqing Cogeneration	151,459	151,459
Diandong Energy	-	1,105,649
Singapore segment:		
Tuas Power	9,922,584	10,035,274

The recoverable amount of a CGU is determined based on value-in-use calculations. For domestic CGUs, these calculations use cash flow projections based on management's financial budgets covering periods of no more than five years. The Company expects cash flows beyond such periods will be similar to that of the respective final forecast years on existing production capacity.

For the goodwill allocated to Tuas Power, management has based their assessment of recoverable amount on value-in-use calculations. Management prepared the impairment model based on budget approved and various factors, such as inflation, power demand and other factors as well as the terminal value. On average, the growth rates of 3.0% was used in consideration of future expansion plans and new development projects as part of the long-term strategy. Cash flows beyond the terminal year was extrapolated using a growth rate of 2.0%.

Discount rates used for value-in-use calculations:

PRC Power segment	8.31% ~ 9.02%
Singapore segment	7.62%

Key assumptions used for value-in-use calculations:

Key assumptions applied in the impairment tests include the expected tariff rates, demands of electricity in specific regions where these power plants are located, fuel cost and the expected output schedule of coal mine under construction and selling price of coal. Management determined these key assumptions based on past performance and its expectations on market development. The discount rates used reflect specific risks relating to individual CGUs. Management believes that any reasonably possible change in any of these key assumptions on which recoverable amounts of individual CGUs are based may cause carrying amounts of individual CGUs to exceed their recoverable amounts. Please refer to Note 4 and 12 for details of respective sensitivity analysis on domestic and oversea CGU impairment testing.





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## Goodwill (Continued)

In 2015, due to continuous operating loss of the power plant assets as a result of oversupply of local power market and intense competition which led to lower utilization hours and tariff, and the effect of deteriorating coal market price on the coal assets under construction, the goodwill arising from the acquisition of Diandong Energy was fully impaired based on the impairment testing result. The above mentioned goodwill impairment provided in 2015 amounted to approximately RMB1,106 million in total. For Singapore segment, the decrease of goodwill in respect of Tuas Power was due to currency translation differences.

In 2014, due to the delay in coal mine construction schedule and continuous lower utilization of the power plants in Yunnan province, the goodwill arising from the acquisition of Diandong Energy and Diandong Yuwang were impaired based on the impairment testing result. The above mentioned goodwill impairment provided in 2014 amounted to approximately RMB641 million in total. For Singapore segment, the decrease of goodwill in respect of Tuas Power was due to currency translation differences.

In 2013, due to the external environment deterioration in respect of shipping market, the utilization of port was below expectation and the price was at a lower level. Based on the impairment testing results, the goodwill arising from the acquisition of Luoyuanwan Harbor, Qingdao Port and Hualu Sea Transportation were fully impaired. Besides, the goodwill arising from the acquisition of Enshi Hydropower was assessed as fully impaired due to the fact that the capital expenditure of the power plant was higher than the original expectation. The above mentioned goodwill impairment provided in 2013 approximately amounted to RMB586 million. For Singapore segment, the goodwill in respect of Tuas Power was impaired RMB392 million in 2013 as a result of the power market change in Singapore.

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## Other non-current assets

Details of other non-current assets are as follows:

	As at 31 December 2015	2014
Intangible assets*	451,176	452,109
Deferred employee housing subsidies	3,907	4,847
Prepayments for switchhouse and metering station	9,257	10,142
Prepaid connection fees	111,513	118,941
Prepaid territorial water use right**	763,905	775,493
Finance lease receivables	552,401	525,353
VAT recoverable	1,618,894	981,980
Others	867,944	850,390
<b>Total</b>	<b>4,378,997</b>	<b>3,719,255</b>

\*The intangible assets primarily consist of software, patented technologies and etc. In 2015, there is no impairment provided for the intangible assets (2014: RMB nil).

\*\*The prepaid territorial water use right is amortized over the contractual period of 50 years. As at 31 December 2015, territorial water use right with net book value amounting to RMB78.38 million (2014: RMB80.36 million) was secured to a bank as collateral against a long-term loan of RMB18 million (2014: RMB37 million) (Note 23).



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## Inventories

Inventories comprised:

	As at 31 December	
	2015	2014
Fuel (coal and oil) for power generation	3,997,910	5,228,867
Material and supplies	1,587,211	1,636,865
	5,585,121	6,865,732
Less: provision for inventory obsolescence	162,389	163,458
Total	5,422,732	6,702,274

Movements of provision for inventory obsolescence during the years are analyzed as follows:

	2015	2014	2013
Beginning of the year	(163,458 )	(170,296 )	(182,352 )
Provision	(2,867 )	(878 )	(2,336 )
Reversal	1,039	3,525	3,160
Write-offs	-	632	3,551
Currency translation differences	2,897	3,559	7,681
End of the year	(162,389 )	(163,458 )	(170,296 )

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## Other receivables and assets

Other receivables and assets comprised the following:

	As at 31 December	
	2015	2014
Prepayments for inventories	143,446	279,128
Prepayments for pre-construction cost	735,975	577,644
Prepaid income tax	2,393	20,499
Prepayments for capacity quota	303,399	303,399
Others	102,854	144,040
<b>Total prepayments</b>	<b>1,288,067</b>	<b>1,324,710</b>
Staff advances	15,692	17,648
Dividends receivable	305,000	188,958
Financial lease receivables	19,419	14,767
Interest receivables	175	350
Others	728,781	622,310
<b>Subtotal other receivables</b>	<b>1,069,067</b>	<b>844,033</b>
Less: provision for doubtful accounts	27,957	29,644
<b>Total other receivables, net</b>	<b>1,041,110</b>	<b>814,389</b>
VAT recoverable	1,678,812	1,272,621
Designated loan to a joint venture	80,000	-
<b>Gross total</b>	<b>4,115,946</b>	<b>3,441,364</b>
<b>Net total</b>	<b>4,087,989</b>	<b>3,411,720</b>

Please refer to Note 35 for details of other receivables and assets due from the related parties.

The gross amounts of other receivables are denominated in the following currencies:

	As at 31 December	
	2015	2014
RMB	1,005,399	781,426
S\$ (RMB equivalent)	60,596	43,652
US\$ (RMB equivalent)	3,072	18,955
<b>Total</b>	<b>1,069,067</b>	<b>844,033</b>



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## Other receivables and assets (Continued)

Movements of provision for doubtful accounts during the years are analyzed as follows:

	2015	2014	2013
Beginning of the year	(29,644 )	(30,673 )	(28,641 )
Reclassification to assets held for sale	-	-	51
Provision	(9 )	-	(2,096 )
Reversal	1,696	1,029	13
End of the year	(27,957 )	(29,644 )	(30,673 )

As at 31 December 2015, there was no indication of impairment relating to other receivables which were not past due and no material provision was made (2014: nil).

As at 31 December 2015, other receivables of RMB168 million (2014: RMB101 million) were past due but not impaired. These amounts mainly represent funds deposited in a government agency and are fully recoverable. The ageing analysis of these other receivables was as follows:

	As at 31 December	
	2015	2014
Within 1 year	98,649	32,330
Between 1 to 2 years	1,259	593
Between 2 to 3 years	780	236
Over 3 years	66,968	68,056
Total	167,656	101,215

As at 31 December 2015, other receivables of RMB35 million which were past due (2014: RMB35 million) were impaired and a provision of RMB28 million (2014: RMB30 million) has been provided against the receivables. The individually impaired receivables have been long outstanding without any repayment agreements in place or possibility of renegotiation. It was assessed that a substantial portion of the receivables is not expected to be recovered. The ageing of these other receivables was as follows:

	As at 31 December	
	2015	2014
Within 1 year	1,566	542
Between 1 to 2 years	93	-
Between 2 to 3 years	3	-
Over 3 years	33,792	34,540
Total	35,454	35,082

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## Accounts receivable

Accounts receivable comprised the following:

	As at 31 December	
	2015	2014
Accounts receivable	14,401,665	14,087,378
Notes receivable	1,977,790	806,394
	16,379,455	14,893,772
Less: provision for doubtful accounts	2,054	11,809
Total	16,377,401	14,881,963

The gross amounts of account receivables are denominated in the following currencies:

	As at 31 December	
	2015	2014
RMB	15,639,091	13,875,489
S\$ (RMB equivalent)	735,300	1,014,881
US\$ (RMB equivalent)	5,064	3,402
Total	16,379,455	14,893,772

The Company and its subsidiaries usually grant about one month's credit period to local power grid customers from the end of the month in which the sales are made, except for SinoSing Power which provides credit period that ranges from 5 to 60 days from the dates of billings. Certain accounts receivables of Singapore subsidiaries are backed by bankers' guarantees and/or deposits from customers. It is not practicable to determine the fair value of the collaterals that correspond to these accounts receivable.

As at 31 December 2015, no accounts receivable was secured to banks as collateral against loans (2014: accounts receivable approximately RMB3,592 million were secured to banks as collateral against short-term loans of RMB3,150 million).

For the collateral of notes receivable, please refer to Note 26 for details.

Movements of provision for doubtful accounts during the years are analyzed as follows:

	2015	2014	2013
Beginning of the year	(11,809 )	(6,123 )	(11,419 )
Provision	(60 )	(8,413 )	(24 )
Reversal	1,833	2,807	4,717
Write-off	-	-	50
Transfer from a subsidiary to a joint venture	8,126	-	-
Reclassification to assets held for sale	-	-	298
Currency translation differences	(144 )	(80 )	255

Explanation of Responses:

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End of the year	(2,054 )	(11,809 )	(6,123 )
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## Accounts receivable (Continued)

Ageing analysis of accounts receivable was as follows:

	As at 31 December	
	2015	2014
Within 1 year	16,129,748	14,693,174
Between 1 to 2 years	225,253	123,700
Between 2 to 3 years	1,915	48,021
Over 3 years	22,539	28,877
<b>Total</b>	<b>16,379,455</b>	<b>14,893,772</b>

As at 31 December 2015, the maturity period of the notes receivable ranged from 1 to 6 months (2014: from 1 to 6 months).

As at 31 December 2015, and 2014, there was no indication of impairment relating to accounts receivable which were not past due and no provision was made.

