



華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Stock Code: 836)



Creating our
Brilliant Future
2013 Interim Report





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Performance Highlights

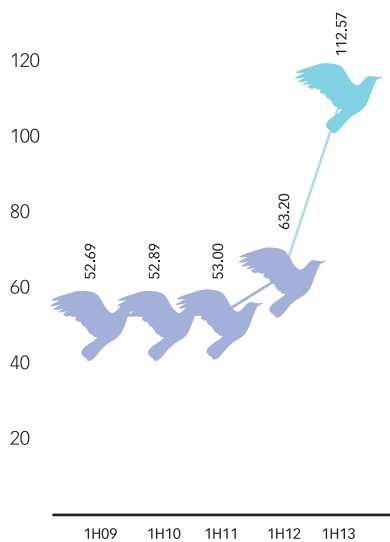
	1H2013	1H2012	1H2011	1H2010	1H2009
Earnings per share (HK cents)					
Basic	112.57	63.20	53.00	52.89	52.69
Diluted	112.02	62.77	52.47	52.03	51.41
Turnover (HK\$'000)	32,347,107	30,944,552	29,032,879	21,161,937	13,992,295
Profit attributable to owners of the Company (HK\$'000)	5,330,636	3,001,672	2,484,053	2,459,835	2,268,010
Generation volume of operating power plants (MWh)					
Total gross generation	88,857,686	81,551,829	82,105,814	70,223,751	49,870,688
Total net generation	83,745,227	76,589,798	77,008,374	65,681,662	46,605,132

As at 30 June	2013	2012	2011	2010	2009
Condensed consolidated balance sheet (HK\$'000)					
Non-current assets	169,366,532	142,364,470	131,563,968	108,411,713	72,452,713
Current assets	192,211,818	28,755,543	28,962,652	23,452,236	14,843,059
Current liabilities	45,372,101	42,104,644	41,819,856	34,412,280	24,764,292
Non-current liabilities	68,575,004	65,189,124	59,521,842	50,806,136	29,738,712
Equity attributable to owners of the Company	58,529,826	49,064,814	44,561,132	38,992,797	29,241,365
Total assets	192,211,818	171,120,013	160,526,620	131,863,949	87,295,772
Cash and cash equivalents	5,137,425	6,670,866	7,304,739	6,639,656	5,779,062
Borrowings	79,272,960	85,410,319	77,550,163	67,812,587	42,087,162
Key financial ratios					
Net debt to shareholders' equity (%)	126.7%	160.5%	157.6%	156.9%	124.2%
EBITDA interest coverage (times)	6.44	4.13	5.27	4.31	5.44
Attributable operational generation capacity by location (MW)					
Eastern China	10,922	10,650	10,252	7,877	4,490
Southern China	4,741	3,779	3,749	4,004	3,201
Central China	6,157	4,205	3,695	3,695	3,277
Northern China	2,548	2,499	2,438	2,193	1,197
Northeastern China	1,213	1,109	925	1,125	1,525
Northwestern China	201	198	—	—	—
Southwestern China	280	—	—	—	—
Total	26,062	22,440	21,059	18,894	13,690

Performance Highlights

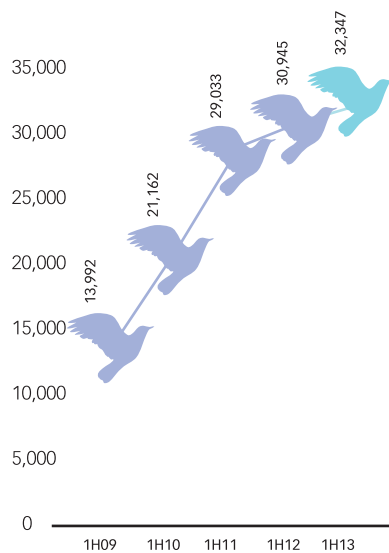
Basic earnings per share

(HK\$ cents)



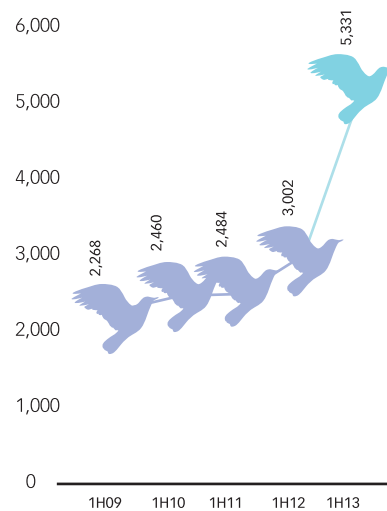
Turnover

(HK\$ million)



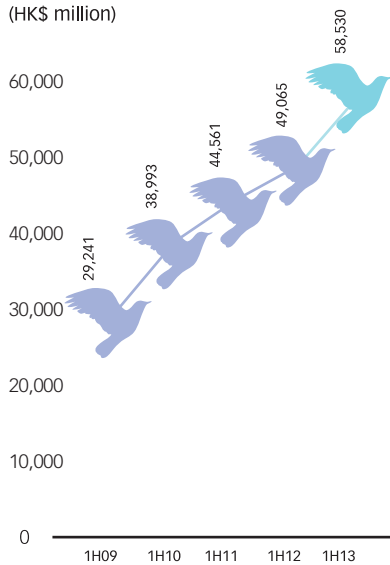
Profit attributable to owners of the Company

(HK\$ million)



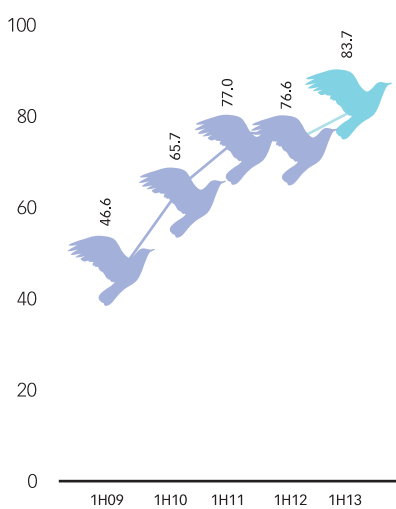
Equity attributable to owners of the Company

(HK\$ million)



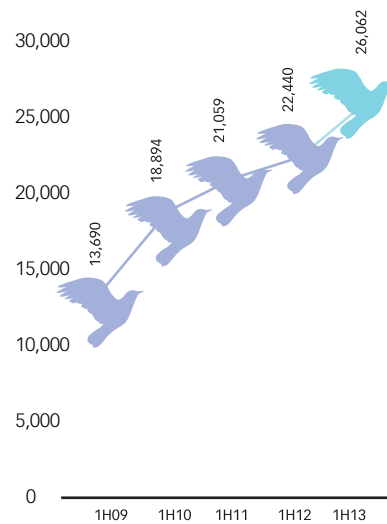
Net generation volume of operating power plants

(million MWh)



Attributable operational generation capacity

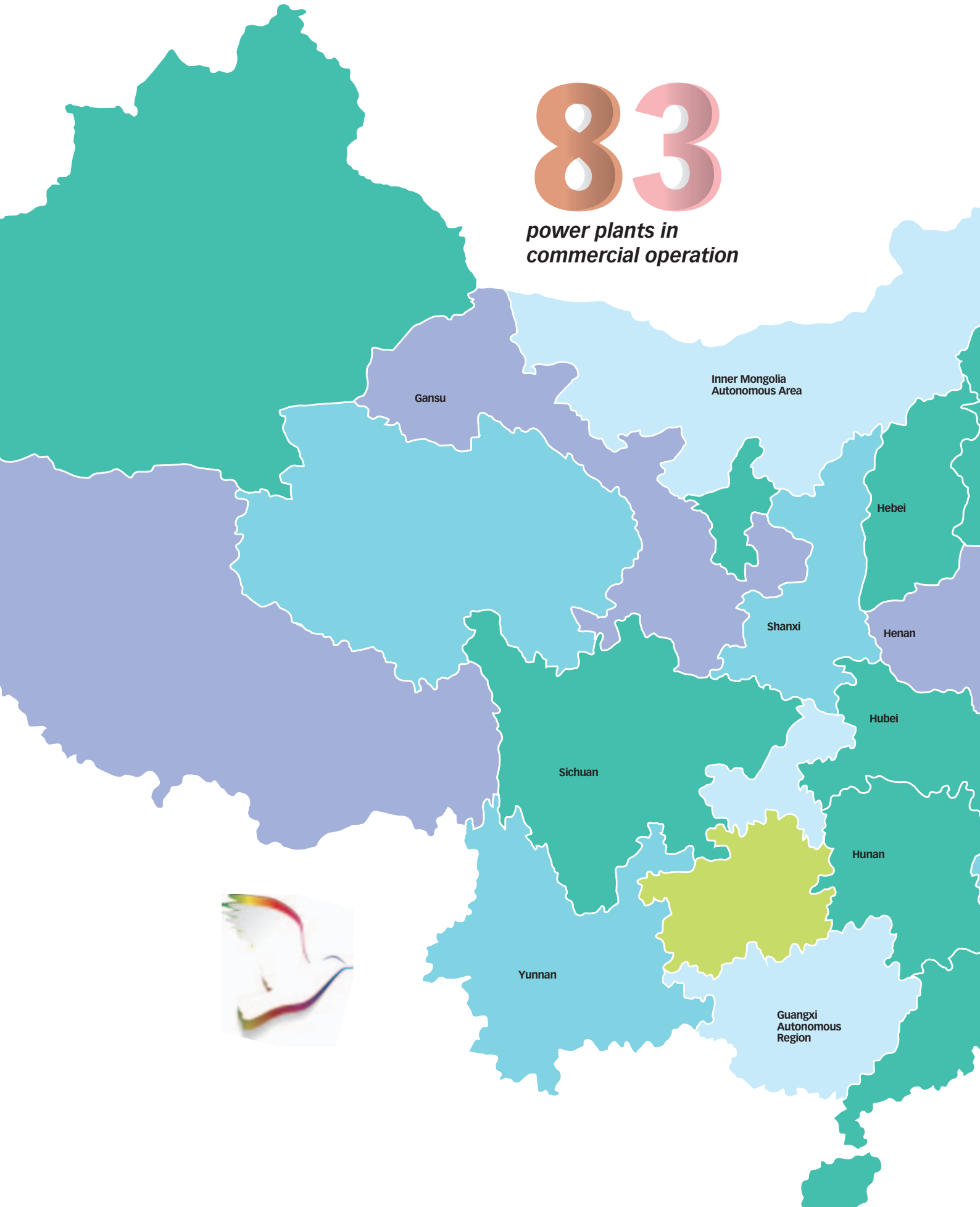
(MW)

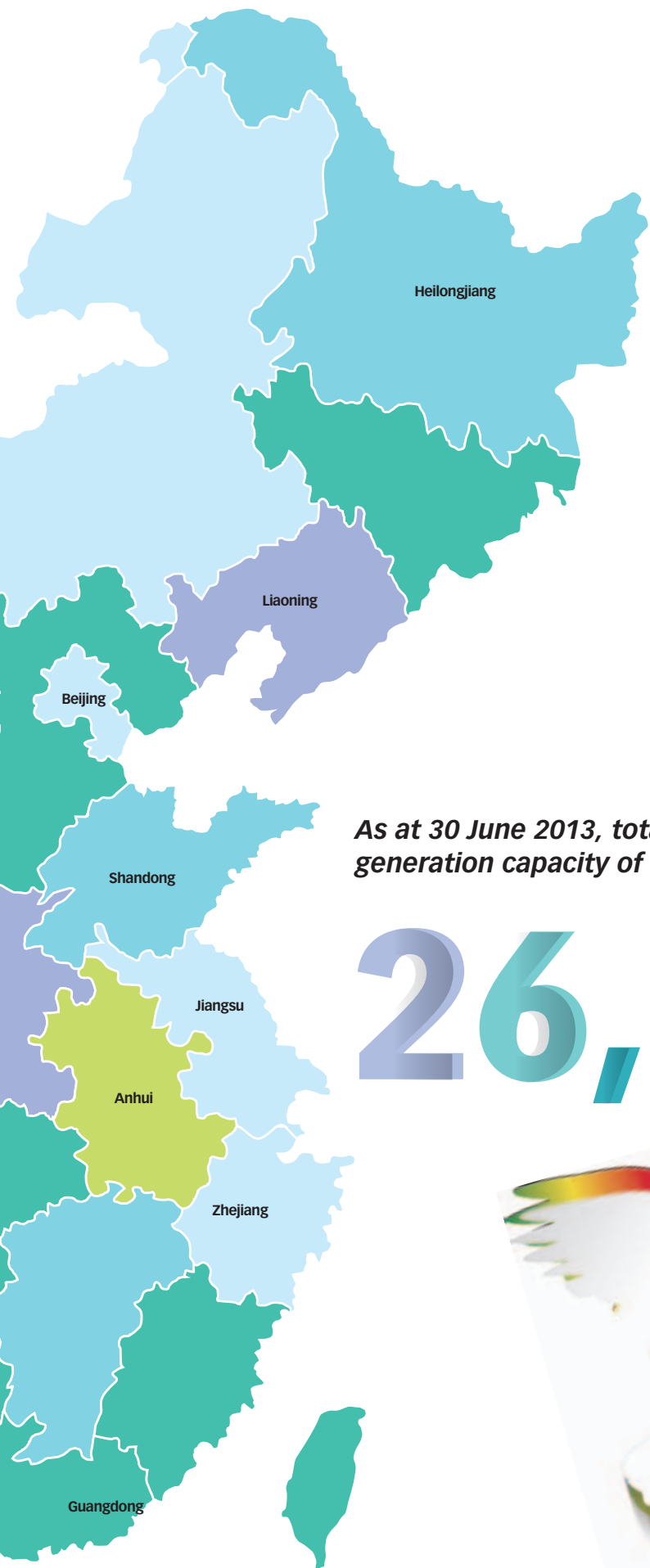


Service Areas

83

power plants in commercial operation





As at 30 June 2013, total attributable operational generation capacity of the company is