As at 31 December 2015, accounts receivable of RMB2.05 million (2014: RMB11.81 million) were impaired. The ageing of these accounts receivable was as follows:

	As at 31 December	
	2015	2014
Less than 1 year	-	274
Between 2 to 3 years	-	8,126
Over 3 years	2,054	3,409
<b>Total</b>	<b>2,054</b>	<b>11,809</b>

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Company and its subsidiaries. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

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	Share capital			
	2015 Number of Shares	Share capital RMB '000	2014 Number of Shares	Share capital RMB '000
As at 1 January				
A shares	10,500,000,000	10,500,000	10,500,000,000	10,500,000
Overseas listed foreign shares	3,920,383,440	3,920,383	3,555,383,440	3,555,383
Subtotal	14,420,383,440	14,420,383	14,055,383,440	14,055,383
Issuance of new H shares	780,000,000	780,000	365,000,000	365,000
As at 31 December				
A shares	10,500,000,000	10,500,000	10,500,000,000	10,500,000
Overseas listed foreign shares	4,700,383,440	4,700,383	3,920,383,440	3,920,383
Total	15,200,383,440	15,200,383	14,420,383,440	14,420,383

In November 2015, the Company issued 780,000,000 H shares with a par value of RMB1.00, at a price of HK\$7.32 per H share. Net proceeds from the issuance amounted to HK\$5.69 billion after deducting issuance costs from gross proceeds of HK\$5.71 billion. The difference between the net proceeds and the addition to share capital is recorded in capital surplus.

All shares issued by the Company were fully paid. The holders of domestic shares and overseas listed foreign shares, in all material aspects, are entitled to the same economic and voting rights. None of the issued A shares are within the lock-up period as at 31 December 2014 and 2015.

	Surplus reserves		
	As at 1 January 2015	Transfer to surplus reserve	As at 31 December 2015
Surplus reserves	7,196,349	943,681	8,140,030

According to the Company Law of the PRC, the Company's articles of association and board resolutions, the Company appropriates 10% of each year's net profit under PRC GAAP to the statutory surplus reserve. The Company has the option to cease provision for such reserve when it reaches 50% of the registered share capital. Upon the approval from relevant authorities, this reserve can be used to make up any losses incurred or to increase share capital. Except for offsetting against losses, this reserve cannot fall below 25% of the registered share capital after being used to increase share capital.

According to the Company's articles of association and board resolutions on 24 March 2015, the Company intended to appropriate 10% of last year's net profit attributable to the Company's shareholders under PRC GAAP to the statutory surplus reserve, amounting to RMB1,055 million, in which RMB944 million being the excess of the consequent surplus reserve balance over 50% of the registered share capital was subject to the approval of the shareholders. Upon

the approval of the shareholders at the annual general meeting on 25 June 2015 the excess amount was transferred to surplus reserve in 2015.

Appropriation of discretionary surplus reserve is proposed by the Board of Directors, and approved by the general meeting of shareholders. This reserve can be used to make up any losses incurred in prior years or to increase the share capital after obtaining relevant approvals. For the years ended 31 December 2014 and 2015, no provision was made to the discretionary surplus reserve.

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## Surplus reserves (Continued)

According to the articles of association, in distributing the Company's profits after tax for the relevant accounting year, the lower of amounts determined in accordance with PRC GAAP and IFRS shall be adopted. As at 31 December 2015, in accordance with PRC GAAP and IFRS, the balance of retained earnings for the Company and its subsidiaries amounted to approximately RMB37.606 billion and RMB37.314 billion; respectively; and the balance of retained earnings for the Company amounted RMB30.156 billion and RMB27.249 billion, respectively.

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## Dividends

On 22 March 2016, the Board of Directors proposed a cash dividend of RMB0.47 per share, totaling approximately RMB7,144 million. This proposal is subject to the approval of the shareholders at the annual general meeting.

On 25 June 2015, upon the approval from the annual general meeting of the shareholders, the Company declared 2014 final dividend of RMB0.38 (2013: RMB0.38) per ordinary share, totaling approximately RMB5,480 million (2013: RMB5,341 million).

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## Long-term loans

Long-term loans comprised the following:

	As at 31 December	
	2015	2014
Loans from Huaneng Group and its subsidiaries (a)	2,696,225	1,057,485
Bank loans and other loans (b)	75,683,003	63,973,406
	78,379,228	65,030,891
Less: Current portion of long-term loans	12,351,205	7,392,433
Total	66,028,023	57,638,458

## (a) Loans from Huaneng Group and its subsidiaries

Details of loans from Huaneng Group and its subsidiaries are as follows:

	As at 31 December 2015				
	Original currency '000	RMB equivalent	Less: Current portion	Non-current portion	Annual interest rate
Loans from Huaneng Group Unsecured RMB					
- Variable rate	665,015	665,015	665,015	-	4.28%-5.54%
Loans from HIPDC					

Explanation of Responses:

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Unsecured						
RMB						
- Fixed rate	400,000	400,000	400,000	-	5.30	%
- Variable rate	1,300,210	1,300,210	1,300,210	-	4.28%~5.30%	
Loans from Huaneng						
Finance						
Unsecured						
RMB						
- Variable rate	331,000	331,000	72,000	259,000	4.41%~5.84%	
Total		2,696,225	2,437,225	259,000		

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## Long-term loans (Continued)

## (a) Loans from Huaneng Group and its subsidiaries (Continued)

	As at 31 December 2014				Annual interest rate
	Original currency '000	RMB equivalent	Less: Current portion	Non-current portion	
Loans from Huaneng Group					
Unsecured					
RMB					
- Variable rate	640,485	640,485	-	640,485	5.40 %
Loans from Huaneng Finance					
Unsecured					
RMB					
- Fixed rate	417,000	417,000	417,000	-	5.54 %
Total		1,057,485	417,000	640,485	

## (b) Bank loans and other loans

Details of bank loans and other loans are as follows:

	As at 31 December 2015				Annual interest rate
	Original currency '000	RMB equivalent	Less: Current portion	Non-current portion	
Secured					
RMB					
- Fixed rate	9,389,630	9,389,630	1,103,320	8,286,310	4.41%-6.15 %
- Variable rate	253,000	253,000	25,300	227,700	4.90 %
Unsecured					
RMB					
- Fixed rate	18,727,985	18,727,985	2,201,076	16,526,909	2.90%-6.55 %
- Variable rate	31,374,161	31,374,161	5,774,825	25,599,336	3.95%-6.55 %
US\$					
- Variable rate	472,800	3,070,174	388,925	2,681,249	1.38 %
S\$					
- Variable rate	2,696,925	12,372,141	348,296	12,023,845	1.98%~4.25%
€					
- Fixed rate	48,530	344,331	66,294	278,037	2.00%-2.15 %
JPY					
-Fixed rate	2,812,263	151,581	5,944	145,637	0.75 %

Explanation of Responses:

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Total	75,683,003	9,913,980	65,769,023
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As at 31 December 2014

	Original currency '000	RMB equivalent	Less: Current portion	Non-current portion	Annual interest rate
Secured					
RMB					
- Fixed rate	10,504,895	10,504,895	1,059,994	9,444,901	5.54%-6.55 %
- Variable rate	100,000	100,000	-	100,000	6.15 %
Unsecured					
RMB					
- Fixed rate	26,194,209	26,194,209	4,985,946	21,208,263	4.20%-6.55 %
- Variable rate	10,556,570	10,556,570	82,980	10,473,590	5.35%-6.55 %
US\$					
- Fixed rate	2,666	16,316	16,316	-	6.36 %
- Variable rate	539,004	3,298,164	408,284	2,889,880	0.81%-1.74 %
S\$					
- Variable rate	2,774,327	12,871,770	352,252	12,519,518	1.98%-4.25 %
€					
- Fixed rate	57,874	431,482	69,661	361,821	2.00%-2.15 %
Total		63,973,406	6,975,433	56,997,973	

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## Long-term loans (Continued)

## (b) Bank loans and other loans (Continued)

As at 31 December 2015, a long-term loan of RMB18 million (31 December 2014: RMB37 million) is secured by territorial water use right with net book value amounting to RMB78.38 million (31 December 2014: RMB80.36 million).

As at 31 December 2015, a long-term loan of RMB67 million (31 December 2014: RMB95 million) is secured by certain property, plant and equipment with net book value amounting to approximately RMB150 million (31 December 2014: RMB194 million).

As at 31 December 2015, long-term loans of approximately RMB9,558 million were secured by future electricity revenue (31 December 2014: RMB10,404 million).

As at 31 December 2014, a long-term loan of RMB69 million was secured by a subsidiary's port facility with net book value amounting to RMB522 million. The subsidiary was transferred to joint venture in 2015.

The maturity of long-term loans is as follows:

	Loans from Huaneng Group and its subsidiaries		Bank loans and other loans	
	As at 31 December		As at 31 December	
	2015	2014	2015	2014
1 year or less	2,437,225	417,000	9,913,980	6,975,433
More than 1 year but no more than 2 years	62,000	640,485	12,028,176	8,356,701
More than 2 years but no more than 3 years	68,000	-	9,134,791	9,292,458
More than 3 years but no more than 4 years	2,000	-	9,219,121	5,667,453
More than 4 years but no more than 5 years	2,000	-	6,404,924	6,870,199
More than 5 years	125,000	-	28,982,011	26,811,162
	2,696,225	1,057,485	75,683,003	63,973,406
Less: amount due within 1 year included under current liabilities	2,437,225	417,000	9,913,980	6,975,433
Total	259,000	640,485	65,769,023	56,997,973

The interest payment schedule of long-term loans in the future years are summarized as follows:

	As at 31 December	
	2015	2014
1 year or less	3,354,579	2,971,899

Explanation of Responses:

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More than 1 year but not more than 2 years	2,784,037	2,628,832
More than 2 years but not more than 5 years	5,784,420	5,479,149
More than 5 years	4,325,853	4,441,296
Total	16,248,889	15,521,176

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The Company issued bonds with maturity of 5 years, 7 years and 10 years in December 2007 with face values of RMB1 billion, RMB1.7 billion and RMB3.3 billion bearing annual interest rates of 5.67%, 5.75% and 5.90%, respectively. The total actual proceeds received by the Company were approximately RMB5.885 billion. These bonds are denominated in RMB and issued at par. Interest is payable annually while principal will be paid when the bonds fall due. The annual effective interest rates of those bonds are 6.13%, 6.10% and 6.17%, respectively. Interest paid per annum during the tenure of the bonds is RMB57 million, RMB98 million and RMB195 million, respectively. The bond with original maturity of 5 years had matured in December 2012 and the Company repaid the principal of RMB1 billion. The bond with original maturity of 7 years had matured in December 2014 and the Company repaid the principal of RMB1.7 billion. As at 31 December 2015, interest payables for the unmatured bonds amounted to approximately RMB3.72 million (31 December 2014: RMB3.73 million).