26,062 MW



Service Areas

PROVINCE/REGION	POWER PLANTS/WIND FARMS/ HYDRO-ELECTRIC	INSTALLED CAPACITY (MW)	EFFECTIVE EQUITY INTEREST	ATTRIBUTABLE INSTALLED CAPACITY (MW)
Jiangsu	Changshu	1,950.0	100.0%	1,950.0
	Nanjing Thermal	1,200.0	100.0%	1,200.0
	Xuzhou Phase III	2,000.0	59.9%	1,197.2
	Zhenjiang	1,540.0	42.5%	654.5
	Yangzhou No. 2	1,260.0	45.0%	567.0
	Xuzhou	1,280.0	42.7%	545.9
	Nanjing Chemical Industry Park Phase II	600.0	90.0%	540.0
	Huaxin	660.0	72.0%	475.2
	Nanjing Banqiao	660.0	65.0%	429.0
	Changzhou	1,260.0	25.0%	315.0
	Shazhou	1,260.0	20.0%	252.0
	Nanjing Chemical Industry Park	110.0	90.0%	99.0
	Yixing	120.0	55.0%	66.0
	Nantong Wind	49.5	100.0%	49.5
Guangdong	Liyujiang B	1,300.0	100.0%	1,300.0
	Shajiao C	1,980.0	36.0%	712.8
	Guangzhou Thermal	600.0	100.0%	600.0
	Liyujiang A	630.0	60.0%	378.0
	Xingning	270.0	100.0%	270.0
	Chaonan Wind	133.9	100.0%	133.9
	Yangxi Longgaoshan Wind	89.8	100.0%	89.8
	Huilaiyuanshan Wind	50.0	100.0%	50.0
	Huilaxian'an Wind	37.5	100.0%	37.5
	Shantou Wind	29.3	100.0%	29.3
	Dahao Wind	18.0	100.0%	18.0
	Dannan Wind	24.0	55.0%	13.2
	Lianzhou Wind	50.0	100.0%	50.0
	Lianzhou Quanghai Wind	48.0	100.0%	48.0
	Yangjiang Wind	10.5	100.0%	10.5
	Haifeng	2,000.0	100.0%	2,000.0
	Xinyi Wind	49.5	100.0%	49.5
Lufeng Wind	89.8	100.0%	89.8	
Lianzhou Quanshui Wind	1.8	100.0%	1.8	
Yangjiang Wind	39.5	100.0%	39.5	
Henan	Shouyangshan	1,200.0	85.0%	1,020.0
	Gucheng	600.0	100.0%	600.0
	Dengfeng	1,840.0	85.0%	1,564.0
	Jiaozuo	280.0	100.0%	280.0
	Luoyang	100.0	51.0%	51.0
	Biyang Wind	50.0	100.0%	50.0
	Biyang Zhongxiang Wind	24.0	100.0%	24.0
	Jiaozuo Longyuan	1,320.0	100.0%	1,320.0
Biyang Zhongxiang Wind	25.5	100.0%	25.5	
Hebei	Cangzhou	660.0	95.0%	627.0
	Caofeidian	600.0	90.0%	540.0
	Tangshan	200.0	80.0%	160.0
	Hengfeng	600.0	25.0%	150.0
	Hengxing	600.0	25.0%	150.0
	Chengde Weichang Wind Phase I	48.0	100.0%	48.0
	Chengde Weichang Wind Phase II	46.5	100.0%	46.5
	Chengde Weichang Wind Phase III, IV, V	151.5	100.0%	151.5
	Tangshan Phase III	700.0	60.0%	420.0
Liaoning	Jinzhou	600.0	100.0%	600.0
	Shenhai Thermal	600.0	54.1%	324.7
	Fuxin Wind	99.0	100.0%	99.0
	Jianping Wind	99.0	100.0%	99.0
	Beipiao Wind	49.5	100.0%	49.5
	Jinzhou Wind	10.5	100.0%	10.5
	Panjin	700.0	100.0%	700.0
	Beipiao Wind	49.6	100.0%	49.6
	Jinzhou Wind	39.0	100.0%	39.0
	Linghai Wind	49.5	100.0%	49.5

Service Areas

PROVINCE/REGION	POWER PLANTS/WIND FARMS/ HYDRO-ELECTRIC	INSTALLED CAPACITY (MW)	EFFECTIVE EQUITY INTEREST	ATTRIBUTABLE INSTALLED CAPACITY (MW)
Shandong	Heze	1,200.0	90.0%	1,080.0
	Weihai ETD Zone Wind	49.8	100.0%	49.8
	Weihai Huancui Wind	49.8	100.0%	49.8
	Penglai Daluohang Wind	49.8	100.0%	49.8
	Penglai Daxindian Wind	49.8	100.0%	49.8
	Penglai Wind	48.0	95.0%	45.6
	Penglai Xujiayi Wind	46.6	95.0%	44.3
	Qingdao Wind Phase I	49.8	100.0%	49.8
	Qingdao Wind Phase II	48.0	100.0%	48.0
	Jining Wind I	21.0	100.0%	21.0
	Jūxian Wind Phase I	50.0	100.0%	50.0
	Jūxian Wind Phase II	50.0	100.0%	50.0
	Wulian Wind Phase I	49.8	100.0%	49.8
	Wulian Wind Phase II	50.0	100.0%	50.0
Haiyang Wind	49.8	100.0%	49.8	
Qingdao Wind Phase II	1.8	100.0%	1.8	
Jining Wind	28.5	100.0%	28.5	
Inner Mongolia Autonomous Region	Dengkou	600.0	75.0%	450.0
	Bayinxile Wind	99.0	100.0%	49.5
	Manzhouli Wind	49.5	100.0%	49.5
Hubei	Hubei	600.0	100.0%	600.0
	Hubei Phase II (Unit 1)	1,000.0	100.0%	1,000.0
	Suizhou Wind	49.8	100.0%	49.8
	Suizhou Fengming Wind	49.5	100.0%	49.5
	Hubei Phase II (Unit 2)	1,000.0	100.0%	1,000.0
	Yichang	700.0	100.0%	700.0
Suixian Wind Phase I, II, III	148.5	100.0%	148.5	
Guangxi Autonomous Region	Hezhou	2,000.0	50.0%	1,000.0
Anhui	Fuyang	1,280.0	55.0%	704.0
Hunan	Lianyuan	600.0	100.0%	600.0
	Linwu Wind	34.0	100.0%	34.0
	Linwu Wind	44.0	100.0%	44.0
Zhejiang	Wenzhou Telluride	600.0	40.0%	240.0
	Cangnan	2,000.0	75.0%	1,500.0
Yunnan	Honghe Hydro	210.0	70.0%	147.0
Sichuan	Yazuihe Hydro	260.0	51.0%	132.6
Gansu	Guazhou Wind	201.0	100.0%	201.0
Beijing	Beijing Thermal	150.0	51.0%	76.5
Heilongjiang	Jiamusi Wind	30.0	100.0%	30.0
	Jiamusi Wind	19.5	100.0%	19.5
Shanxi	Datong Wind	49.5	100.0%	49.5
	Datong Guangling Wind	50.0	100.0%	50.0
	Datong Yanggao Wind	49.5	100.0%	49.5
	Datong Shengquan Wind	50.0	100.0%	50.0
	Datong Changcheng Wind	36.0	100.0%	36.0
	Datong Changcheng Wind	13.5	100.0%	13.5

Note: Projects under construction are marked in green

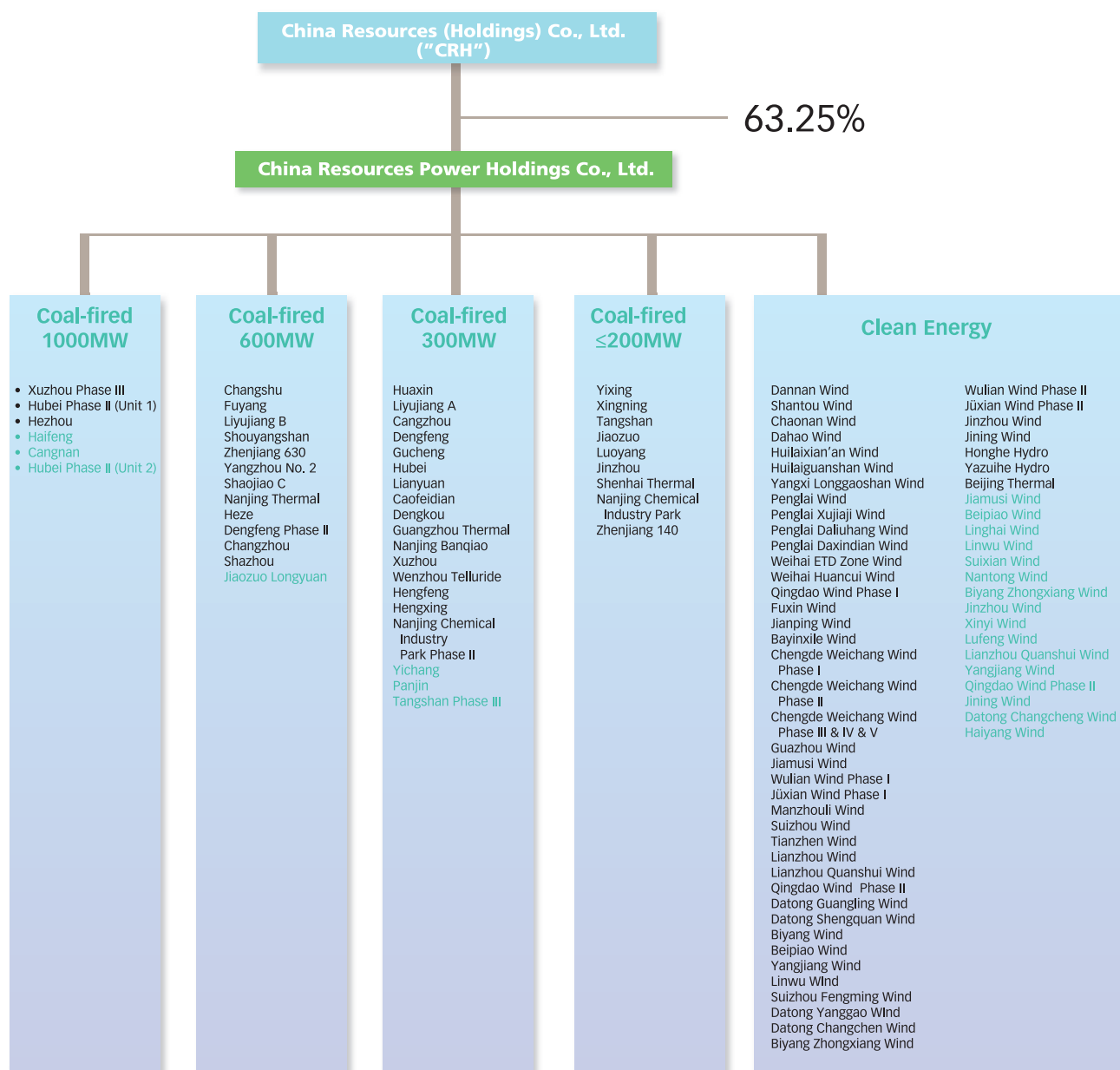
Company Profile

ABOUT CR POWER

China Resources Power Holdings Company Limited (the "Company" or "CR Power") is a fast-growing energy company which invests, develops, operates and manages coal-fired power plants, wind farms, hydro-electric projects and other renewable energy projects in the more affluent regions or regions with abundant coal resources in China, and invests, develops, constructs and operates coal mines in China.

As at 30 June 2013, CR Power has 36 coal-fired power plants, 2 hydro-electric plant, 1 gas-fired plant and 44 wind farms in commercial operation. The total attributable operational generation capacity of the Company is 26,062MW, with 41.9% of our capacity located in Eastern China, 23.6% located in Central China, 18.2% located in Southern China, 9.8% located in Northern China, 4.7% located in Northeastern China, 1.1% located in Southwestern China and 0.8% located in Northwestern China.

Corporate Structure



Note: Projects under construction are marked in Green

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I present the interim results of CR Power for the six months ended 30 June 2013.

The economic environments both domestically and internationally have been complex in 2013. In the first half of the year, China's national power consumption showed slightly rising but a relatively weak trend as compared to the same period last year, with a growth rate lower than the GDP growth rate, indicating sluggish growth of the local economy. CR Power adhered to the idea of achieving sustainable growth through steady development, focusing on improving the quality of development and economic efficiency, which is in line with the strategic plans as laid out in the Company's twelfth five-year plan and the annual business plan. These plans include further enhancing reforms, adjusting industrial structure, facilitating lean management and synergistic strategies, enhancing cost control, mitigating risks and maintaining profitability of the Company. We believe these measures can effectively facilitate the sound and sustainable development of the Company.

During the first half year, in recognition of the Company's excellent performance, CR Power was included in the Forbes Global 2000 list for the seventh consecutive year and ranked 657th (improving by 193 positions from 850th in 2012); and ranked 54th (improving by 13 positions from 2012) among all companies in Mainland China and Hong Kong. We were also awarded in the category of "Best Company for Leadership in the Energy Sector in China" by the International Alternative Investment Review (IAIR). CR Power was the only Chinese energy enterprise winning this award.

RESULTS PERFORMANCE

CR Power recorded a consolidated turnover of HK\$32,347 million for the period ended 30 June 2013, representing an increase of 4.5% as compared to HK\$30,945 million for the same period of 2012. Net profit attributable to owners of the Company was approximately HK\$5,331 million, representing an increase of 77.6% as compared to HK\$3,002 million for the same period of 2012. Basic earnings per share amounted to 112.57 HK cents, representing an increase of 78.1% as compared to 63.20 HK cents for the same period of 2012. The Board resolved to declare an interim dividend of 8 HK cents per share.

As at 30 June 2013, our attributable operational generation capacity amounted to 26,062MW, representing an increase of 3.1% over 25,271MW as at the end of 2012. Coal-fired generation units accounted for 89.4% of our total attributable generation capacity. Generation capacity attributable to clean and renewable energy, including wind power, hydro power and gas-fired power, accounted for 10.6% of our total attributable generation capacity, an increase of 2.8 percentage points as compared to the end of 2012.

Chairman's Statement

In the first half of the year, the total gross generation volume of our operating power plants amounted to 88,857,686MWh, representing an increase of 9.0% as compared to 81,551,829 MWh for the same period of 2012. The total net generation volume amounted to 83,745,227MWh, representing an increase of 9.3% as compared to 76,589,798MWh for the same period of 2012. The increase in operational gross generation volume and net generation volume were mainly due to the commissioning of our four efficient large-scale coal-fired generation units located in Dengfeng in Henan Province, Puqi in Hubei Province and Hezhou in Gaungxi Province in the second half of last year, and the newly commissioned wind-farms.

(1) Coal-fired power business

During the first half of 2013, the attributable operational generation capacity of our coal-fired power plants amounted to 23,292MW and the attributable operational generation capacity under construction amounted to 7,640MW, including the five 1,000MW ultra-supercritical generation units in Puqi in Hubei Province, Cangnan in Zhejiang Province and Haifeng in Guangdong Province, 2x 660MW supercritical heat and power co-generation units in Jiaozuo in Henan Province, and the six 350MW heat and power co-generation units in Yichang in Hubei Province, Panjing in Liaoning Province and Tangshan in Hebei Province. These generation units are scheduled to be commissioned throughout the second half of 2013, 2014 and 2015.

During the first half of 2013, our consolidated operating power plants recorded a decrease of 18.0% and 19.2% in average standard coal cost and average unit fuel cost, respectively, as compared to the same period of 2012. The decrease in fuel cost was mainly due to the fall in coal prices since the second half of 2012, our effective implementation of lean management, optimizing the structure of coal procurement and sourcing and enhancing internal control on fuel management.

In the first half of 2013, the average net generation standard coal consumption rate of our consolidated operating power plants was 315.5g/kWh, representing a decrease of 4.7g/kWh or 1.5% as compared to 320.1g/kWh in 2012. This was mainly due to further improvement in the energy consumption of our operating generation units through energy conservation, operational optimization and lean management. In addition, newly installed large-size generation capacities and larger heat supply in the first quarter of the year also contributed to the lower net generation standard coal consumption rate.



Chairman's Statement

In the first half of 2013, China's economy improved but at weak growth rates, resulting in low growth in the national power consumption which in turn reduced the growth rate of power generation. During the first half of 2013, the average full-load equivalent utilization hours for our 33 operating coal-fired generation units was 2,690 hours, representing a decrease of 107 hours or 3.8% as compared to the same period last year, but still exceeding the national average utilisation level for coal-fired units by 278 hours. This was mainly because most of our generation units were efficient high-capacity units and located in provinces with rapid economic development with strong demand for electricity, thus possessing certain market advantages. We also strengthened the modulation and maintenance of equipment to ensure generation units operate in a safe, economical and stable manner, whilst increasing our power generation volume by bidding for excess power generation or replacing small generation units.

(2) Coal-mining business

During the first half of 2013, adverse external economic factors and China's weakened economic growth resulted in a slowdown in demand for power, which in turn resulted in a fall in demand for thermal coal, which accounts for nearly 50% of the country's total coal consumption.

In the first half of the year, CR Power's coal mines produced a total of 7.642 million tonnes of raw coal, representing a decrease of 13.9% as compared to the same period of 2012. The decrease in coal production volume was mainly due to the combined effect of a weak coal market and some of our major coal mines undergoing infrastructural and technological upgrading, as well as other factors such as regional logistics constraints at some of the mine locations.



Chairman's Statement

(3) Renewable energy business

In the first half of 2013, additional generation capacity came mainly from wind power. Our wind power project attributable operational generation capacity reached 2,414MW, representing an increase of 48.8% as compared to 1,622MW as at the end of 2012. The increase largely came from the acquisition of wind projects from our parent company in May 2013, and the new commissioning of our wind power projects located in Hubei, Guangdong, Liaoning and Shandong.

In the first half of the year, the average full-load equivalent utilization hours for our wind farms was 1,214 hours, representing an increase of 27 hours as compared to the same period of 2012, exceeding the national average by 113 hours. The utilization rate of the turbines was 99.3%. This was mainly attributable to those farms commissioned last year, which have passed the adjustment stages and entered into stable operations this year.

FULFILLING OF RESPONSIBILITIES

We emphasize on the concept of scientific development by fulfilling social responsibilities voluntarily and devoting ourselves to continuously creating value for shareholders, staff and other stakeholders of the Company. Enterprise reforms and corporate governance were constantly enhanced, and social responsibilities have been incorporated into our strategic planning, operations and business development, in pursuit of harmonious and unified development with the national economy, society and environment.

We continued to push ahead with industrial restructuring, vigorously develop clean energy and recycling economic projects to improve energy utilization efficiency and clean power generation level. In the first half of 2013, our clean and renewable energy accounted for 10.6% of our total attributable operational capacity, representing an increase of 2.8 percentage points as compared to 7.8% as at the end of 2012. Meanwhile, we continued to invest in technical innovation projects of energy-conservation and emission-reduction, and strengthened the operations, maintenance and management of environmental facilities. As a result, waste water, waste gas and solid wastes were further reduced in terms of emission rates as compared to the end of 2012.

We stepped up on safety management and further advanced the development of a management system integrating production safety, occupational health and environmental protection. In each of the business segments of coal-fired, coal and new energy, development of safety assessment, production safety standardization, observation on safety actions and NOSA five-star management were carried out continuously. The production safety accountability system was implemented at all levels by organizing activities such as training on safety, emergency drills for accidents, general inspection on production safety and specific safety inspection on outsourced projects, with a view to improve rules and regulations, standardizing safety actions and solidifying the safety foundation. In the first half of the year, none of our subsidiaries encountered any major or serious production safety accidents, reflecting an overall stable condition of production safety of the Company.

In the first half of the year, the size of the Company was further expanded with the number of staff increasing to 42,989 from 38,118 as at the end of 2012. We earnestly develop the China Resources culture of "being kind to staff", comply with the State laws and regulations, protect interests and rights of staff, emphasize on staff training, care for the lives of staff, and constantly improve the salaries and benefits, performance management, staff career development and the mechanism of four batches (a batch of managers to be promoted, retired, rotated or transferred respectively), so as to increase the satisfaction and cohesion of staff in pursuit of concurrent growth of staff and the Company.

Chairman's Statement

We have been grateful for the understanding, support and help from the government and communities, and in turn, continue to try every means to give back to the society by fulfilling social responsibilities and realizing our pursuits beyond profitability. In the first half of the year, we donated RMB2.65 million to the earthquake-devastated region, Ya'an in Sichuan Province, and actively sponsored the poverty-relief, greening and environmental protection activities in areas where our subsidiaries were located. This year, we will continue to actively participate in public welfare by donating to "Hebei China Resources Education Fund" to sponsor impoverished university students and supporting the establishment of the "China Resources Hope Town" project.

OUTLOOK

Looking ahead to the second half of 2013, the national power consumption is expected to continue to grow slowly. With an increase in electricity usage during the summer and winter, the Company's net generation volume and utilization hours for coal-fired power is expected to improve in the second half of the year.

We will continue with our implementation of lean management in each of our business segments, constantly improve production technologies and economic indicators, cut down energy consumption and unit fuel cost, with a view to increase operational efficiency, management standard and core competitiveness and in turn continue to create value for our shareholders. Meanwhile, in response to government policies, we shall invest more resources in energy conservation and environment protection, public services and urban infrastructure for fulfilling our social responsibilities.

We will focus on the idea of high quality and steady growth in development, continue to optimize the development of coal-fired power and only invest in coal-fired power projects with high competitiveness that can create value for shareholders in the future. We will continue to increase our investments in renewable energy projects, especially the development and construction of wind power projects. Moreover, we will continue to study, explore and vigorously push ahead with circular-recycling economic projects, coal-power integration projects and distributed energy projects.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my sincere gratitude to all circles of the community for their unremitting care, understanding and help. I would also like to thank the Directors, management team and staff members for their diligence, dedication and selfless contributions, and to our shareholders for their continuous support. We will continue to work closely with stakeholders to stride forward and overcome difficulties and challenges, to accomplish the objectives and missions.

Zhou Junqing

Chairman

Board of Directors

Hong Kong, 19 August 2013

Management's Discussion and Analysis

BUSINESS REVIEW FOR THE FIRST HALF OF 2013

Growth of generation capacity

As at 30 June 2013, we had 36 coal-fired power plants, 2 hydro-electric plants, 1 gas-fired plant and 44 wind farms in commercial operation with a total attributable operational generation capacity of 26,062MW compared with 22,440MW and 25,271MW, respectively, as at 30 June 2012 and 31 December 2012. In the first half of 2013, the newly added generation capacity was mainly from wind-farms.

As at 30 June 2013, the attributable operational generation capacity of our coal-fired power plants amounted to 23,292MW, representing 89.4% of our total attributable operational generation capacity. Wind, gas-fired and hydro-power generation capacity amounted to 2,414MW, 77MW and 280MW, respectively, in aggregate representing 10.6% of our total attributable operational generation capacity.

Generation volume

Total gross generation volume of our operating power plants amounted to 88,857,686MWh in the first half of 2013, representing an increase of 9.0% from 81,551,829MWh in the first half of 2012.

Total net generation volume of our operating power plants amounted to 83,745,227MWh in the first half of 2013, representing an increase of 9.3% from 76,589,798MWh in the first half of 2012.

The growth in gross generation volume and net generation volume of our operating power plants was mainly due to (1) four large-sized coal-fired generation units commissioned in the second half of 2012, including a 600MW supercritical generation unit of Dengfeng Power Plant Phase II in Henan, a 1,000MW ultra-supercritical generation unit of Puqi Power Plant in Hubei and 2x1,000MW ultra-supercritical generation units of Hezhou Power Plant in Guangxi; and (2) the newly commissioned wind-farms.

Affected by the slowdown in China's economic growth, for the 33 coal-fired power plants which were in commercial operations for the entire first half of 2012 and 2013, gross and net generation volume for the first half of 2013 both decreased by 3.8% respectively from the first half of 2012. The average full-load equivalent utilization hours for the first half of 2013 of these 33 coal-fired power plants amounted to 2,690 hours, representing a decrease of 3.8% from 2,797 hours for the first half of 2012.

Fuel costs

Due to the slowdown in China's macroeconomic growth as well as the economic transition and industrial restructuring in the country, supply and demand in the coal market during the first half of 2013 was easing in general with supply greater than demand. The easing of supply and demand of coal and the decrease in spot coal prices enabled us to further control fuel costs.