The Company also issued bonds with maturity of 10 years in May 2008 with a face value of RMB4 billion bearing an annual interest rate of 5.20%. The actual proceeds received by the Company were approximately RMB3.933 billion. These bonds are denominated in RMB and issued at par. Interest is payable annually while principal will be paid when the bonds fall due. The annual effective interest rate of bond is 5.42%. Interest paid per annum during the tenure of the bonds is RMB208 million. As at 31 December 2015, interest payable for these bonds amounted to approximately RMB134.69 million (31 December 2014: RMB135.06 million).

In November 2011 and January 2012, the Company issued non-public debt financing instrument with maturity of 5 years and 3 years with face values of RMB5 billion and RMB5 billion bearing annual interest rates of 5.74% and 5.24%, respectively. The actual proceeds received by the Company were approximately RMB4.985 billion and RMB4.985 billion. These bonds are denominated in RMB and issued at par. Interest is payable annually while principal will be paid when the bonds fall due. The annual effective interest rates of those bonds are 6.04% and 5.54%, respectively. Interest paid per annum during the tenure of the bonds is RMB287 million and RMB262 million. The bond with original maturity of 3 years had matured in January 2015 and the Company repaid the principal of RMB5 billion. As at 31 December 2015, interest payable for the unmatured bond amounted to approximately RMB45.48 million (31 December 2014: RMB45.61 million).

The Company issued overseas listed bonds with maturity of 3 years in February 2013 with a face value of RMB1.5 billion bearing an annual interest rate of 3.85%. The proceeds received by the Company were approximately RMB1.495 billion. These bonds are denominated in RMB and issued at par. Interest is payable semi-annually while principal will be paid when the bonds fall due. The annual effective interest rate of the bonds is 3.96%. Interest paid per annum during the tenure of the bonds is RMB58 million. As at 31 December 2015, interest payable for the bonds amounted to approximately RMB23.57 million (31 December 2014: RMB23.57 million).

The Company issued non-public debt financing instrument with maturity of 3 years in June 2013 with a face value of RMB5 billion bearing an annual interest rate of 4.82%. The proceeds received by the Company were approximately RMB4.985 billion. The bonds are denominated in RMB and issued at par. Interest is payable annually while principal will be paid when the bonds fall due. The annual effective interest rate of the bonds is 5.12%. Interest paid per annum during the tenure of the bonds is RMB241 million. As at 31 December 2015, interest payable for the bonds amounted to approximately RMB138.94 million (31 December 2014: RMB139.32 million).

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## Long-term bonds (Continued)

The Company issued medium-term notes with maturity of 5 years in July 2014 with a face value of RMB4 billion bearing an annual interest rate of 5.30%. The actual proceeds received by the Company were approximately RMB3.988 billion. These notes are denominated in RMB and issued at par. Interest is payable annually while principal will be paid when the notes fall due. The annual effective interest rate of these notes is 5.37%. Interest paid per annum during the tenure of the notes is RMB212 million. As at 31 December 2015, interest payable for the bonds amounted to approximately RMB99.05 million (31 December 2014: RMB99.32 million).

Please refer to Note 35(c) for details of long-term bonds of the Company guaranteed by HIPDC and government-related banks.

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## Other non-current liabilities

	As at 31 December	
	2015	2014
Finance lease payables(a)	1,422,572	1,584,020
Government Grant		
-Environmental subsidies(b)	1,093,483	909,615
-Other government grant	164,394	113,010
Others	981,312	441,595
Subtotal	3,661,761	3,048,240
current portion of finance lease payables	(519,306 )	(329,560 )
current portion of other non-current liabilities	(20,000 )	-
Subtotal	(539,306 )	(329,560 )
Total	3,122,455	2,718,680

(a) The Company and its subsidiaries had obligation under finance leases as follows:

	As at 31 December	
	2015	2014
Within 1 year	574,415	414,143
After 1 year but within 2 years	596,160	541,831
After 2 years but within 3 years	240,793	535,492
After 3 years	136,386	284,234
	1,547,754	1,775,700
Less: total future interest expense	125,182	191,680
Present value of finance lease obligations	1,422,572	1,584,020

(b) This primarily represented subsidies for the construction of desulphurization equipment and other environmental protection projects.

(c) In 2015, the asset-related government grants which were credited to the statement of comprehensive income amounted to RMB98.88 million (2014: RMB66.15 million).

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## Accounts payable and other liabilities

Accounts payable and other liabilities comprised:

	As at 31 December	
	2015	2014
Accounts and notes payable	9,403,088	11,685,285
Amounts received in advance	472,886	649,431
Payables to contractors for construction	11,425,575	10,172,216
Retention payables to contractors	1,200,724	996,861
Consideration payables for acquisitions	-	23,683
Accrued interests	874,333	1,056,249
Accrued pollutants discharge fees	94,691	75,648
Accrued water-resources fees	18,847	35,329
Accrued service fee of intermediaries	51,340	62,261
Security deposits	104,949	100,356
Provisions	15,001	28,647
Others	2,524,330	2,149,898
Total	26,185,764	27,035,864

Please refer to Note 35(a) for details of accounts payable and other liabilities due to the related parties.

As at 31 December 2015, notes payable of RMB14 million (2014: RMB13 million) were secured by notes receivable with net book value amounted to RMB14 million (2014: notes receivable amounted to RMB15 million).

The carrying amounts of financial liabilities (excluding amounts received in advance) included in accounts payable and other liabilities are denominated in the following currencies:

	As at 31 December	
	2015	2014
RMB	24,773,457	25,106,220
S\$ (RMB equivalent)	517,192	635,640
US\$ (RMB equivalent)	392,953	626,242
JPY (RMB equivalent)	29,264	15,599
EUR (RMB equivalent)	12	2,677
GBP (RMB equivalent)	-	55
Total	25,712,878	26,386,433

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## Accounts payable and other liabilities (Continued)

The ageing analysis of accounts and notes payable was as follows:

	As at 31 December	
	2015	2014
Within 1 year	9,280,736	11,559,092
Between 1 to 2 years	78,682	88,408
Over 2 years	43,670	37,785
<b>Total</b>	<b>9,403,088</b>	<b>11,685,285</b>

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## Taxes payable

Taxes payable comprises:

	As at 31 December	
	2015	2014
VAT payable	663,243	766,329
Income tax payable	1,054,246	751,349
Others	353,982	340,346
<b>Total</b>	<b>2,071,471</b>	<b>1,858,024</b>

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## Short-term bonds

The Company issued unsecured short-term bonds with face values of RMB5 billion and RMB5 billion bearing annual interest rates of 4.90% and 3.98% in April 2014 and November 2014, respectively. Such bonds are denominated in RMB, issued at par and mature in 365 days. The annual effective interest rates of these bonds are 5.30% and 4.40%, respectively. These bonds were fully repaid in April 2015 and November 2015 respectively.

The Company issued unsecured super short-term bonds with face values of RMB2 billion, RMB3 billion, and RMB3 billion bearing annual interest rates of 4.63%, 4.63% and 4.00%, in August 2014, September 2014, and November 2014, respectively. Such bonds are denominated in RMB, issued at face value and mature in 270 days from the issuance dates. The annual effective interest rates of these bonds are 4.94%, 4.94% and 4.31%, respectively. The bonds had matured and were fully repaid in May 2015, June 2015 and August 2015 respectively.

The Company issued unsecured short-term bonds with a face values of RMB5 billion and RMB 3 billion bearing annual interest rate of 4.44% and 3.17% in April 2015 and August 2015. Such bond is denominated in RMB, issued at par and mature in 366 days. The annual effective interest rates of these bonds is 4.86% and 3.58%. As at 31 December 2015, interest payables for the bonds amounted to approximately RMB159.52 million and RMB 34.82 million, respectively.

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## Short-term bonds (Continued)

The Company issued unsecured super short-term bonds with face values of RMB2 billion, RMB2 billion, RMB2 billion and RMB5 billion bearing annual interest rates of 3.11%, 3.10%, 3.38% and 3.05%, in June 2015, June 2015, June 2015 and July 2015, respectively. Such bonds are denominated in RMB, issued at face value and mature in 270 days from the issuance dates. The annual effective interest rates of these bonds are 3.42%, 3.41%, 3.69% and 3.36%. As at 31 December 2015, interest payables for the outstanding bonds amounted to approximately RMB34.67 million, RMB33.54 million, RMB34.91 million and RMB 73.75 million, respectively.

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## Short-term loans

Short-term loans are as follows:

	As at 31 December 2015			As at 31 December 2014		
	Original currency '000	RMB equivalent '000	Annual interest rate	Original currency	RMB equivalent	Annual interest rate
<b>Secured</b>						
<b>RMB</b>						
- Fixed rate	-	-	-	190,000	190,000	6.00 %
- Fixed rate-discounted notes receivable	307,149	307,149	3.19%-4.30 %	114,901	114,901	4.50%-4.80 %
- Variable rate	-	-	-	3,000,000	3,000,000	5.04 %
<b>Subtotal</b>		<b>307,149</b>			<b>3,304,901</b>	
<b>Unsecured</b>						
<b>RMB</b>						
- Fixed rate	1,275,000	1,275,000	3.92%-5.60 %	9,532,000	9,532,000	4.00%-6.00 %
- Variable rate	48,301,340	48,301,340	3.83%-5.32 %	30,692,103	30,692,103	5.00%-6.00 %
<b>Subtotal</b>		<b>49,576,340</b>			<b>40,224,103</b>	
<b>Total</b>		<b>49,883,489</b>			<b>43,529,004</b>	

As at 31 December 2015, no short-term loan was secured by accounts receivable (31 December 2014: short-term loans of RMB3,150 million were secured by accounts receivable of the Company and its subsidiaries with net book value amounting to RMB3,592 million).

As at 31 December 2015, no short-term loan was secured by property, plant and equipment (31 December 2014: a short-term loan of RMB40 million is secured by a subsidiary's port facility with net book value amounting to RMB56.47 million).

As at 31 December 2015, short-term loans of RMB307 million (31 December 2014: RMB115 million) represented the notes receivable that were discounted with recourse. As these notes receivable had not yet matured, the proceeds received were recorded as short-term loans.

Explanation of Responses:

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As at 31 December 2015, a short-term loan from China Huaneng Group Clean Energy Technology Research Institute Co., Ltd. (“Huaneng Clean Energy”) has been repaid (31 December 2014: RMB150 million).

As at 31 December 2015, a short-term loan from Xi’an Thermal Power Research Institute Co., Ltd (“Xi’an Thermal”) has been repaid (31 December 2014: RMB200 million).

As at 31 December 2015, a short-term loan from Huaneng Group Hong Kong Limited Company (“Huaneng Hong Kong”) has been repaid (31 December 2014: RMB100 million).

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## Deferred income tax assets and liabilities

The offset amounts of deferred income tax assets and liabilities are as follows:

	As at 31 December	
	2015	2014
Deferred income tax assets	1,064,391	884,274
Deferred income tax liabilities	(2,494,143)	(1,810,755)
Total	(1,429,752)	(926,481 )

The gross movement on the deferred income tax accounts is as follows:

	2015	2014	2013
Beginning of the year	(926,481 )	(1,380,059)	(1,479,342)
Business combination (Note 39)	(1,007,147)	-	-
Credited to profit or loss (Note 32)	687,206	541,582	57,230
Charged to other comprehensive income	(198,525 )	(119,984 )	(59,197 )
Currency translation differences	15,195	31,980	79,187
Reclassification to liabilities held for sale	-	-	22,063
End of the year	(1,429,752)	(926,481 )	(1,380,059)

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## Deferred income tax assets and liabilities (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdictions, are as follows:

Deferred income tax assets:

	Hedging reserve	Amortization of land rights	Provision for impairment loss	Depreciation	Accrued expenses	VAT refunds on purchases of domestically manufactured equipment	Unused tax losses	Others	Total
As at 1 January 2014	62,874	14,711	261,673	97,007	33,604	281,346	159,890	403,956	1,315,061
(Charged)/credited to profit or loss	-	(368 )	(55,094 )	541,903	42,107	(25,260 )	(77,448 )	51,200	477,040
Credited to other comprehensive income	160,112	-	-	-	-	-	-	-	160,112
Currency translation differences	(8,458 )	-	(147 )	(80 )	-	-	(123 )	(77 )	(8,885 )
As at 31 December 2014	214,528	14,343	206,432	638,830	75,711	256,086	82,319	455,079	1,943,328
Business combination (Note 39)	-	452	98,498	918	-	-	-	25,507	125,375
(Charged)/credited to profit or loss	-	(378 )	94,537	(67,315 )	(34,773)	(25,644 )	153,954	213,629	334,010
Charged to other comprehensive loss	(12,438 )	-	-	-	-	-	-	-	(12,438 )
Currency translation differences	(2,214 )	-	(49 )	(54 )	-	-	(289 )	2,188	(418 )
As at 31 December 2015	199,876	14,417	399,418	572,379	40,938	230,442	235,984	696,403	2,389,857

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## Deferred income tax assets and liabilities (Continued)

## Deferred income tax liabilities:

	Fair value gains	Amortization of land use rights	Depreciation	Power generation license	Mining rights	Territorial water use right	Others	Total
As at 1 January 2014	(179,059)	(411,263)	(988,792 )	(652,319)	(270,667)	(78,834)	(114,186)	(2,695,120)
(Charged)/credited to profit or loss	-	(6,918 )	76,723	-	-	2,864	(8,127 )	64,542
Charged to other comprehensive loss	(280,096)	-	-	-	-	-	-	(280,096 )
Currency translation differences	-	17,658	2,960	19,756	-	-	491	40,865
As at 31 December 2014	(459,155)	(400,523)	(909,109 )	(632,563)	(270,667)	(75,970)	(121,822)	(2,869,809)
Business combination (Note 39)	-	(528,361)	(603,508 )	-	-	-	(653 )	(1,132,522)
Credited to profit or loss	-	24,257	212,855	-	113,452	1,769	863	353,196
Charged to other comprehensive loss	(186,087)	-	-	-	-	-	-	(186,087 )
Currency translation differences	-	454	8,056	7,103	-	-	-	15,613
As at 31 December 2015	(645,242)	(904,173)	(1,291,706)	(625,460)	(157,215)	(74,201)	(121,612)	(3,819,609)

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## Deferred income tax assets and liabilities (Continued)

As at 31 December 2015 and 2014, taxable temporary differences relating to interest in equity method investees amounted to RMB3.78 billion and RMB2.69 billion, respectively. No deferred tax liabilities were recognized as at 31 December 2015 and 2014 as dividends from investments in associates and joint ventures are exempted from the PRC income tax and the Company has no plan to dispose any of these investees in the foreseeable future.

As at 31 December 2015 and 2014, taxable temporary differences relating to the undistributed profit of a wholly-owned foreign subsidiary amounted to RMB3.78 billion and RMB3.84 billion, respectively. No deferred tax liabilities were recognized in respect of the tax that would be payable on the distribution of these retained profit as at 31 December 2015 and 2014 as the Company controls the dividend policy of the subsidiary, and it has been determined that it is probable that the profits will not be distributed in the foreseeable future.

In accordance with the accounting policy set out in Note 2(s), the Company and its subsidiaries did not recognize deferred income tax assets in respect of certain deductible temporary differences and accumulated tax losses that can be carried forward against future taxable income as follow:

	As at 31 December	
	2015	2014
Deductible temporary differences	2,940,730	2,408,796
Tax losses	6,990,624	7,056,577
Total	9,931,354	9,465,373

The expiry dates of the tax losses of the Company and its subsidiaries for which no deferred income tax assets were recognized are summarized as follows:

	As at 31 December	
	2015	2014
Year of expiry		
2015	-	901,015
2016	1,504,577	1,589,376
2017	1,900,325	1,932,014
2018	1,181,030	1,256,982
2019	1,284,264	1,377,190
2020	1,120,428	-
Total	6,990,624	7,056,577

## 31 Additional financial information to the statements of financial position

As at 31 December 2015, the net current liabilities of the Company and its subsidiaries amounted to approximately RMB90,271 million (2014: RMB66,981 million). On the same date, total assets less current liabilities were approximately RMB185,030 million (2014: RMB170,326 million).



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## Income tax expense

	For the year ended 31 December		
	2015	2014	2013
Current income tax expense	6,386,149	6,028,790	4,579,901
Deferred income tax (Note 30)	(687,206 )	(541,582 )	(57,230 )
<b>Total</b>	<b>5,698,943</b>	<b>5,487,208</b>	<b>4,522,671</b>

No Hong Kong profits tax has been provided as there were no estimated assessable profits in Hong Kong for the year (2014 and 2013: nil).

The reconciliation of the effective income tax rate from the notional income tax rate is as follows:

	For the year ended 31 December		
	2015	2014	2013
Notional tax on profit before incometax expense, calculated at the applicable income tax rates in the countries concerned	25.11 %	24.94 %	24.33 %
Effect of tax losses not recognized	(0.12 %)	0.96 %	0.48 %
Effect of deductible temporary differences not recognized	(0.16 %)	1.67 %	0.53 %
Effect of non-taxable income	(1.77 %)	(1.86 %)	(1.15 %)
Effect of non-deductible expenses	1.37 %	1.59 %	1.80 %
Others	0.39 %	1.50 %	(0.03 %)
<b>Effective tax rate</b>	<b>24.82 %</b>	<b>28.80 %</b>	<b>25.96 %</b>

The Company and its PRC branches and subsidiaries are subject to income tax at 25%, except for certain PRC branches and subsidiaries that are tax exempted or taxed at preferential tax rates, as determined in accordance with the relevant PRC income tax rules and regulations for the years ended 31 December 2015, 2014 and 2013.

Pursuant to Guo Shui Han [2009] No. 33, starting from 1 January 2008, the Company and its PRC branches calculate and pay income tax on a consolidated basis according to relevant tax laws and regulations. The original regulation specifying locations for power plants and branches of the Company to make enterprise income tax payments was abolished. The income tax of subsidiaries remains to be calculated individually based on their individual operating results.

The income tax rate applicable to Singapore subsidiaries is 17% (2014 and 2013: 17%).

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## Earnings per share

The basic earnings per share is calculated by dividing the consolidated net profit attributable to the equity holders of the Company by the weighted average number of the Company's outstanding ordinary shares during the year:



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## Earnings per share (Continued)

	2015	2014	2013
Consolidated net profit attributable to equity holders of the Company	13,651,933	10,757,317	10,426,024
Weighted average number of the Company's outstanding ordinary shares ('000)*	14,485,383	14,085,800	14,055,383
Basic and diluted earnings per share (RMB)	0.94	0.76	0.74

\*Weighted average number of ordinary shares:

	2015 '000	2014 '000	2013 '000
Issued ordinary shares at 1 January	14,420,383	14,055,383	14,055,383
Effect of share issue (Note 20)	65,000	30,417	-
Weighted average number of ordinary shares at 31 December	14,485,383	14,085,800	14,055,383

There was no dilutive effect on earnings per share since the Company had no dilutive potential ordinary shares for the years ended 31 December 2015, 2014 and 2013.

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## Notes to consolidated statement of cash flows

Bank balances and cash comprised the following:

	2015	As at 31 December 2014	2013
Total bank balances and cash	7,537,813	12,608,192	9,433,385
Add: Cash and cash equivalents reclassified to assets held for sale	-	-	34,488
Less: Restricted cash	59,563	369,825	126,201
Cash and cash equivalents as at year end	7,478,250	12,238,367	9,341,672

The bank balances and cash of the Company and its subsidiaries are denominated in the following currencies:

	2015	As at 31 December 2014	2013
RMB	5,847,363	8,346,060	7,780,145
S\$ (RMB equivalent)	1,130,356	1,064,479	1,109,913
US\$ (RMB equivalent)	559,761	753,061	543,312
JPY (RMB equivalent)	205	4	15
HK\$ (RMB equivalent)	128	2,444,588	-

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Total	7,537,813	12,608,192	9,433,385
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There is no material non-cash investing and financing transactions for the years ended 31 December 2015, 2014 and 2013.