In the first half of 2013, average standard coal cost for our consolidated operating power plants decreased by 18.0% compared with the first half of 2012. Average unit fuel cost for our consolidated operating power plants was RMB220.77/MWh, representing a decrease of 19.2% compared with the first half of 2012. This was mainly due to decreasing coal prices since the second half of 2012 and further enhanced operating efficiency of our subsidiaries as a result of our continuous implementation of lean management. The net generation standard coal consumption rate for the first half of 2013 was 315.5g/kWh, representing a decrease of 4.7g/kWh in comparison with the same period last year.

Coal production

During the first half of 2013, the Company's coal mines produced a total of 7.642 million tonnes of raw coal, representing a decrease of 13.9% as compared to the same period last year. This was mainly due to (1) during the first half of 2013, the coal production volume of the Company in Lüliang, Shanxi Province, decreased as compared to the same period last year as a result of infrastructural construction works and government regulatory policies and (2) decrease in coal sales volume due to the weak coal market.

Management's Discussion and Analysis

In March 2013, AACI SAADEC (HK) Holdings Limited ("AACI (HK)"), a wholly-owned subsidiary of the Company, entered into an equity interest transfer agreement with Shanxi Lanhua Science and Technology Company Ltd ("Shanxi Lanhua") to transfer 5% equity interest in Shanxi Asian American-Danling Energy Co. Ltd. (now known as "Shanxi CR Daning Energy Co. Ltd." ("CR Daning")) to Shanxi Lanhua for a consideration of approximately RMB385 million, and signed an undertaking of acting in concert ("Undertaking"). The parties confirmed AACI (HK)'s entitlement to the retained profits of approximately RMB110 million in respect of the 5% equity interest above and as a result, the net consideration payable was approximately RMB275 million. Upon completion of this transaction, the Company's shareholding in CR Daning decreased to 51%. Prior to the signing of the Undertaking, CR Daning was an associate of the Group. Upon signing of the Undertaking on 5 March 2013, CR Daning has been consolidated as a subsidiary in the financial statements of the Company.

Development of renewable energy

As at 30 June 2013, the attributable operational generation capacity of the Company's wind power projects amounted to 2,414MW, representing an increase of 68.3% and 48.8% as compared to the end of June 2012 and the end of last year, respectively. The attributable operational generation capacity of our wind farms under construction amounted to 699MW. The average full-load equivalent utilization hours of wind farms that were in commercial operation for the first half of 2013 amounted to 1,214 hours versus 1,187 hours for the first half of 2012.

In May 2013, the Company acquired 32 wind power projects with a total attributable generation capacity of 1,612.2MW from our parent company at a total consideration of HK\$4,286.8 million.

Environmental expenses

In the first half of 2013, waste discharge fees incurred by each of our subsidiaries were in the range from RMB31,000 to RMB13 million. The total amount of discharge fees incurred by our subsidiaries in the first half of 2013 was approximately RMB115 million, which was slightly lower than RMB130 million incurred in the first half of 2012.



Management's Discussion and Analysis

OPERATING RESULTS

The results of operations for the six months ended 30 June 2013, which have been reviewed in accordance with the Hong Kong Standard on Review Engagements 2410 by the auditors and the Audit and Risk Committee of the Company, are set out as follows:

Interim Condensed Consolidated Statement of Income

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Turnover	32,347,107	30,944,552
Operating expenses		
Fuels	(15,876,097)	(18,847,432)
Repairs and maintenance	(761,213)	(542,872)
Depreciation and amortisation	(3,451,439)	(3,067,375)
Employee benefit expenses	(1,938,669)	(1,598,133)
Consumables	(443,911)	(371,218)
Business tax and surcharge	(263,670)	(186,437)
Others	(2,482,124)	(1,803,766)
Total operating expenses	(25,217,123)	(26,417,233)
Other income	761,590	687,459
Other gains/(losses) — net	448,840	(108,167)
Operating profit	8,340,414	5,106,611
Finance costs	(1,704,337)	(2,007,184)
Share of results of associates	829,151	797,205
Share of results of joint ventures	233,295	(31,846)
Profit before income tax	7,698,523	3,864,786
Income tax expense	(1,557,995)	(350,141)
Profit for the period	6,140,528	3,514,645
Profit for the period attributable to:		
Owners of the Company	5,330,636	3,001,672
Non-controlling interests		
– Perpetual capital securities	210,962	213,383
– Others	598,930	299,590
	809,892	512,973
	6,140,528	3,514,645
Earnings per share attributable to owners of the Company during the period		
– Basic	HK\$1.13	HK\$0.63
– Diluted	HK\$1.12	HK\$0.63

Management's Discussion and Analysis

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Profit for the period	6,140,528	3,514,645
Other comprehensive income:		
Currency translation difference	1,077,035	(229,437)
Share of changes in translation reserve of associates and joint ventures	127,115	(27,280)
Fair value changes on cash flow hedges, net of tax	123,864	(48,672)
Other comprehensive income for the period, net of tax	1,328,014	(305,389)
Total comprehensive income for the period, net of tax	7,468,542	3,209,256
Attributable to:		
Owners of the Company	6,465,506	2,698,623
Non-controlling interests		
– Perpetual capital securities	210,713	213,383
– Others	792,323	297,250
	1,003,036	510,633
Total comprehensive income for the period, net of tax	7,468,542	3,209,256

Management's Discussion and Analysis

Interim Condensed Consolidated Balance Sheet

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	116,503,838	103,660,633
Prepaid lease payments	2,451,493	2,372,579
Mining rights	21,588,272	14,051,781
Prepayment for non-current assets	8,193,580	4,447,854
Investments in associates	13,340,405	19,060,119
Investments in joint ventures	2,028,916	1,728,980
Goodwill	3,353,864	3,914,280
Available-for-sale investments	1,321,719	1,319,116
Deferred income tax assets	404,500	264,296
Loan to an available-for-sale investee company	179,945	176,772
	169,366,532	150,996,410
Current assets		
Inventories	3,356,180	3,258,710
Trade receivables, other receivables and prepayments	13,356,708	14,758,931
Loans to associates	131,818	3,454,804
Loans to joint ventures	355,253	—
Amounts due from associates	205,630	592,171
Amounts due from joint ventures	82,321	—
Amounts due from other related companies	50,668	77,730
Financial assets at fair value through profit or loss	3,753	3,687
Pledged bank deposits	165,530	249,986
Cash and cash equivalents	5,137,425	4,397,289
	22,845,286	26,793,308
Total assets	192,211,818	177,789,718
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	4,782,494	4,762,863
Share premium and reserves	53,747,332	49,280,120
	58,529,826	54,042,983
Non-controlling interests		
– Perpetual capital securities	5,896,673	5,897,056
– Others	13,838,214	8,955,962
	19,734,887	14,853,018
Total equity	78,264,713	68,896,001

Management's Discussion and Analysis

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
LIABILITIES		
Non-current liabilities		
Borrowings	65,198,253	59,876,386
Derivative financial instruments	197,958	320,851
Deferred income tax liabilities	2,549,532	573,881
Deferred income	507,542	487,547
Retirement benefit obligations	121,719	136,481
	68,575,004	61,395,146
Current liabilities		
Trade payables, other payables and accruals	22,162,456	23,022,262
Amounts due to associates	1,027,195	600,557
Amounts due to other related companies	7,223,367	2,977,131
Current income tax liabilities	884,376	506,479
Borrowings	14,074,707	20,390,649
Derivative financial instruments	—	1,493
	45,372,101	47,498,571
TOTAL LIABILITIES	113,947,105	108,893,717
TOTAL EQUITY AND LIABILITIES	192,211,818	177,789,718
NET CURRENT LIABILITIES	(22,526,815)	(20,705,263)
TOTAL ASSETS LESS CURRENT LIABILITIES	146,839,717	130,291,147

Management's Discussion and Analysis

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES – NET	12,256,973	8,383,202
Cash flows from investing activities		
Dividends received from associates	88,073	89,062
Dividends received from available-for-sale investments	—	84,786
Withdrawal of pledged bank deposits	84,456	51,567
Net cash inflow/(outflow) on acquisition of subsidiaries	5,007,498	(424,540)
Net cash inflow on disposal of an associate	423,626	—
Acquisition of and deposits paid for property, plant and equipment and prepaid lease payments	(9,847,885)	(4,634,106)
Acquisition of and deposits paid for mining rights and exploration and resources rights	(378,085)	(653,763)
Recovery of deposits for acquisition of mining rights and exploration and resources rights and related interests	—	1,558,209
Capital contributions into associates	(232,838)	(232,486)
Capital contributions into joint ventures	—	(146,373)
Advances to associates	—	(245,320)
Loan repaid from associates	3,322,986	—
Other investing cash inflows	543,976	152,157
CASH USED IN INVESTING ACTIVITIES – NET	(988,193)	(4,400,807)
Cash flows from financing activities		
Proceeds from bank and other borrowings raised	15,478,613	16,255,885
Proceeds from issuance of corporate bonds	—	2,453,200
Proceeds from issuance of shares for exercised options	156,817	33,287
Advance from associates and group companies	340,202	1,000,000
Capital contributions from non-controlling interests	137,865	180,105
Repayment of bank and other borrowings	(20,920,274)	(16,740,037)
Repayment of loan due to group companies	—	(1,465,920)
Loan from/repayment of loan due to associates	85,368	(458,347)
Dividends paid to owners of the Company	(2,134,940)	(1,131,203)
Dividends paid to non-controlling interests of the subsidiaries	(1,760,159)	(39,688)
Interest paid	(1,919,948)	(1,809,026)
Coupon paid on perpetual capital securities	(211,096)	(210,946)
CASH USED IN FINANCING ACTIVITIES – NET	(10,747,552)	(1,932,690)
NET INCREASE IN CASH AND CASH EQUIVALENTS	521,228	2,049,705
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,397,289	4,496,605
EXCHANGE GAIN	218,908	124,556
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,137,425	6,670,866

Management's Discussion and Analysis

Overview

For the six months ended 30 June 2013, our net profit increased by 77.6% to HK\$5,331 million from HK\$3,002 million for the same period in 2012.

Mainly due to the increase in net generation volume of our subsidiary power plants, and decrease in average unit fuel cost of our consolidated operating coal-fired power plants in comparison with the first half of 2012, our operating profit for the first half of 2013 increased by 63.3% to HK\$8,340 million as compared to the same period in 2012, which, coupled with increased profit contribution from our associates and joint ventures, resulted in an increase in net profit for the first half of 2013 by 77.6% as compared to the same period in 2012.

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

- Increase in turnover. Turnover in the first half of 2013 increased by 4.5%, mainly as a result of the increase in net generation volume of our subsidiary power plants as compared to the same period last year and CR Daning's turnover was consolidated as a subsidiary from March 2013, partially offset by a decrease in the sales volume of our same subsidiary coal mines and fall in the average sales price of coal;
- Decrease in fuel costs. Fuel costs in the first half of 2013 decreased by 15.8% as compared to the same period last year, which was mainly due to falling coal prices since the second half of 2012, and further enhancement in the operating efficiency of our subsidiaries with the continuous implementation of lean management, resulting in an average unit fuel cost of RMB220.7/MWh for the first half of 2013, representing a decrease of 19.2% when compared with the first half of 2012;
- Increase in share of results of joint ventures. Profit contribution from our joint ventures amounted to HK\$233 million in the first half of 2013, representing an increase of approximately HK\$265 million from the first half of 2012. This was mainly due to the profit contribution from Hezhou Power Plant in Guangxi Province which commenced commercial operation in the second half of 2012;
- Decrease in finance costs. The finance costs for the first half of 2013 amounted to HK\$1,704 million, representing a decrease of approximately HK\$303 million or 15.1% in comparison with the first half of 2012, which was mainly due to the decrease of HK\$6,137 million or 7.2% in borrowings and corporate bonds from HK\$85,410 million as at 30 June 2012 to HK\$79,273 million as at 30 June 2013; and the decrease in average cost of borrowings by 0.4 percentage point;
- Increase in other gains/(losses) — net. As a result of fluctuations in the exchange rate of RMB against Hong Kong Dollar, exchange gains in the first half of 2013 was approximately HK\$464 million, as compared to exchange losses of approximately HK\$117 million for the same period last year.

However, these increases were offset by the following:

- Increase in income tax expense and non-controlling interests. Due to improvement of profitability of our subsidiary power plants and expiration of preferential taxation treatment enjoyed by certain of our coal-fired power plants as well as consolidation of CR Daning as a subsidiary since March 2013, income tax expense increased by HK\$1,208 million or 345.0% as compared to the same period last year. Meanwhile, profit attributable to non-controlling interests also increased by approximately HK\$297 million or 57.9% accordingly.

Management's Discussion and Analysis

Basis of preparation of financial statements and principal accounting policies

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

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

The Group had net current liabilities as at 30 June 2013. The directors of the Company (the "Directors") are of the opinion that, taking into account the current available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is, at least for the next 12 months from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

SEGMENT INFORMATION

The Group is engaged in two operating segments — generation of electricity (inclusive of supply of heat generated by co-generation power plants) and coal mining.

Segmental information on these operating segments are set out below.

For the six months ended 30 June 2013

	Generation of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	30,023,080	2,324,027	—	32,347,107
Inter-segment sales	—	12,142	(12,142)	—
Total	30,023,080	2,336,169	(12,142)	32,347,107
Segment profit	7,857,417	688,131	—	8,545,548
Central corporate expenses				(316,882)
Interest income				111,226
Fair value change on derivative financial instruments				522
Finance costs				(1,704,337)
Share of results of associates				829,151
Share of results of joint ventures				233,295
Profit before taxation				7,698,523

Management's Discussion and Analysis

For the six months ended 30 June 2012

	Generation of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	28,424,168	2,520,384	—	30,944,522
Inter-segment sales	—	22,181	(22,181)	—
Total	28,424,168	2,542,565	(22,181)	30,944,552
Segment profit	4,278,977	797,718	—	5,076,695
Central corporate expenses				(244,583)
Interest income				273,671
Fair value change on derivative financial instruments				828
Finance costs				(2,007,184)
Share of results of associates				797,205
Share of results of joint ventures				(31,846)
Profit before taxation				3,864,786

Geographical segments

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

Turnover

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

Turnover for the first half of 2013 was HK\$32,347 million, representing a 4.5% increase from HK\$30,945 million for the first half of 2012. The increase in turnover was mainly due to the following factors:

- (1) Total net generation volume of our consolidated operating power plants increased in the first half of 2013, which resulted in an increase of approximately HK\$1,599 million in turnover;
- (2) In March 2013, CR Daning was consolidated into the Group as a subsidiary, which resulted in an increase of approximately HK\$716 million in turnover; this was partially offset by the decrease in turnover in (3) below.
- (3) During the first half of 2013, sales volume of our same subsidiary coal mines decreased by 8.6% as compared to the same period last year; and average sales price of coal per tonne decreased by approximately 27% as compared to the same period last year, which resulted in a decrease of approximately HK\$922 million in turnover.

Management's Discussion and Analysis

Operating expenses

Operating expenses mainly comprise fuels, repairs and maintenance, depreciation and amortisation, employee benefit expenses, consumables, business tax and surcharge, and other operating expenses. Other operating expenses include (among others) coal safety production fees, land sliding fees, production maintenance fees, sustainable development funds, environmental restoration fund, coal mine transformation development fund, coal sales costs, utility expenses, discharge fees, professional fees, entertainment expenses, travelling expenses, start-up costs, water charges, insurance fees, office rent and other management fees. Operating expenses for the first half of 2013 amounted to HK\$25,217 million, representing a decrease of HK\$1,200 million or 4.5% from HK\$26,417 million in the first half of 2012.

The decrease in operating expenses was mainly due to a decrease in fuels, partially offset by the increase in depreciation and amortisation, repairs and maintenance, employee benefit expenses and other operating expenses.

Fuels in the first half of 2013 amounted to approximately HK\$15,876 million, representing a decrease of HK\$2,971 million or 15.8% from HK\$18,847 million in the first half of 2012, which was mainly due to the year-on-year decrease in average unit fuel costs of our coal-fired power plants by 19.2% for the first half of 2013. Fuels accounted for approximately 63.0% of the total operating expenses for the first half of 2013, compared with approximately 71.3% during the first half of 2012.

Repairs and maintenance expenses increased from HK\$543 million for the first half of 2012 to HK\$761 million for the first half of 2013, representing an increase of HK\$218 million or 40.1%. The increase in repairs and maintenance expenses was mainly due to increased generation capacity and scheduled overhaul on some power plants of the Group in the first half of the year. Meanwhile, consumables also increased by HK\$73 million or 19.7% to HK\$444 million as compared to the same period last year.

Depreciation and amortisation increased from HK\$3,067 million for the first half of 2012 to HK\$3,451 million for the first half of 2013, representing an increase of HK\$384 million or 12.5%. This was mainly due to (1) the increase in total attributable operational generation capacity to 26,062MW as at 30 June 2013 from 22,440MW as at 30 June 2012; and (2) CR Daning becoming a subsidiary of the Company in March 2013.

Employee benefit expenses increased by HK\$341 million or 21.3% from HK\$1,598 million in the first half of 2012 to HK\$1,939 million in the first half of 2013. This was due to an increase in the number of employees as a result of the expansion of the operations. As at 30 June 2013, the Group had approximately 42,989 employees, representing an increase from approximately 38,067 as at 30 June 2012 and approximately 38,118 as at the end of 2012, respectively. In addition, as CR Daning became a subsidiary of the Company in March 2013, it increased the employee benefit expenses by HK\$139 million.

Other operating expenses increased from HK\$1,804 million for the first half of 2012 to HK\$2,482 million for the first half of 2013. Other operating expenses for the first half of 2013 mainly included other production costs for our coal operations such as safety production fees, land sliding fees, production maintenance fees, sustainable development funds, environmental restoration assurance fund, coal mine transformation development fund and coal sales costs in an aggregated amount of approximately HK\$414 million; other production costs for electricity operations such as discharge fees, utility expenses, water charges and insurance fees in an aggregated amount of approximately HK\$725 million; goodwill impairment loss of approximately HK\$623 million, and management fees such as entertainment expenses, travelling expenses, taxes, office rent, building management fees, utility expenses, air-conditioner expenses, vehicle expenses, professional fees, start-up costs, transportation costs, conference fees, consumables, printing and stationary costs, administrative fees in an aggregated amount of approximately HK\$720 million.

Other income and other gains/(losses) – net

Other income amounted to approximately HK\$762 million for the first half of 2013, representing an increase of HK\$75 million or 10.9% from HK\$687 million for the first half of 2012. Other income mainly included sales of scrap materials of approximately HK\$252 million, dividend income of HK\$152 million, government grant of approximately HK\$118 million and interest income of approximately HK\$111 million.

Other gains — net recorded HK\$449 million of gains for the first half of 2013, which was mainly due to the appreciation of the Renminbi against the Hong Kong Dollar in the first half of this year, which resulted in exchange gains of HK\$464 million. Other gains — net recorded approximately HK\$108 million of losses for the same period last year, including exchange losses of approximately HK\$117 million recorded for the same period last year.

Management's Discussion and Analysis

Operating profit

Operating profit represents profit from the Company and its subsidiaries before deduction of finance costs, income tax expenses and non-controlling interests. Operating profit amounted to HK\$8,340 million for the first half of 2013, representing an increase of HK\$3,233 million or 63.3% from HK\$5,107 million for the first half of 2012. The increase was mainly due to (1) increased profit of power plants as a result of the decrease in unit fuel cost of our subsidiary power plants; (2) profit contribution from newly commissioned large-scale coal-fired generation units; (3) consolidation of CR Daning in the financial statements since it became a subsidiary in March this year; (4) increase in earnings from wind power operations driven by increased operational wind power generation capacity; and (5) increase in exchange gains; which was partially offset by (6) decrease in earnings from coal operations resulted from the reduction of sales volume of our same subsidiary coal mines and fall in sales price of coal.

Fair value change on derivative financial instruments

The Group made use of interest rate swaps (net quarterly settlement) to minimise its exposure to changes in interest expenses of certain floating-rate Hong Kong Dollar bank borrowings by swapping floating interest rates into fixed interest rates. Such interest rate swaps and the corresponding bank borrowings have similar matching terms, therefore the Directors considered such interest rate swaps to be highly effective hedging instruments.

Derivatives were initially recognised at fair value at the date when a derivative contract was entered into and subsequently re-measured their fair values at each balance sheet date. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges were deferred in equity. The gain or loss relating to the ineffective portion would be recognised immediately in the income statement under other gain/(losses) — net. The gains of the ineffective portion arising from fair value changes of derivative financial instruments for the first half of 2013 were HK\$522,000 (For the first half of 2012: HK\$828,000).

Finance costs

Finance costs amounted to approximately HK\$1,704 million for the first half of 2013, representing a decrease of 15.1% from HK\$2,007 million for the first half of 2012.

Borrowings as at 30 June 2013 amounted to HK\$79,273 million, representing a decrease of HK\$6,137 million or 7.2% as compared with HK\$85,410 million as at 30 June 2012; or a decrease of HK\$994 million or 1.2% as compared to HK\$80,267 million as at 31 December 2012.

	Six months ended	
	30 June 2013 HK\$'000	30 June 2012 HK\$'000
Interest on bank and other borrowings		
– wholly repayable within five years	1,434,890	1,392,868
– not wholly repayable within five years	39,851	180,868
Interest on corporate bonds		
– wholly repayable within five years	113,676	112,727
– not wholly repayable within five years	311,205	307,470
Others	97,537	170,477
	1,997,159	2,164,410
Less: Interest capitalised in property, plant and equipment	(292,822)	(157,226)
	1,704,337	2,007,184

Management's Discussion and Analysis

Share of results of associates

Share of results of associates in the first half of 2013 amounted to HK\$829 million, representing a 4.0% increase from HK\$797 million in the first half of 2012. The increase was mainly due to enhanced profitability of associated coal-fired power plants, which, was partially offset by CR Daning being consolidated as a subsidiary since March this year, while it was accounted as an associate in the same period last year.

Share of results of joint ventures

Share of results of joint ventures in the first half of 2013 amounted to HK\$233 million, as compared to a loss of HK\$31.85 million in the first half of 2012. This was mainly attributable to the profit contributed by Hezhou Power Plant, Guangxi, which commenced commercial operation during the second half of 2012.

Income tax expense

Income tax expense for the first half of 2013 amounted to HK\$1,558 million, representing an increase of HK\$1,208 million or 345.1% from HK\$350 million for the first half of 2012. The increase in PRC enterprise income tax was mainly due to (1) increased profit of our consolidated power plants; (2) increased tax rates due to the expiration of tax concessions for certain subsidiary coal-fired power plants; and (3) increase in income tax expense resulting from the consolidation of CR Daning when it became a subsidiary in March 2013; but reduction in coal price and sales volume resulted in a decrease in coal profit and income tax of coal operations decreased accordingly. Details of the income tax expense for the six months ended 30 June 2012 and 2013 are set out below:

	Six months ended	
	30 June 2013 HK\$'000	30 June 2012 HK\$'000
Current income tax – PRC enterprise income tax	1,555,245	323,982
Deferred income tax	2,750	26,159
	1,557,995	350,141

No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong or incurred tax losses for both periods.

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

Management's Discussion and Analysis

Profit for the period

	Six months ended	
	30 June 2013 HK\$'000	30 June 2012 HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	3,276,684	2,881,184
Amortisation of prepaid lease payments	39,940	34,848
Amortisation of mining rights	134,815	151,343
Total depreciation and amortisation	3,451,439	3,067,375
Employee benefit expenses	1,938,669	1,598,133
Included in other income		
Sales of scrap materials	251,543	155,400
Dividend income	151,965	84,786
Government grant	117,624	78,166
Interest income	111,226	273,671
CERs income	3,100	2,423
Others	126,132	93,013
Included in other gains and losses		
Fair value change on derivative financial instruments	522	828
Net exchange gains and losses	464,223	(117,284)
Others	(15,905)	8,289

Profit for the period attributable to owners of the Company

As a result of the above items, the Group's net profit for the first half of 2013 amounted to approximately HK\$5,331 million, representing an increase of 77.6% as compared to HK\$3,002 million in the first half of 2012.

Earnings per share

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

	Six months ended	
	30 June 2013	30 June 2012
Profit attributable to owners of the Company	5,330,636	3,001,672

	Number of ordinary shares for the six months ended	
	30 June 2013	30 June 2012
Weighted average number of ordinary shares	4,735,192,882	4,749,110,855
Effect of dilutive potential ordinary shares: – share options	23,528,627	33,181,744
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,758,721,509	4,782,292,599

Management's Discussion and Analysis

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of 8 HK cents per share for the six months ended 30 June 2013 (2012: interim dividend of 6 HK cents per share).

At the Board meeting held on 18 March 2013, the Directors proposed a final dividend of HK\$0.45 per share for the year ended 31 December 2012. The proposal was subsequently approved by shareholders on 7 June 2013. The final dividend paid in 2013 was approximately HK\$2,152 million (2012: HK\$1,140 million).

At the Board meeting held on 19 August 2013, the Directors declared an interim dividend of 8 HK cents per share (2012: interim dividend of 6 HK cents per share). Based on the latest number of shares in issue at the date of this announcement, the aggregate amount of the dividend is estimated to be HK\$383 million.

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on 19 September 2013. The register of members of the Company will be closed from Monday, 16 September 2013 to Thursday, 19 September 2013 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 13 September 2013. The dividend will be payable on or about Friday, 4 October 2013.