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## Related party balances and transactions

The related parties of the Company and its subsidiaries that had transactions with the Company and its subsidiaries are as follows:

Names of related parties	Nature of relationship
Huaneng Group	Ultimate parent company
HIPDC	Parent company
Huaneng Energy & Communications Holdings Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Property Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Xi'an Thermal and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Group Technology Innovation Center	A subsidiary of Huaneng Group
Huaneng Hulunbeier Energy Development Company Ltd.	A subsidiary of Huaneng Group
Gansu Huating Coal and Power Co., Ltd.	A subsidiary of Huaneng Group
Alltrust Insurance Co., Ltd.	A subsidiary of Huaneng Group
North United Power Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Clean Energy	A subsidiary of Huaneng Group
Huaneng Renewables Corporation Limited	A subsidiary of Huaneng Group
Huaneng Shandong Power Limited and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Carbon Assets Management Company Limited	A subsidiary of Huaneng Group
Huaneng Huajialing Wind Power Co., Ltd.	A subsidiary of Huaneng Group
Huaneng Hong Kong	A subsidiary of Huaneng Group
Huaneng Lancangjiang Hydropower Co., Ltd.	A subsidiary of Huaneng Group
Huaneng Henan Zhongyuan Gas Power Generation Co., Ltd.	A subsidiary of Huaneng Group
Rizhao Power Company	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Tiancheng Financial Leasing Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Shidaowan Nuclear Power Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Xiapu Nuclear Power Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Finance	An associate of the Company and also a subsidiary of Huaneng Group
Hainan Nuclear Power Co., Ltd.	An associate of the Company
Huaneng (Tianjing) Coal Gasification Power Generation Co., Ltd. ("Coal Gasification Co.")	An associate of the Company and also a subsidiary of Huaneng Group
Lime Company	An associate of a subsidiary
Shanghai Time Shipping	A joint venture of the Company
Jiangsu Nantong Power	A joint venture of the Company

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## Related party balances and transactions (Continued)

Names of related parties	Nature of relationship
Yinkou Port	A joint venture of the Company
Subsidiaries of Jiangsu Province Guoxin Asset	
Management Group Limited Company (“Jiangsu Guoxin”)**	Other related party
Other government-related enterprises***	Related parties of the Company

\*Transactions with subsidiaries of Huaneng Group which also are associates of the Company and its subsidiaries are presented as transactions with subsidiaries of Huaneng Group for note 35(a), 35(b) and 35(c).

\*\* Before 10 March 2015, the former director of the Company, Mr. Xu Zujian also serves as the Vice President of Jiangsu Guoxin. On 10 March 2015, Mr. Xu Zujian resigned from the position of the non-executive director. Meanwhile, Jiangsu Guoxin holds 30%, 30%, 26.36%, 30% and 21% equity interest of Huaneng Nanjing Combined Cycle Co-generation Co., Ltd., Huaneng Nantong Power Generation Limited Liability Company, Huaneng Huaiyin II Power Limited Company, Jinling Power and Jinling CCGT, respectively.

\*\*\* Huaneng Group is a state-owned enterprise. In accordance with the revised IAS 24, “Related Party Disclosures”, government-related enterprises, other than entities under Huaneng Group, which the PRC government has control, joint control or significant influence over are also considered as related parties of the Company and its subsidiaries (“other government-related enterprises”).

The majority of the business activities of the Company and its subsidiaries are conducted with other government-related enterprises. For the purpose of the related party balances and transactions disclosure, the Company and its subsidiaries have established procedures to determine, to the extent possible, the identification of the ownership structure of its customers and suppliers as to whether they are government-related enterprises. However, many government-related enterprises have a multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatization programs. Nevertheless, management believes that all material related party balances and transactions have been adequately disclosed.

In addition to the related party information shown elsewhere in these financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Company and its subsidiaries and their related parties during the year and significant balances arising from related party transactions as at year end.

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## Related party balances and transactions (Continued)

## (a) Related party balances

## (i) Cash deposits in a related party

	As at 31 December	
	2015	2014
Deposits in Huaneng Finance - Savings deposit	4,599,922	5,048,722

For the year ended 31 December 2015, the annual interest rates for these savings deposits placed with Huaneng Finance ranged from 0.35% to 1.35% (2014: from 0.35% to 1.35%).

(ii) As described in Note 23 and 29, certain loans of the Company and its subsidiaries were borrowed from Huaneng Group, HIPDC, Huaneng Finance, Xi'an Thermal, Huaneng Hong Kong and Huaneng Clean Energy.

(iii) Except for those disclosed in Note 35(a)(ii), the balances with Huaneng Group, HIPDC, subsidiaries, associates, joint ventures and other related parties are unsecured, non-interest bearing and receivable/repayable within one year. As at and for the years ended 31 December 2015 and 2014, no provision is made on receivable balances from these parties.

Other receivables and assets comprised the following balances due from related parties:

	As at 31 December	
	2015	2014
Due from Huaneng Group	1,700	-
Due from HIPDC	-	99
Due from joint ventures	421,884	50,000
Due from subsidiaries of Huaneng Group	61,876	287,326
Due from other related parties	26,745	-
Total	512,205	337,425

(iv) Accounts payable and other liabilities comprised the following balances due to related parties:

	As at 31 December	
	2015	2014
Due to Huaneng Group	25,819	1,313
Due to HIPDC	89,589	14,417
Due to associates	9,652	12,718
Due to a joint venture	308,308	288,983
Due to subsidiaries of Huaneng Group	2,451,528	4,007,701
Due to other related parties	-	126,102
Total	2,884,896	4,451,234

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## Related party balances and transactions (Continued)

## (a) Related party balances (Continued)

(v) As at 31 December 2015, included in long-term loans (including current portion) and short-term loans are loans payable to other government-related enterprises amounting to RMB126 billion (2014: RMB106 billion).

The balances with government-related enterprises also included substantially all the accounts receivable due from domestic power plants of government-related power grid companies, the bank deposits placed with government-related financial institutions as well as accounts payables and other payables arising from the purchases of coal and property, plant and equipment construction and related labor service provided by other government-related enterprises. Except for bank deposits, these balances are unsecured, non-interest bearing and the majority of receivable/repayable is within one year.

## (b) Related party transactions

## (i) Procurement of goods and receiving services

	For the year ended 31 December		
	2015	2014	2013
<b>Huaneng Group</b>			
Technical services and engineering contracting services	50	-	10
Purchase of capacity quota	-	-	478,620
<b>Subsidiaries of Huaneng Group</b>			
Purchase of coal and transportation services	16,575,700	17,938,921	15,456,283
Purchase of equipment	230,638	347,946	366,990
Purchase of materials	71,749	52,252	59,441
Technical services and engineering contracting services	537,180	464,193	348,002
Purchase of power generation quota	287,779	309,791	318,419
Entrusting other parties for power generation	-	38,855	-
Premiums for property insurance	231,996	171,555	159,727
Purchase of electricity	7,073	8,087	8,369
<b>Joint ventures of the Company</b>			
Purchase of coal and transportation services	1,816,954	2,705,865	2,654,082
Entrusting other parties for power generation	-	27,985	-
<b>An associate of the Company</b>			
Purchase of lime	44,591	69,911	113,697

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## Related party balances and transactions (Continued)

## (b) Related party transactions (Continued)

## (i) Procurement of goods and receiving services (Continued)

	For the year ended 31 December		
	2015	2014	2013
Other Related Party			
Entrusting other parties for power generation	-	967	7,977
Purchase of power generation quota	-	-	39,591

## (ii) Sales of goods and providing services

	For the year ended 31 December		
	2015	2014	2013
Subsidiary of Huaneng Group			
Sales of power generation quota	135,085	-	7,704
Sales of capacity quota	38,000	21,850	-
Transportation service provided	14,522	19,743	37,094
Provision of entrusted power generation	-	241,868	295,020
Sale of cable	-	435	-
Sales of electricity	1,304	1,042	2,779
Handling service provided	36,028	28,589	33,316
Labor service provided	77	10,464	-
Sales of materials	1,476	-	-
Sales of coal	-	-	129,881
Joint ventures of the Company			
Labor service provided	97,408	-	-
Sales of capacity quota	7,650	-	-
Sale of steam	15,353	24,551	-
Maintain service provided	35,924	-	-
Other Related Party			
Provision of entrusted power generation	33,129	29,232	75,736

## (iii) Other related party transactions

	For the year ended 31 December		
	2015	2014	2013
(1) Rental charge on leasehold			
HIPDC	161,941	148,603	142,428
Subsidiaries of Huaneng Group	130,591	125,807	111,630

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(2)	Rental income from leasehold			
	A joint venture of the Company	10,759	3,440	-
	A Subsidiary of Huaneng Group	9,115	9,342	982

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## Related party balances and transactions (Continued)

## (b) Related party transactions (Continued)

## (iii) Other related party transactions (Continued)

	For the year ended 31 December		
	2015	2014	2013
(3) Drawdown of loans			
A subsidiary of Huaneng Group	2,660,500	2,340,000	1,540,000
Huaneng Group	-	-	640,485
(4) Interest expense on loans			
Huaneng group	32,573	35,847	51,923
HIPDC	114,687	-	-
Subsidiaries of Huaneng Group	158,695	127,449	100,525
(5) Interest income on loans			
A joint venture of the Company	4,572	-	-
(6) Capital injection from a subsidiary of Huaneng Group			
A subsidiary of Huaneng Group	286,312	-	-
(7) Capital injection to subsidiaries of Huaneng Group			
A subsidiary of Huaneng Group	683,550	-	-
A associate of the Company	206,230	266,877	-
(8) Pre-construction cost paid by			
A subsidiary of Huaneng Group	12,254	-	-
(9) Finance lease payments received from			
A subsidiary of Huaneng Group	100,000	-	-
(10) Entrusted management fee			
Huaneng Group	24,950	-	-
(11) Trusteeship management income			
Huaneng Group	1,700	-	-

## (c) Guarantees

	As at 31 December	
	2015	2014
(i) Long-term loans guaranteed by		
- Huaneng Group	713,994	290,520

Explanation of Responses:

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- HIPDC	2,228,000	2,000,000
(ii) Long-term bonds guaranteed by		
- HIPDC	4,000,000	4,000,000
- Government-related banks	3,300,000	3,300,000

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## Related party balances and transactions (Continued)

## (c) Guarantees (Continued)

## Transactions with government-related enterprises

For the years ended 31 December 2015, 2014 and 2013 the Company and its domestic subsidiaries sold substantially all their products to local government-related power grid companies. Please refer to Note 5 for details of sales information to major power grid companies.