Capital structure management

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

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

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

Liquidity and financial resources, borrowings, and charge of assets

The Group had net current liabilities of approximately HK\$22,527 million as at 30 June 2013. The Directors are of the opinion that, taking into account the current available banking facilities and net operating cash inflows generated internally by the Group, the Group has sufficient working capital for its present requirements, that is, at least for the next 12 months from the date of the condensed consolidated financial statements.

Cash and cash equivalents as at 30 June 2013 denominated in local currency and foreign currencies mainly included HK\$468 million, RMB3,583 million and US\$22 million, respectively.

Management's Discussion and Analysis

The borrowings of the Group as at 31 December 2012 and 30 June 2013 were as follows:

	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000
Secured bank loans	1,908,072	5,548,401
Unsecured bank loans	59,941,150	56,290,178
Corporate bonds and notes	17,423,738	18,428,456
	79,272,960	80,267,035

The maturity profile of the above loans is as follows:

	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000
Within 1 year	14,074,707	20,390,649
Between 1 and 2 years	20,866,623	6,183,528
Between 2 and 5 years	25,413,608	34,143,493
Over 5 years	18,918,022	19,549,365
	79,272,960	80,267,035
The above secured borrowings are secured by:		
Pledge of assets (Note)	5,120,808	5,986,147

Note: Certain bank loans were secured by the Group's land use rights, buildings, power generating plant and equipment with carrying values of HK\$1,479,000 (2012: HK\$30,475,000), HK\$150,276,000 (2012: 10,773,000) and HK\$4,969,053,000 (2012: HK\$5,944,899,000).

The borrowings as at 30 June 2013 denominated in local currency and foreign currencies amounted to HK\$21,780 million, RMB40,843 million and US\$800 million, respectively.

The Group made use of interest rate swaps (net quarterly settlement) to minimise its exposure to changes in interest expenses of certain Hong Kong Dollar bank borrowings by swapping floating interest rates into fixed interest rates. As at 30 June 2013, loans of HK\$8,002 million which were provided using floating rates were swapped into fixed interest rates at a range from 1.12% to 2.33% per annum.

As at 30 June 2013, the Group's ratio of net debt to shareholders' equity was 126.7%. In the opinion of the Directors, the Group has a reasonable capital structure, which can support its future development plans and operations.

For the six months ended 30 June 2013, the Group's primary sources of funding included cash inflow from new bank borrowings, loan repaid from associates, cash of CR Daning and Elite Wing Limited as at acquisition date and net cash inflow from operating activities, which amounted to HK\$15,479 million, HK\$3,323 million, HK\$5,007 million and HK\$12,257 million respectively. The Group's funds were primarily used for the repayment of short-term bank borrowings, acquisition of and deposits paid for property, plant and equipment and prepaid lease payments, interest and dividend payments, which amounted to HK\$20,920 million, HK\$9,848 million, HK\$1,920 million and HK\$3,895 million respectively.

Management's Discussion and Analysis

Trade receivables, other receivables and prepayments

Trade receivables are generally due within 60 days from the date of billing.

The following is an ageing analysis based on the invoice date of trade receivables included in trade receivables, other receivables and prepayments at the end of the reporting period:

	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000
0-30 days	6,299,182	7,933,241
31-60 days	342,615	505,681
Over 60 days	1,542,842	1,611,172
	8,184,639	10,050,094

Trade payables, other payables and accruals

The following is an ageing analysis based on the invoice date of trade payables included in trade payables, other payables and accruals at the end of the reporting period:

	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000
0-30 days	3,337,699	5,539,284
31-90 days	842,290	1,476,954
Over 90 days	2,791,632	1,937,454
	6,971,621	8,953,692

Key financial ratios of the Group

	As at 30 June 2013	As at 31 December 2012
Current ratio (times)	0.50	0.56
Quick ratio (times)	0.43	0.50
Net debt to shareholders' equity (%)	126.7%	140.4%
EBITDA interest coverage (times)	6.4	4.5

Management's Discussion and Analysis

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

Foreign exchange risk

We collect all of our revenue in Renminbi ("RMB") and most of our expenditures, including expenditures incurred in the operation of power plants as well as capital expenditures, are denominated in RMB. Dividends receivables from the Company's subsidiaries and associates are collected in either RMB, US Dollar ("USD") or Hong Kong Dollar ("HKD").

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

As the functional currency of the Company and the Group is RMB and most of our revenue and expenditures are denominated in RMB, the Group did not make use of derivative financial instruments to hedge its exposure against changes in exchange rates of RMB against HKD and USD.

As at 30 June 2013, the Group had HK\$468 million and US\$22 million cash at bank, and HK\$21,780 million and US\$800 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2013.

Employees

As at 30 June 2013, the Group had approximately 42,989 employees.

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

Subsequent Event regarding Shanxi Coal Mines

On 3 September 2013, Taiyuan China Resources Coal Co., Ltd ("CR Taiyuan", an associate company of the Company) obtained the precise survey exploration permit 《礦產資源勘查許可證》 (permit number: T14520130701048043; effective from 3 September 2013 to 25 July 2015) for the Zhongshe coal field, Gujiao City, Shanxi Province and the detailed survey exploration permit 《礦產資源勘查許可證》 (permit number: T14520130701048042; effective from 3 September 2013 to 25 July 2015) for the Hongyatou coal fields 8# 9#, Gujiao City, Shanxi Province issued by the Department of Land and Resources of Shanxi Province. CR Taiyuan will continue the process of obtaining the mining permits for the aforesaid coal fields.

Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED

INTRODUCTION

We have reviewed the interim financial information set out on pages 33 to 63, which comprises the interim condensed consolidated balance sheet of China Resources Power Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2013 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 August 2013

Interim Condensed Consolidated Statement of Income

For the six months ended 30 June 2013

	Note	Unaudited Six months ended 30 June	
		2013 HK\$'000	2012 HK\$'000
Turnover	6	32,347,107	30,944,552
Operating expenses			
Fuels		(15,876,097)	(18,847,432)
Repairs and maintenance		(761,213)	(542,872)
Depreciation and amortisation	9	(3,451,439)	(3,067,375)
Employee benefit expenses	9	(1,938,669)	(1,598,133)
Consumables		(443,911)	(371,218)
Business tax and surcharge		(263,670)	(186,437)
Others		(2,482,124)	(1,803,766)
Total operating expenses		(25,217,123)	(26,417,233)
Other income	9	761,590	687,459
Other gains/(losses) – net	9	448,840	(108,167)
Operating profit		8,340,414	5,106,611
Finance costs	7	(1,704,337)	(2,007,184)
Share of results of associates		829,151	797,205
Share of results of joint ventures		233,295	(31,846)
Profit before income tax		7,698,523	3,864,786
Income tax expense	8	(1,557,995)	(350,141)
Profit for the period		6,140,528	3,514,645
Profit for the period attributable to:			
Owners of the Company	10	5,330,636	3,001,672
Non-controlling interests			
– Perpetual capital securities		210,962	213,383
– Others		598,930	299,590
		809,892	512,973
		6,140,528	3,514,645
Earnings per share attributable to owners of the Company during the period	10		
– Basic		HK\$1.13	HK\$0.63
– Diluted		HK\$1.12	HK\$0.63

The notes on pages 40 to 63 are an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

	Note	Unaudited	
		Six months ended 30 June	
		2013 HK\$'000	2012 HK\$'000
Profit for the period		6,140,528	3,514,645
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation difference		1,077,035	(229,437)
Share of changes in translation reserve of associates and joint ventures		127,115	(27,280)
Fair value changes on cash flow hedges, net of tax		123,864	(48,672)
Total items that may be reclassified subsequently to profit or loss		1,328,014	(305,389)
Other comprehensive income for the period, net of tax		1,328,014	(305,389)
Total comprehensive income for the period, net of tax		7,468,542	3,209,256
Attributable to:			
Owners of the Company		6,465,506	2,698,623
Non-controlling interests			
– Perpetual capital securities		210,713	213,383
– Others		792,323	297,250
		1,003,036	510,633
Total comprehensive income for the period, net of tax		7,468,542	3,209,256
		HK\$'000	HK\$'000
Dividends	11	382,616	285,297

The notes on pages 40 to 63 are an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Balance Sheet

As at 30 June 2013

	Note	Unaudited 30 June 2013 HK\$'000	Audited 31 December 2012 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	116,503,838	103,660,633
Prepaid lease payments		2,451,493	2,372,579
Mining rights	12	21,588,272	14,051,781
Goodwill	15	3,353,864	3,914,280
Prepayments for non-current assets		8,193,580	4,447,854
Investments in associates	13	13,340,405	19,060,119
Investments in joint ventures	14	2,028,916	1,728,980
Available-for-sale investments	16	1,321,719	1,319,116
Deferred income tax assets		404,500	264,296
Loan to an available-for-sale investee company		179,945	176,772
		169,366,532	150,996,410
Current assets			
Inventories		3,356,180	3,258,710
Trade receivables, other receivables and prepayments	17	13,356,708	14,758,931
Loans to associates	18	131,818	3,454,804
Loans to joint ventures	19	355,253	—
Amounts due from associates		205,630	592,171
Amounts due from joint ventures		82,321	—
Amounts due from other related companies		50,668	77,730
Financial assets at fair value through profit or loss		3,753	3,687
Pledged bank deposits		165,530	249,986
Cash and cash equivalents		5,137,425	4,397,289
		22,845,286	26,793,308
Total assets		192,211,818	177,789,718

Interim Condensed Consolidated Balance Sheet

As at 30 June 2013

	Note	Unaudited 30 June 2013 HK\$'000	Audited 31 December 2012 HK\$'000
EQUITY AND LIABILITY			
Equity attributable to owners of the Company			
Share capital	20	4,782,494	4,762,863
Share premium and reserves		53,747,332	49,280,120
		58,529,826	54,042,983
Non-controlling interests			
– Perpetual capital securities	23	5,896,673	5,897,056
– Others		13,838,214	8,955,962
		19,734,887	14,853,018
Total equity		78,264,713	68,896,001
LIABILITIES			
Non-current liabilities			
Borrowings	24	65,198,253	59,876,386
Derivative financial instruments	25	197,958	320,851
Deferred income tax liabilities	31(b)	2,549,532	573,881
Deferred income		507,542	487,547
Retirement benefit obligations		121,719	136,481
		68,575,004	61,395,146
Current liabilities			
Trade payables, other payables and accruals	26	22,162,456	23,022,262
Amounts due to associates	27	1,027,195	600,557
Amounts due to other related companies	28	7,223,367	2,977,131
Current income tax liabilities		884,376	506,479
Borrowings	24	14,074,707	20,390,649
Derivative financial instruments	25	—	1,493
		45,372,101	47,498,571
Total liabilities		113,947,105	108,893,717
Total equity and liabilities		192,211,818	177,789,718
Net current liabilities		(22,526,815)	(20,705,263)
Total assets less current liabilities		146,839,717	130,291,147

The notes on pages 40 to 63 are an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Unaudited											Non-controlling interests			Total equity
	Attributable to the owners of the Company														
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share-based compensation reserve HK\$'000	Hedging reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Perpetual capital securities HK\$'000	Others HK\$'000	Total HK\$'000	Total HK\$'000
Balance at 1 January 2013	4,762,863	16,964,744	1,740,980	40,782	162,835	(601,809)	7,124,465	185,705	(317,023)	23,979,441	54,042,983	5,897,056	8,955,962	14,853,018	68,896,001
Profit for the period	—	—	—	—	—	—	—	—	—	5,330,636	5,330,636	210,962	598,930	809,892	6,140,528
Currency translation difference	—	—	—	—	—	—	883,891	—	—	—	883,891	(249)	193,393	193,144	1,077,035
Share of changes in translation reserve of associates and joint ventures (Note 13, 14)	—	—	—	—	—	—	127,115	—	—	—	127,115	—	—	—	127,115
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	123,864	—	123,864	—	—	—	123,864
Total comprehensive income for the period ended 30 June 2013	—	—	—	—	—	—	1,011,006	—	123,864	5,330,636	6,465,506	210,713	792,323	1,003,036	7,468,542
Transactions with owners															
Shares issued upon exercise of options	19,631	137,186	—	—	—	—	—	—	—	—	156,817	—	—	—	156,817
Acquisitions of a subsidiary (Note 31)	—	—	—	—	—	—	—	—	—	—	—	—	5,891,046	5,891,046	5,891,046
Capital contributions by non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	137,865	137,865	137,865
Transfer of share option reserve upon exercise of share options	—	75,816	—	—	—	—	—	(75,816)	—	—	—	—	—	—	—
Interest paid for perpetual capital securities	—	—	—	—	—	—	—	—	—	—	—	(211,096)	—	(211,096)	(211,096)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(1,938,982)	(1,938,982)	(1,938,982)
Dividends paid to owners of the Company	—	—	—	—	—	—	—	—	—	(2,134,940)	(2,134,940)	—	—	—	(2,134,940)
Transfer of reserves	—	—	1,275,401	—	—	—	—	—	—	(1,275,401)	—	—	—	—	—
Transfers (Note 21)	—	—	—	—	128,089	—	—	—	—	(128,089)	—	—	—	—	—
Transfers upon utilisation (Note 21)	—	—	—	—	(108,103)	—	—	—	—	108,103	—	—	—	—	—
Others	—	—	(540)	—	—	—	—	—	—	—	(540)	—	—	—	(540)
Transactions with owners	19,631	213,002	1,274,861	—	19,986	—	—	(75,816)	—	(3,430,327)	(1,978,663)	(211,096)	4,089,929	3,878,833	1,900,170
Balance at 30 June 2013	4,782,494	17,177,746	3,015,841	40,782	182,821	(601,809)	8,135,471	109,889	(193,159)	25,879,750	58,529,826	5,896,673	13,838,214	19,734,887	78,264,713

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Attributable to the owners of the Company										Non-controlling interests			Total equity	
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award		Share-based compensation reserve HK\$'000	Hedging reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Perpetual capital securities HK\$'000	Others HK\$'000		Total HK\$'000
						Translation reserve HK\$'000	Scheme HK\$'000								
Balance at 1 January 2012	4,745,092	16,822,389	1,547,854	40,782	251,354	(588,354)	6,712,491	236,425	(314,538)	18,019,503	47,472,998	5,900,367	8,198,800	14,099,167	61,572,165
Profit for the period	—	—	—	—	—	—	—	—	—	3,001,672	3,001,672	213,383	299,590	512,973	3,514,645
Currency translation difference	—	—	—	—	—	—	(227,097)	—	—	—	(227,097)	—	(2,340)	(2,340)	(229,437)
Share of changes in translation reserve of associates and joint ventures	—	—	—	—	—	—	(27,280)	—	—	—	(27,280)	—	—	—	(27,280)
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	(48,672)	—	(48,672)	—	—	—	(48,672)
Total comprehensive income for the period ended 30 June 2012	—	—	—	—	—	—	(254,377)	—	(48,672)	3,001,672	2,698,623	213,383	297,250	510,633	3,209,256
Transactions with owners															
Shares issued upon exercise of options	7,019	26,268	—	—	—	—	—	—	—	—	33,287	—	—	—	33,287
Acquisitions of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	221,954	221,954	221,954
Capital contributions by non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	180,105	180,105	180,105
Capital contribution by government grants	—	—	—	—	4,564	—	—	—	—	—	4,564	—	206	206	4,770
Transfer of share option reserve upon exercise of share options	—	15,960	—	—	—	—	—	(15,960)	—	—	—	—	—	—	—
Purchase of shares under medium to long-term performance evaluation incentive plan	—	—	—	—	—	(13,455)	—	—	—	—	(13,455)	—	—	—	(13,455)
Interest paid for perpetual capital securities	—	—	—	—	—	—	—	—	—	—	—	(210,946)	—	(210,946)	(210,946)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(39,688)	(39,688)	(39,688)
Dividends paid to owners of the Company	—	—	—	—	—	—	—	—	—	(1,131,203)	(1,131,203)	—	—	—	(1,131,203)
Transfer of reserves	—	—	9,325	—	—	—	—	—	—	(9,325)	—	—	—	—	—
Transfers (Note 21)	—	—	—	—	132,929	—	—	—	—	(132,929)	—	—	—	—	—
Transfers upon utilisation (Note 21)	—	—	—	—	(87,660)	—	—	—	—	87,660	—	—	—	—	—
Transactions with owners	7,019	42,228	9,325	—	49,833	(13,455)	—	(15,960)	—	(1,185,797)	(1,106,807)	(210,946)	362,577	151,631	(955,176)
Balance at 30 June 2012	4,752,111	16,864,617	1,557,179	40,782	301,187	(601,809)	6,458,114	220,465	(363,210)	19,835,378	49,064,814	5,902,804	8,858,627	14,761,431	63,826,245

The notes on pages 40 to 63 are an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Note	Unaudited Six months ended 30 June	
		2013 HK\$'000	2012 HK\$'000
Cash flows from operating activities - net		12,256,973	8,383,202
Cash flows from investing activities			
Dividends received from associates		88,073	89,062
Dividends received from available-for-sale investments		—	84,786
Withdrawal of pledged bank deposits		84,456	51,567
Net cash inflow/(outflow) on acquisition of subsidiaries	31	5,007,498	(424,540)
Net cash inflow on disposal of an associate		423,626	—
Acquisition of and deposits paid for property, plant and equipment and prepaid lease payments		(9,847,885)	(4,634,106)
Acquisition of and deposits paid for mining rights and exploration and resources rights		(378,085)	(653,763)
Recovery of deposits for acquisition of mining rights and exploration and resources rights and related interests		—	1,558,209
Capital contributions into associates		(232,838)	(232,486)
Capital contributions into joint ventures		—	(146,373)
Advances to associates		—	(245,320)
Loans repaid by associates		3,322,986	—
Other investing cash inflows		543,976	152,157
Cash used in investing activities - net		(988,193)	(4,400,807)
Cash flows from financing activities			
Proceeds from bank and other borrowings raised	24	15,478,613	16,255,885
Proceeds from issuance of corporate bonds	24	—	2,453,200
Proceeds from issuance of shares for exercised options		156,817	33,287
Advances from associates and group companies		340,202	1,000,000
Capital contribution from non-controlling interests		137,865	180,105
Repayment of bank and other borrowings	24	(20,920,274)	(16,740,037)
Repayment of loan due to group companies		—	(1,465,920)
Loan from/(repayment of loan due to) associates		85,368	(458,347)
Dividends paid to owners of the Company	11	(2,134,940)	(1,131,203)
Dividends paid to non-controlling interests of the subsidiaries		(1,760,159)	(39,688)
Interests paid		(1,919,948)	(1,809,026)
Coupon paid on perpetual capital securities		(211,096)	(210,946)
Cash flows used in financing activities - net		(10,747,552)	(1,932,690)
Net increase in cash and cash equivalents		521,228	2,049,705
Cash and cash equivalents at beginning of the period		4,397,289	4,496,605
Exchange gain		218,908	124,556
Cash and cash equivalents at end of the period		5,137,425	6,670,866

The notes on pages 40 to 63 are an integral part of these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

1 GENERAL INFORMATION

China Resources Power Holdings Company Limited (the “Company”) is a public company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The intermediate holding company of the Company as at 30 June 2013 is China Resources (Holdings) Company Limited (the “CRH”), a company incorporated in Hong Kong. The directors regard the ultimate holding company of the Company to be China Resources National Corporation (the “CRNC”), a company registered in the People’s Republic of China (the “PRC”).

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) is principally engaged in the construction and operations of power stations, and coal mining. The address of the registered office of the Company is Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

This condensed consolidated interim financial information is presented in HK dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 19 August 2013.

These condensed consolidated interim financial statements have been reviewed, not audited.

Key event

The key events occurred during the period were the acquisition of the entire issued share capital of Elite Wing Limited and the consolidation of Shanxi China Resources-Danling Energy Co., Ltd. (former name: Shanxi Asian American-Danling Energy Co., Ltd.) (“Shanxi China Resources-Danling”), a former associate. For more details, please refer to Note 31(a) and Note 31(b) respectively.

2 BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with HKAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial information for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKFRSs”).

As at 30 June 2013, the Group had net current liabilities of approximately HK\$22,526,815,000. In addition, there was outstanding capital commitment amounting to HK\$34,199,011,000 (Note 29). The directors are of the opinion that, taking into account the current operation and business plan of the Group as well as the banking facilities (Note 24) available to the Group, the Group has sufficient working capital to enable it to meet in full its financial obligations as they fall due for the following twelve months from the balance sheet date. Therefore, the condensed consolidated interim financial information has been prepared on a going concern basis.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected annualised earnings.

(a) Standards, amendments, and interpretations to existing standards effective for the financial year beginning on or after 1 January 2013 and relevant to the Group:

- HKAS 1 (Amendment) 'Financial statements presentation'
- HKAS 19 (Amendment) 'Employee benefits'
- HKAS 27 (revised 2011) 'Separate financial statements'
- HKAS 28 (revised 2011) 'Associates and joint ventures'
- HKFRS 7 (Amendment) 'Financial instruments: Disclosures - Offsetting financial assets and financial liabilities'
- HKFRS 10 'Consolidated financial statements'
- HKFRS 11 'Joint arrangements'
- HKFRS 12 'Disclosure of interests in other entities'
- HKFRS 13 'Fair value measurements'
- HK(IFRIC) - Int 20 'Stripping costs in the production phase of a surface mine'

There was no material impact on the Group's condensed consolidated interim financial information by adopting these new standards, amendments, and interpretations to existing standards.

(b) New standards and amendments to standards that have been issued but are not effective for the financial year beginning on 1 January 2013 and relevant to the Group but have not been early adopted:

		Effective for the financial year beginning on or after
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date and transition disclosures	1 January 2015
HKFRS 9	Financial instruments	1 January 2015

The management is in the process of making an assessment of the impact of the above standards, and amendments to standards. Management is not yet in a position to state what impact they would have, if any, on the Group's results of operations and financial positions.

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

The Group operates a central treasury function at corporate level that surplus cash of operating entities within the Group is gathered in a pool. The cash balance in the pool is then advanced to entities within the Group with cash needs. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions in order to meet the liquidity requirements of the Group in the short and longer terms.

As stated in Note 2, the Group had net current liabilities of approximately HK\$22,526,815,000 at 30 June 2013 and outstanding capital commitment of HK\$34,199,011,000, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the Group had obtained sufficient short and long-term bank facilities at the end of the reporting period. In addition, there are positive operating cash flows generated by power plants and mines owned by the Group in the PRC. In this regard, the directors of the Company consider that the Group's liquidity risk has been significantly reduced and they are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the coming twelve months from 30 June 2013.

5.3 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2013.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	3,753	—	—	3,753
Available-for-sale investments	—	—	1,321,719	1,321,719
	3,753	—	1,321,719	1,325,472
Liabilities				
Derivative financial instruments	—	197,958	—	197,958

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

5 FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	3,687	—	—	3,687
Available-for-sale investments	—	—	1,319,116	1,319,116
	3,687	—	1,319,116	1,322,803
Liabilities				
Derivative financial instruments	—	322,344	—	322,344

Level 2 derivative financial instruments comprise interest rate swaps. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

During the period, there were no reclassifications of financial assets.

5.4 Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every half a year, in line with the Group's reporting dates.

5.5 Fair value of financial assets and liabilities measured at amortised cost

The fair value of financial assets and liabilities measured at amortised cost approximate their carrying amount.

6 SEGMENT INFORMATION

The chief operating decision-makers mainly include executive directors of the Company. For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews operating results and financial information on a group company by company basis. Each company is identified as an operating segment. When the group company operates in similar business model with similar target group of customers, the Group's operating segments are aggregated, resulting in two reportable segments for financial reporting purposes, comprising generation of electricity (inclusive of supply of heat generated by thermal power plant) and coal mining.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of central corporate expenses, interest income, finance costs, share of results of associates, share of results of joint ventures, and fair value change on derivative financial instruments. This is the measure reported to the chief operating decision marker for the purposes of resource allocation and performance assessment.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

6 SEGMENT INFORMATION (Continued)

Segment information about these operating divisions is presented below.