For the years ended 31 December 2015, 2014 and 2013 other collectively-significant transactions with government-related enterprises also include a large portion of fuel purchases, property, plant and equipment construction and related labor employed.

## (d) Pre-tax benefits and social insurance of key management personnel

	For the year ended 31 December		
	2015	2014	2013
Salaries	9,064	8,546	9,126
Pension	1,470	1,350	1,324
Total	10,534	9,896	10,450

## (e) Related party commitments

Related party commitments which were contracted but not recognized in the consolidated statement of financial position as at the end of reporting period are as follows:

## (i) Capital commitments

	As at 31 December	
	2015	2014
Subsidiaries of Huaneng Group	405,208	297,489
A joint venture of the Company	-	7,220
Total	405,208	304,709

## (ii) Fuel purchase and transportation commitments

	As at 31 December	
	2015	2014
Subsidiaries of Huaneng Group	1,343,875	2,732,549
An associate of the Company	200,440	223,534
Total	1,544,315	2,956,083

Explanation of Responses:

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## Related party balances and transactions (Continued)

## (e) Related party commitments (Continued)

## (iii) Operating lease commitments

	As at 31 December	
	2015	2014
Subsidiaries of Huaneng Group	145,950	262,390
HIPDC	73,202	81,035
Total	219,152	343,425

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## Labor cost

Other than the salaries and staff welfare, the labor cost of the Company and its subsidiaries mainly comprises the following:

All PRC employees of the Company and its subsidiaries are entitled to a monthly pension upon their retirements. The PRC government is responsible for the pension liability to these employees on retirement. The Company and its subsidiaries are required to make contributions to the publicly administered retirement plan for their PRC employees at a specified rate, currently set at 14% to 22% (both 2014 and 2013: 14% to 22%) of the basic salary of the PRC employees. The retirement plan contributions paid by the Company and its subsidiaries for the year ended 31 December 2015 were approximately RMB789 million (2014 and 2013: RMB621 million and RMB565 million), including approximately RMB748 million (2014 and 2013: RMB593 million and RMB539 million) charged to profit or loss.

In addition, the Company and its subsidiaries have also implemented a supplementary defined contribution retirement scheme for PRC employees. Under this scheme, the employees are required to make a specified contribution based on the number of years of service with the Company and its subsidiaries, and the Company and its subsidiaries are required to make a contribution equal to two to four times the employees' contributions. The employees will receive the total contributions upon their retirement. For the year ended 31 December 2015, the contributions to supplementary defined contribution retirement scheme paid by the Company and its subsidiaries amounted to approximately RMB223 million (2014 and 2013: RMB171 million and RMB154 million), including approximately RMB212 million (2014 and 2013: RMB164 million and RMB150 million) charged to profit or loss.

SinoSing Power and its subsidiaries in Singapore appropriate a specified rate, currently set at 6.5% to 16% (both 2014 and 2013: 6.5% to 16%) of the basic salary to central provident funds in accordance with the local government regulations. The contributions made by SinoSing Power and its subsidiaries for the year ended 31 December 2015 amounted to approximately RMB15.76 million (2014 and 2013: RMB14.70 million and RMB14.70 million), all of which were charged to profit or loss.

The Company and its subsidiaries have no further obligation for post-retirement benefits beyond the annual contributions made above.

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## Labor cost (Continued)

In addition, the Company and its subsidiaries also make contributions of housing funds and social insurance to the social security institutions at specified rates of the basic salary and no more than the upper limit. The housing funds and social insurance contributions paid by the Company and its subsidiaries amounted to approximately RMB579 million (2014 and 2013: RMB462 million and 433 million) and RMB658 million (2014 and 2013: RMB519 million and RMB458 million) for the year ended 31 December 2015, including approximately RMB546 million (2014 and 2013: RMB439 million and RMB414 million) and RMB619 million (2014 and 2013: RMB483 million and RMB428 million) were charged to profit or loss, respectively.

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## Directors', supervisors' and senior management's emoluments

## (a) Pre-tax benefits and social insurance of directors and supervisors

The remuneration of every director and supervisor of the Company for the year ended 31 December 2015 is set out below:

Name of director	Fees	Basic salaries	Performance salaries	Pension	Total
Mr. Cao Peixi	-	-	-	-	-
Mr. Guo Junming	-	-	-	-	-
Mr. Liu Guoyue	-	143	663	123	929
Mr. Li Shiqi	-	-	-	-	-
Mr. Huang Jian	-	-	-	-	-
Mr. Fan Xiaxia	-	356	494	131	981
Mr. Mi Dabin	65	-	-	-	65
Mr. Guo Hongbo	12	-	-	-	12
Mr. Zhu Yousheng <sup>2</sup>	24	-	-	-	24
Mr. Xu Zujian <sup>1</sup>	24	-	-	-	24
Ms. Li Song	65	-	-	-	65
Mr. Li Zhensheng	74	-	-	-	74
Mr. Qi Yudong <sup>1</sup>	6	-	-	-	6
Mr. Zhang Shouwen	74	-	-	-	74
Mr. Yue Heng	100	-	-	-	100
Ms. Zhang Lizi <sup>1</sup>	30	-	-	-	30
Mr. Geng Jianxin <sup>2</sup>	37	-	-	-	37
Mr. Xia Qing <sup>2</sup>	37	-	-	-	37
Sub-total	548	499	1,157	254	2,458
Name of supervisor					
Mr. Ye Xiangdong	-	-	-	-	-
Mr. Mu Xuan	65	-	-	-	65
Ms. Zhang Mengjiao	-	-	-	-	-
Mr. Gu Jianguo	49	-	-	-	49
Mr. Wang Zhaobin	-	298	385	103	786

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Ms. Zhang Ling	-	133	263	53	449
Sub-total	114	431	648	156	1,349
Total	662	930	1,805	410	3,807

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## Directors', supervisors' and senior management's emoluments (Continued)

## (a) Pre-tax benefits and social insurance of directors and supervisors (Continued)

The remuneration of every director and supervisor of the Company for the year ended 31 December 2014 is set out below:

Name of director	Fees	Basic salaries	Performance salaries	Pension	Total
Mr. Cao Peixi	-	-	-	-	-
Mr. Guo Junming	-	-	-	-	-
Mr. Liu Guoyue	-	278	258	117	653
Mr. Li Shiqi	-	-	-	-	-
Mr. Huang Jian	-	-	-	-	-
Mr. Fan Xiaxia	-	358	494	122	974
Mr. Mi Dabin	-	-	-	-	-
Mr. Guo Hongbo	48	-	-	-	48
Mr. Xu Zujian	48	-	-	-	48
Ms. Li Song	-	-	-	-	-
Mr. Li Zhensheng	74	-	-	-	74
Mr. Qi Yudong	74	-	-	-	74
Mr. Zhang Shouwen	74	-	-	-	74
Mr. Yue Heng	-	-	-	-	-
Ms. Zhang Lizi	-	-	-	-	-
Mr. Huang Long	-	-	-	-	-
Mr. Shan Qunying	48	-	-	-	48
Mr. Xie Rongxing	48	-	-	-	48
Mr. Shao Shiwei	74	-	-	-	74
Mr. Wu Liansheng	74	-	-	-	74
Sub-total	562	636	752	239	2,189
Name of supervisor					
Mr. Ye Xiangdong	-	-	-	-	-
Mr. Mu Xuan	-	-	-	-	-
Mr. Hao Tingwei	-	-	-	-	-
Ms. Zhang Mengjiao	-	-	-	-	-
Mr. Gu Jianguo	48	-	-	-	48
Mr. Wang Zhaobin	-	305	420	111	836
Ms. Zhang Ling	-	129	505	102	736
Sub-total	48	434	925	213	1,620
Total	610	1,070	1,677	452	3,809

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## Directors', supervisors' and senior management's emoluments (Continued)

## (a) Pre-tax benefits and social insurance of directors and supervisors (Continued)

The remuneration of every director and supervisor of the Company for the year ended 31 December 2013 is set out below:

Name of director	Fees	Basic salaries	Performance salaries	Pension	Total
Mr. Cao Peixi	-	-	-	-	-
Mr. Huang Long	-	-	-	-	-
Mr. Li Shiqi	-	-	-	-	-
Mr. Huang Jian	-	-	-	-	-
Mr. Liu Guoyue	-	318	353	113	784
Mr. Fan Xiaxia	-	351	484	113	948
Mr. Shan Qunying	48	-	-	-	48
Mr. Guo Hongbo	48	-	-	-	48
Mr. Xu Zujian	48	-	-	-	48
Mr. Xie Rongxing	48	-	-	-	48
Mr. Shao Shiwei	74	-	-	-	74
Mr. Wu Liansheng	74	-	-	-	74
Mr. Li Zhensheng	74	-	-	-	74
Mr. Qi Yudong	74	-	-	-	74
Mr. Zhang Shouwen	74	-	-	-	74
Sub-total	562	669	837	226	2,294
Name of supervisor					
Mr. Guo Junming	-	-	-	-	-
Mr. Hao Tingwei	48	-	-	-	48
Ms. Zhang Mengjiao	-	-	-	-	-
Mr. Gu Jianguo	48	-	-	-	48
Mr. Wang Zhaobin	-	299	412	99	810
Ms. Zhang Ling	-	113	438	95	646
Sub-total	96	412	850	194	1,552
Total	658	1,081	1,687	420	3,846

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Resigned on 25 June 2015.

2

Appointed on 25 June 2015.

During the year, no option was granted to the directors or the supervisors (2014 and 2013: nil).

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During the year, no emolument was paid to the directors or the supervisors (including the five highest paid employees) as an inducement to join or upon joining the Company or as compensation for loss of office (2014 and 2013: nil).

No director or supervisor had waived or agreed to waive any emoluments during the years 2015, 2014 and 2013.

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## 37 Directors', supervisors' and senior management's emoluments (Continued)

## (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Company and its subsidiaries for the year include two directors (2014 and 2013: one director) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2014 and 2013: four) individuals during the year (within the range of nil to RMB0.85 million) are as follows:

	For the year ended 31 December		
	2015	2014	2013
Basic salaries	910	1,220	1,197
Performance salaries	1,260	1,680	1,647
Pension	365	454	418
	2,535	3,354	3,262

## 38 Commitments

## (a) Capital commitments

Capital commitments mainly relate to the construction of new power projects, certain ancillary facilities and renovation projects for existing power plants. Details of such commitments are as follows:

	As at 31 December	
	2015	2014
Contracted but not provided	20,388,412	20,333,112

## (b) Operating lease commitments

The Company and its subsidiaries have various operating lease arrangements for land and buildings. Some of the leases contain renewal options and most of the leases contain escalation clauses. Lease terms do not contain restrictions on the Company and its subsidiaries' activities concerning dividends, additional debts or further leasing.

Total future minimum lease payments under non-cancelable operating leases are as follows:

	As at 31 December	
	2015	2014
Land and buildings		
- not later than 1 year	193,772	149,344
- later than 1 year and not later than 2 years	65,652	147,495
- later than 2 years and not later than 5 years	85,793	116,968
- later than 5 years	949,978	1,040,418
Total	1,295,195	1,454,225

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## Commitments (Continued)

## (b) Operating lease commitments (Continued)

In addition, in accordance with a 30-year operating lease agreement signed by Huaneng Dezhou Power Plant (“Dezhou Power Plant”) and Shandong Land Bureau for the land occupied by Dezhou Power Plant Phases I and II in June 1994, annual rental amounted to approximately RMB30 million effective from June 1994 and is subject to revision at the end of the fifth year from the contract date. Thereafter, the annual rental is subject to revision once every three years. The increment for each rental revision is restricted to no more than 30% of the previous annual rental amount. For the years ended 31 December 2015, 2014 and 2013, the annual rentals was approximately RMB34 million.

## (c) Fuel purchase commitments

The Company and its subsidiaries have entered into various long-term fuel supply agreements with various suppliers in securing fuel supply for various periods. All the agreements require minimum, maximum or forecasted volume purchases and are subject to certain termination provisions. Related purchase commitments are as follows:

		As at 31 December 2015	
	Periods	Purchase quantities	Estimated unit costs (RMB)
A government-related enterprise	2016-2039	2.8 million m3/day*	2.13/ m3
A government-related enterprise	2016-2023	541 million m3/year*	1.91/ m3
	2016-2023	450 million m3/year*	1.91/ m3
Other suppliers	2016	244.5BBtu**/day	approximately 40,000/BBtu
	2017-2022	248BBtu/day	approximately 40,000/BBtu
	2023	247.5BBtu/day	approximately 40,000/BBtu
	2024-2028	49.9BBtu/day	approximately 55,000/BBtu
		As at 31 December 2014	
	Periods	Purchase quantities	Estimated unit costs (RMB)
A government-related enterprise	2015	2.8 million ton/year	not defined
A government-related enterprise	2015-2039	2.8 million m3/day*	2.92/ m3
	2015-2023	541 million	2.33/ m3

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A government-related enterprise		m3/year*	
	2015–2023	450 million m3/year*	2.92/ m3
Other suppliers	2015-2016	244.5BBtu/day	approximately 70,000/BBtu
	2017-2022	248BBtu/day	approximately 70,000/BBtu
	2023	247.5BBtu/day	approximately 70,000/BBtu
	2024-2028	49.9BBtu/day	approximately 90,000/BBtu

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## Commitments (Continued)

## (c) Fuel purchase commitments (Continued)

\* The quantities represent maximum volume, others represent minimum or forecasted volume if not specified.

\*\* BBtu: Billion British Thermal Unit

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## Business combinations

## 2015 Business combinations

On 13 October 2014, the Company entered into equity transfer agreements with Huaneng Group and HIPDC respectively to acquire:

- 91.80% equity interests of Hainan Power from Huaneng Group
- 75% equity interests of Wuhan Power from Huaneng Group
- 53.45% equity interests of Suzhou Thermal Power from Huaneng Group
- 97% equity interests of Dalongtan Hydropower from Huaneng Group
- 100% equity interests of Hualiangting Hydropower from Huaneng Group
- 60% equity interests of Chaohu Power from HIPDC
- 100% equity interests of Ruijin Power, Anyuan Power, Jingmen Thermal Power and Yingcheng Thermal Power from HIPDC

These entities are all mainly engaged in power generation and sales business. In early January 2015 the acquisition was completed and since then the Company obtained the control over above mentioned entities. The acquired business contributed consolidated revenue of RMB15,477 million and consolidated net profit of RMB2,581 million to the Company and its subsidiaries for the period from the date of acquisition to 31 December 2015.

The total consideration is RMB9.647 billion after adjustment of the profits generated from the date of valuation to the acquisition date in accordance with the equity transfer agreements, which has been settled in cash in 2015.

	Acquisition Date
Fair value of total identifiable net assets	10,412,147
Non-controlling interests	(1,934,865)
Goodwill	1,169,966
Cash consideration	9,647,248
Less: Bank balances and cash of acquirees	972,686
Less: Restricted cash	(189,637)
Cash and cash equivalents of acquirees	783,049
Add: Cash paid for payables in relation to business combination of prior period	23,683
	8,887,882

Explanation of Responses:

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Cash consideration paid for acquisition of subsidiaries, net of cash acquired

Goodwill arising from the acquisitions is attributable to the synergies expected to arise after the acquisitions of the equity interests in the subsidiaries stated above, which mainly included goodwill arising from the acquisition of Hainan Power and Wuhan Power amounting to RMB506 million and RMB518 million respectively.

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## Business combinations (Continued)

The assets and liabilities arising from the acquisitions of above entities are as follows:

	Hainan Power		Wuhan Power		Suzhou Thermal Power		Dalongtan Hydropower		Hainan Hydropower
	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	
Bank balances and cash	269,420	269,420	241,796	241,796	25,718	25,718	3,709	3,709	11,400
Property, plant and equipment	8,198,754	7,347,394	4,723,925	3,929,268	626,551	552,971	303,255	303,255	4,220,000
Land use rights	1,328,452	412,525	1,312,397	186,236	81,075	20,104	12,420	12,420	32,700
Deferred income tax assets	-	109,888	-	3,727	-	2,746	-	-	-
Investment in an associate	136,244	136,244	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	33	33	-	-	105,000
Other non-current assets	26,823	25,180	-	-	373	373	-	-	207,000
Inventories	167,476	167,476	234,750	234,750	25,508	25,508	92	92	359,000
Receivables and other current assets	677,902	677,902	459,640	459,640	37,336	37,336	3,451	3,451	3,090,000
Payables and other current liabilities	(586,322 )	(586,322 )	(480,956 )	(480,956 )	(95,216 )	(95,216 )	(9,959 )	(9,959 )	(32,000 )
Salary and welfare payables	(74,801 )	(74,801 )	(20,336 )	(20,336 )	(4,270 )	(4,270 )	-	-	(2,300 )
Borrowings	(5,380,813 )	(5,380,813 )	(2,844,530 )	(2,844,530 )	(230,000 )	(230,000 )	(199,187 )	(199,187 )	(10,000 )
Deferred income tax liabilities	(332,344 )	-	(476,477 )	-	(30,892 )	-	-	-	-
Other non-current liabilities	(2,700 )	(2,700 )	(40,037 )	(40,037 )	(7,176 )	(7,176 )	(760 )	(760 )	-
Total identifiable net assets	4,428,091	3,101,393	3,110,172	1,669,558	429,040	328,127	113,021	113,021	7,750,000

	Chaohu Power		Ruijin Power		Anyuan Power		Jingmen Thermal Power		Fair value
	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	

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Bank balances and cash	30,210	30,210	53,381	53,381	188,402	188,402	61,508	61,508	87
Property, plant and equipment	3,170,347	2,598,201	2,028,220	1,942,631	3,330,391	3,323,710	2,467,152	2,465,509	1,0
Land use rights	4,603	3,344	52,269	53,909	89,264	89,264	6,615	6,784	76
Other non-current assets	230	230	294	294	83,030	83,030	88	88	-
Inventories	131,697	131,697	115,013	115,013	1,984	1,984	30,529	30,529	-
Receivables and other current assets	252,004	252,004	184,600	184,600	29,401	29,401	102,822	102,822	1,
Payables and other current liabilities	(275,897 )	(275,897 )	(161,977 )	(161,977 )	(700,972 )	(700,972 )	(379,138 )	(379,138 )	(3,
Salary and welfare payables	(916 )	(916 )	(1,596 )	(1,596 )	(56,984 )	(56,984 )	(868 )	(868 )	-
Borrowings	(1,690,220)	(1,690,220)	(1,868,750)	(1,868,750)	(3,082,500)	(3,082,500)	(1,886,834)	(1,886,834)	(1,
Deferred income tax liabilities	(143,351 )	-	(20,987 )	-	(1,670 )	-	(369 )	-	(1,
Other non-current liabilities	(932 )	(932 )	(110 )	(110 )	(25,288 )	(25,288 )	-	-	(5,
Total identifiable net assets/ (liabilities)	1,477,775	1,047,721	380,357	317,395	(144,942 )	(149,953 )	401,505	400,400	20

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## 2014 Business combinations

## Acquisition of Zhumadian Wind Power

In November 2014, the Company acquired 90% equity interests of Zhumadian Wind Power from Henan Lantian Group Co., Ltd. The aggregate cash consideration of the acquisition amounted to RMB23.68 million. The fair values of assets and liabilities arising from the acquisition of Zhumadian Wind Power and non-controlling interest's proportionate share of acquiree's net assets on the acquisition date are as follows:

	Zhumadian Wind Power
Bank balances and cash	9
Other receivables	15,583
Inventories	20
Property, plant and equipment	10,750
Payables and other liabilities	(48)
Total identifiable net assets	26,314
Non-controlling interests	(2,631)
Goodwill	-
Consideration	23,683

As at 31 December 2014, Zhumadian Wind Power was still under construction.

## 2013 Business combinations

## (a) Acquisition of Luoyang Cogeneration

In April 2013, the Company acquired 60% equity interests of Luoyang Cogeneration from Luoyang Silicon Industry Group Co., Ltd. and Luoyang Hairun Power Project Management Ltd. The aggregate cash consideration of the acquisition amounted to RMB180 million. The fair values of assets and liabilities arising from the acquisition of Luoyang Cogeneration and proportionate share of acquiree's net assets by non-controlling interests on the acquisition date are as follows:

	Luoyang Cogeneration
Bank balances and cash	131,485
Other receivables	2,316
Property, plant and equipment	30,885
Land use rights	145,075
Payables and other liabilities	(9,761)
Total identifiable net assets	300,000
Non-controlling interests	(120,000)
Goodwill	-

Consideration	180,000
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As at 31 December 2013, Luoyang Cogeneration was still under construction.

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## 2013 Business combinations (Continued)

## (b) Acquisition of control in Jinling CCGT

Jinling CCGT was previously an associate of the Company. In 2013, one of the non-controlling shareholders with 21% equity interests in Jinling CCGT entered into a voting in concert agreement with the Company whereby it agreed to vote the same in respect of significant financial and operating decisions made by the Company effective from 1 January 2013. As a result, the Company acquired control of Jinling CCGT since 1 January 2013.

Jinling CCGT is a limited liability company established on 6 December 2011 in Nanjing, Jiangsu Province. Jinling CCGT is primarily engaging in construction, management of cogeneration power plants and related projects. As at the acquisition date, Jinling CCGT was still under construction and its two power generation units went into operation in 2013 in succession. Financial information of Jinling CCGT is as follows:

Items	From the acquisition date to 31 December 2013
Revenue	697,176
Net loss	(16,243)
Net cash outflow from operating activities	(37,163)

The identifiable assets and liabilities of Jinling CCGT as at the acquisition date are as follows:

	Jinling CCGT
Bank balances and cash	78,249
Accounts receivable	9,621
Property, plant and equipment	733,602
Accounts payable	(56,472)
Long-term loans	(490,000)
Total identifiable net assets	275,000
Non-controlling interests	(134,750)
Net assets acquired	140,250
Fair value of the investment in associate before the acquisition date	140,250

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## Non-controlling interests

The following table summarizes the information relating to each of the Company and subsidiaries that have material non-controlling interests ("NCI"):

	Qinbei Power Company	Beijing Cogeneration	Luohuang Power Company	Weihai Power Company	Jinling Power Company	Yueyang Power Company	Shidongkou Power Company	Yangji Cogeneration
NCI percentage	40	% 59	% 40	% 40	% 40	% 45	% 50	% 45
31 December 2015								
Non-current assets	11,739,361	5,193,038	4,154,105	4,934,579	5,746,576	5,297,441	3,924,128	2,690,000
Current assets	1,511,345	1,203,956	943,954	464,234	733,084	752,111	461,184	455,000
Non-current liabilities	(3,313,836)	(137,657)	(300,428)	(117,412)	(2,310,221)	(1,314,199)	(1,379,640)	(240,000)
Current liabilities	(5,310,585)	(1,090,231)	(1,674,490)	(1,984,600)	(1,584,917)	(2,173,454)	(1,096,885)	(800,000)
Net assets	4,626,285	5,169,106	3,123,141	3,296,801	2,584,522	2,561,899	1,908,787	2,105,000
Carrying amount of NCI	1,864,430	3,036,024	1,228,238	1,318,720	1,033,831	1,150,830	954,394	948,000
Revenue	6,078,743	5,675,930	3,313,706	3,941,344	3,785,240	3,045,746	2,115,996	1,990,000
Net profit	1,196,791	1,308,936	486,578	1,019,397	857,881	452,894	459,330	319,000
Total comprehensive income	1,196,791	1,308,936	486,578	1,019,397	857,881	452,894	459,330	319,000
Profit allocated to NCI	478,716	772,272	194,631	407,759	343,153	203,802	229,665	143,000
Other comprehensive income allocated to NCI	-	-	-	-	-	-	-	-
Cash flow from operating activities	2,541,580	1,488,085	932,367	1,513,744	1,338,323	1,016,136	834,278	571,000
Cash flow from investment activities	(33,499)	(574,149)	(151,647)	(235,657)	(103,779)	538,740	(26,301)	(140,000)
Cash flow from financing activities	(2,328,362)	(880,545)	(758,054)	(1,278,814)	(1,287,469)	(1,571,651)	(853,459)	(580,000)
	179,719	36,511	22,666	(727)	(52,925)	(16,775)	(45,482)	(220,000)

Explanation of Responses:

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Net increase /(decrease) in cash and cash equivalents								
Dividends paid to NCI	697,436	362,958	220,000	83,320	373,143	135,000	270,000	183,000
31 December 2014								
Non-current assets	12,468,950	4,861,762	4,491,788	5,016,286	6,053,110	5,481,010	4,184,272	2,700,000
Current assets	1,671,490	1,348,041	967,057	643,829	681,848	1,675,476	479,770	635,000
Non-current liabilities	(4,033,498 )	(505,544 )	(337,330 )	(291,886 )	(3,336,497)	(1,512,909)	(1,708,800)	(290,000)
Current liabilities	(4,832,978 )	(1,161,981)	(2,184,952)	(2,198,983)	(1,054,216)	(3,234,572)	(1,154,784)	(900,000)
Net assets	5,273,964	4,542,278	2,936,563	3,169,246	2,344,245	2,409,005	1,800,458	2,100,000
Carrying amount of NCI	2,088,919	2,570,827	1,153,607	1,267,699	937,720	1,082,027	900,229	987,000
Revenue	7,202,737	5,522,496	3,790,158	4,462,576	4,603,881	3,414,762	2,212,549	2,400,000
Net profit	1,148,208	1,267,225	307,786	990,936	575,309	381,660	415,819	455,000
Total comprehensive income	1,148,208	1,267,225	307,786	990,936	575,309	381,660	415,819	455,000
Profit allocated to NCI	459,283	747,663	123,114	396,374	230,124	171,747	207,909	204,000
Other comprehensive income allocated to NCI	-	-	-	-	-	-	-	-
Cash flow from operating activities	2,086,088	1,544,626	838,484	1,522,446	1,278,901	939,572	740,734	667,000
Cash flow from investment activities	(1,150,754 )	(680,480 )	(224,873 )	(254,105 )	(248,702 )	(845,313 )	(157,852 )	(170,000)
Cash flow from financing activities	(931,763 )	(920,279 )	(602,121 )	(1,271,787)	(1,108,039)	(111,758 )	(508,833 )	(490,000)
Net increase /(decrease) in cash and cash equivalents	3,571	(56,133 )	11,490	(3,446 )	(77,840 )	(17,499 )	74,049	(1,900)
Dividends paid to NCI	-	155,911	100,000	200,011	210,169	141,683	200,000	99,000





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## Non-controlling interests (Continued)

	Qinbei Power Company	Beijing Cogeneration	Luohuang Power Company	Weihai Power Company	Jinling Power Company	Yueyang Power Company	Shidongkou Power Company	Yueyang Power Company
NCI percentage	40	% 59	% 40	% 40	% 40	% 45	% 50	%
31 December 2013								
Non-current assets	12,846,706	4,993,083	4,697,318	5,210,683	7,614,270	5,730,660	4,353,809	
Current assets	1,739,894	945,067	980,195	693,725	1,031,919	1,071,740	443,995	
Non-current liabilities	(3,431,060 )	(654,821 )	(706,101 )	(42,560 )	(3,786,577)	(1,931,979)	(2,275,801)	
Current liabilities	(7,065,834 )	(2,214,356)	(1,842,635)	(2,975,210)	(2,249,999)	(2,543,955)	(737,365 )	
Net assets	4,089,706	3,068,973	3,128,777	2,886,638	2,609,613	2,326,466	1,784,638	
Carrying amount of NCI	1,635,882	1,810,694	1,251,511	1,154,655	1,043,845	1,046,910	892,319	
Revenue	7,740,172	4,109,609	5,083,562	4,403,700	5,815,540	4,051,236	2,869,727	
Net profit	989,508	260,224	629,482	831,852	1,017,767	379,155	533,979	
Total comprehensive income	989,508	260,224	629,482	831,852	1,017,767	379,155	533,979	
Profit allocated to NCI	395,803	153,532	251,793	332,741	407,107	170,620	266,990	
Other comprehensive loss allocated to NCI	-	-	-	-	-	-	-	
Cash flow from operating activities	2,379,982	943,889	1,330,704	1,473,143	1,741,649	926,746	685,572	
Cash flow from investment activities	(792,933 )	(352,980 )	(260,088 )	(313,930 )	(304,778 )	(320,987 )	(127,757 )	
Cash flow from financing activities	(1,960,638 )	(564,632 )	(1,079,801)	(1,256,761)	(1,480,323)	(648,793 )	(643,589 )	
Net (decrease)/increase in cash and cash equivalents	(373,589 )	26,277	(9,185 )	(97,548 )	(43,452 )	(43,044 )	(85,774 )	
Dividends paid to NCI	-	132,865	69,595	33,358	158,649	-	75,000	

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Pending Arbitration

In April 2015, a subsidiary's construction contractor filed for an arbitration, demanding a compensation of RMB 83.46 million, inclusive of interests from the subsidiary. As the arbitration is ongoing, the amount of settlement cannot be estimated reliably. No provision has been recognized as at 31 December 2015.

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Subsequent events

(a) After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in Note 22.

(b) The Company issued super short-term bonds with a face value of RMB2 billion bearing annual interest rate of 2.59% in March 2016, such bonds are denominated in RMB and mature in 270 days.

The Company issued super short-term bonds with a face value of RMB2 billion bearing annual interest rate of 2.48% in March 2016, such bonds are denominated in RMB and mature in 270 days.

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