For the six months ended 30 June 2013:

	Generation of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	30,023,080	2,324,027	—	32,347,107
Inter-segment sales	—	12,142	(12,142)	—
Total	30,023,080	2,336,169	(12,142)	32,347,107
Segment profit	7,857,417	688,131	—	8,545,548
Central corporate expenses				(316,882)
Interest income				111,226
Fair value changes on derivative financial instruments				522
Finance costs				(1,704,337)
Share of results of associates				829,151
Share of results of joint ventures				233,295
Profit before taxation				7,698,523

For the six months ended 30 June 2012:

	Generation of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	28,424,168	2,520,384	—	30,944,552
Inter-segment sales	—	22,181	(22,181)	—
Total	28,424,168	2,542,565	(22,181)	30,944,552
Segment profit	4,278,977	797,718	—	5,076,695
Central corporate expenses				(244,583)
Interest income				273,671
Fair value changes on derivative financial instruments				828
Finance costs				(2,007,184)
Share of results of associates				797,205
Share of results of joint ventures				(31,846)
Profit before taxation				3,864,786

The bases of segmentation or measuring segment profit or loss have no changes from the annual financial statements as at 31 December 2012.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

6 SEGMENT INFORMATION (Continued)

Segment information about the Group's assets and liabilities is presented below:

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Segment assets		
– Generation of electricity	124,199,140	123,615,565
– Coal mining	45,023,740	26,955,930
Total segment assets	169,222,880	150,571,495
Investments in associates	13,340,405	19,060,119
Investments in joint ventures	2,028,916	1,728,980
Pledged bank deposits, and cash and cash equivalents	5,302,955	4,647,275
Deferred income tax assets	404,500	264,296
Corporate assets, mainly representing assets held by head office and investment holding companies	1,912,162	1,517,553
Consolidated assets	192,211,818	177,789,718
	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Segment liabilities		
– Generation of electricity	(13,922,312)	(13,285,256)
– Coal mining	(16,549,215)	(13,264,538)
Total segment liabilities	(30,471,527)	(26,549,794)
Bank and other borrowings	(79,272,960)	(80,267,035)
Derivative financial instruments	(197,958)	(322,344)
Deferred income tax liabilities	(2,549,532)	(573,881)
Current income tax liabilities	(884,376)	(506,479)
Corporate liabilities, mainly representing liabilities of head office and investment holding companies	(570,752)	(674,184)
Consolidated liabilities	(113,947,105)	(108,893,717)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, interests in joint ventures, pledged bank deposits, and cash and cash equivalents management by corporate office, deferred income tax assets and unallocated corporate assets; and
- all liabilities are allocated to operating segments other than bank and other borrowings, derivative financial instruments, current income tax liabilities, deferred income tax liabilities and unallocated corporate liabilities.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

7 FINANCE COSTS

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Interest on bank and other borrowings		
– wholly repayable within five years	1,434,890	1,392,868
– not wholly repayable within five years	39,851	180,868
Interest on corporate bonds		
– wholly repayable within five years	113,676	112,727
– not wholly repayable within five years	311,205	307,470
Others	97,537	170,477
	1,997,159	2,164,410
Less: Interest capitalised in property, plant and equipment	(292,822)	(157,226)
	1,704,337	2,007,184

8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Current income tax		
– PRC enterprise income tax	1,555,245	323,982
Deferred income tax	2,750	26,159
	1,557,995	350,141

No provision for Hong Kong income tax has been made as the Group had no taxable profit in Hong Kong or incurred tax losses for both years.

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

Pursuant to the relevant laws and regulations in the PRC, certain of the Company's PRC subsidiaries are exempt from PRC enterprise income tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years. This tax incentive expired in 2012 and the respective subsidiaries are subject to enterprise income tax rate at a rate of 25% in 2013. In addition, Pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment, certain wind power plants of the Group, which were set up after 1 January 2008, are entitled to a tax holiday of a three-year full PRC enterprise income tax exemption, followed by a three-year 50% exemption commencing from their first year of reporting turnover.

Pursuant to CaiShui [2011] No. 58 Notice on Tax Policy Issues concerning Further Implementing the Western China Development Strategy, certain entities of the Company's PRC subsidiaries, which are located in the western regions of the PRC, can enjoy a preferential income tax rate of 15%.

In addition, certain of the Company's PRC subsidiaries are also entitled to certain tax credit ("Tax Credit"), which is calculated as 10% of the current year's purchases and use of specific environmental friendly, water & energy saving, safety-enhanced equipment for production ("three specified equipment"). The portion of Tax Credit that is not utilised in the current period can be carried forward for future tax credit over a period of not more than five years.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

9 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Depreciation of property, plant and equipment	3,276,684	2,881,184
Amortisation of prepaid lease payments	39,940	34,848
Amortisation of mining rights	134,815	151,343
Total depreciation and amortisation	3,451,439	3,067,375
Employee benefit expenses	1,938,669	1,598,133
Included in other income		
CDM income	3,100	2,423
Sales of scrap materials	251,543	155,400
Interest income	111,226	273,671
Government grant (Note)	117,624	78,166
Dividend income	151,965	84,786
Others	126,132	93,013
Included in other gains and losses		
Fair value change on derivative financial instruments	522	828
Net exchange gains and losses	464,223	(117,284)
Others	(15,905)	8,289

Note: During the period ended 30 June 2013, the Group received grants from certain PRC governmental authorities to subsidise supply of heat at high operating costs amounting to HK\$26,892,000 (six months ended 30 June 2012: HK\$42,514,000). There were no ongoing obligations or conditions attached with these grants and, therefore, the Group recognised the grants upon receipt.

During the period ended 30 June 2013, the Group received grants from the PRC Government for encouraging the operations of certain of its PRC subsidiaries for increase in supply of electricity, amounting to HK\$63,771,000 (six months ended 30 June 2012: HK\$9,424,000) and for the development of environmental friendly electricity generation facilities, amounting to HK\$19,923,000 (six months ended 30 June 2012: HK\$19,461,000). There were no ongoing obligations or conditions attached to these grants and, therefore, the Group recognised the grants upon receipt.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

10 EARNINGS PER SHARE

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

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Profit attributable to owners of the Company	5,330,636	3,001,672
	Number of ordinary shares for six months ended 30 June	
	2013	2012
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,735,192,882	4,749,110,855
Effect of dilutive potential ordinary shares: – share options	23,528,627	33,181,744
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,758,721,509	4,782,292,599

11 DIVIDENDS

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Dividend recognised as distribution during the period: Final dividend paid in respect of the 2012 financial year of HK\$0.45 (2012: HK\$0.24) per share on 4,782,312,655 shares (2012: 4,751,344,725 shares) (a)	2,152,041	1,140,323
Dividend proposed after the end of the interim reporting period: Interim dividend proposed in respect of the current financial period (b)	382,616	285,297

(a) During the period ended 30 June 2013, dividends recognised as distributions amount to HK\$2,134,940,000 (six months ended 30 June 2012: HK\$1,131,203,000). They were stated after elimination of HK\$17,101,000 (six months ended 30 June 2012: HK\$9,120,000) paid for shares held by the Medium to Long-term Performance Evaluation Incentive Plan, which is a share award scheme of the Group.

(b) Subsequent to the end of this reporting period, an interim dividend of HK\$0.08 per share (2012: HK\$0.06 per share) was proposed by the board of directors on 19 August 2013. The proposed interim dividend for 2013 is based on 4,782,694,000 shares in issue as at 19 August 2013. This interim dividend, amounting to HK\$382,616,000 (2012: HK\$285,297,000), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year ending 31 December 2013.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

12 PROPERTY, PLANT AND EQUIPMENT/MINING RIGHTS

	Property, plant and equipment HK\$'000	Mining rights HK\$'000	Total HK\$'000
Six months ended 30 June 2013			
Opening balance at 1 January 2013	103,660,633	14,051,781	117,712,414
Additions	4,912,262	342,900	5,255,162
Acquisition of subsidiaries (Note 31)	9,927,379	7,073,012	17,000,391
Depreciation and amortisation	(3,556,042)	(130,608)	(3,686,650)
Disposals	(292,002)	(68)	(292,070)
Currency translation difference	1,851,608	251,255	2,102,863
Closing balance at 30 June 2013	116,503,838	21,588,272	138,092,110
Six months ended 30 June 2012			
Opening balance at 1 January 2012	96,418,551	10,703,707	107,122,258
Additions	5,569,768	465,089	6,034,857
Acquisition of a subsidiary	1,076,245	1,981,320	3,057,565
Depreciation and amortisation	(2,885,781)	(151,343)	(3,037,124)
Disposals	(94,802)	—	(94,802)
Currency translation difference	(914,082)	(173,186)	(1,087,268)
Closing balance at 30 June 2012	99,169,899	12,825,587	111,995,486

The addition in current period was mainly due to expansion of operations in the PRC.

13 INVESTMENTS IN ASSOCIATES

	Six months ended 30 June 2013 HK\$'000
Opening balance at 1 January 2013	19,060,119
Capital contribution to associates	232,838
Disposal of 5% interest of an associate (Note 31)	(606,203)
Conversion of an associate into a subsidiary (Note 31)	(6,183,273)
Dividend	(152,767)
Share of profit	829,151
Impairment charge	(23,361)
Other comprehensive income	104,824
Currency translation differences	79,077
Closing balance at 30 June 2013	13,340,405

The board of directors are in the opinion that the impairment provision set up against the carrying amount of investments was adequate as of 30 June 2013.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

14 INVESTMENTS IN JOINT VENTURES

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Opening balance at 1 January	1,728,980	1,694,679
Acquisition of a subsidiary (Note 31)	82,631	(500,596)
Capital contribution to joint ventures	—	146,373
Share of profit/(loss)	233,295	(31,846)
Other comprehensive income	22,291	—
Currency translation differences	(38,281)	20,256
Closing balance at 30 June	2,028,916	1,328,866

During the year ended 31 December 2010, the Group and an independent third party (the "Joint Venturer") entered into a share subscription agreement ("Share Subscription Agreement") and pursuant to which they formed a company, namely Resources J Energy Investment Limited ("Resources J"). The Group holds 50% of the issued share capital of Resources J and controls 50% of the voting power in its general meetings. Resources J in turn holds 100% indirect interest in China Resources Power (Hezhou) Co., Ltd. ("CRP Hezhou"), a company engaged in development of a power station in the PRC. Resources J is jointly controlled by the Group and the Joint Venturer by virtue of contractual arrangements between the two parties. Therefore, Resources J has been accounted for as a joint venture of the Group.

Pursuant to a Call Option Agreement entered into between the Group and the Joint Venturer dated 19 August 2010, the Joint Venturer granted the Group a call option at a consideration of HK\$1 to acquire 16% equity interest ("Call Option Shares") in Resources J at a pre-determined consideration. The consideration is determined based on the capital contributed by the Joint Venturer attributable for the Call Option Shares plus interest accrued at a compound annual interest rate at 5.5%, reduced by the dividend received by the Joint Venturer in respect of the Call Option Shares and the interest on dividend received by the Joint Venturer in respect of the Call Option Shares. The call option may be exercised on any business day within the period from 17 December 2015 to 1 January 2016 ("Call Option Period"). In the opinion of the directors of the Company, the fair value of the call option was not significant as of 30 June 2013 given that CRP Hezhou had less than one year's operation and the future commercial operations remain uncertain.

Pursuant to Put Option Agreement entered into between the Group and the Joint Venturer dated 19 August 2010, the Group granted the Joint Venturer two put options at a consideration of HK\$1. The first put option is to sell the 16% equity interest ("First Put Option Shares") in Resources J at a predetermined consideration. The first put option may be exercised on any business day within the period of 15 business days starting on the date that the Call Option Period expires, from 2 January 2016 to 17 January 2016. The second put option is to sell the 34% equity interest ("Second Put Option Shares") in Resources J at a pre-determined consideration. The second put option may only be exercised on any business day within a period of 15 business days starting on the 5th anniversary date of the commencement of the commercial operation of CRP Hezhou, when the first and the second power plants of CRP Hezhou having passed the 168 hour reliability test, as supported by certain document(s) issued by Southern Grid or its authorised branch, or any other competent authority in China after the test is passed. The consideration is pre-determined based on the capital contributed by the Joint Venturer attributable for First/Second Put Options Shares plus the interest at a compound annual interest at 5.5%, reduced by the dividend received by the Joint Venturer in respect of the First/Second Put Option Shares and the interest on dividend received by the Joint Venturer in respect of the First/Second Put Option Shares. In the opinion of the directors of the Company, the fair value of these two put options was not significant as of 30 June 2013 given that CRP Hezhou had less than one year's operation and the future commercial operations remain uncertainty.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

15 GOODWILL

The movements in the carrying amount of goodwill during the periods are as follows:

	Goodwill HK\$'000
At 1 January 2012	
Cost	4,033,453
Accumulated impairment loss	—
Net book amount	4,033,453
Six months ended 30 June 2012	
Opening net book amount	4,033,453
Currency translation differences	(946)
Closing net book amount	4,032,507
At 30 June 2012	
Cost	4,032,507
Accumulated impairment loss	—
Net book amount	4,032,507
At 1 January 2013	
Cost	4,188,280
Accumulated impairment loss	(274,000)
Net book amount	3,914,280
Six months ended 30 June 2013	
Opening net book amount	3,914,280
Impairment charge	(600,000)
Currency translation differences	39,584
Closing net book amount	3,353,864
At 30 June 2013	
Cost	4,227,864
Accumulated impairment loss	(874,000)
Net book amount	3,353,864

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

15 GOODWILL (Continued)

Impairment tests for goodwill:

Goodwill is allocated to the cash generating units (“CGUs”) of the Company’s subsidiaries operating power plants and coal mining in different provinces in the PRC. The carrying amounts of major goodwill allocated to individual CGUs are as follows:

Six months ended 30 June 2013	Opening HK\$'000	Impairment HK\$'000	Exchange difference HK\$'000	Closing HK\$'000
Generation of electricity and heat segment				
– Jinzhou Power Company	1,353,461	(400,000)	15,556	969,017
– Shenyang Power Company	714,825	(200,000)	107,597	622,422
– Other companies	1,440,157	—	(57,390)	1,382,767
Coal mining segment	405,837	—	(26,179)	379,658
Total	3,914,280	(600,000)	39,584	3,353,864

The recoverable amounts of each of the CGUs are determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and operating expenses are based on past practices and expectations of future changes in the market.

As at 30 June 2013, the Group performed impairment review for goodwill of Jinzhou Power Company and Shenyang Power Company as there is indication that the two CGUs may be impaired. The impairment review based on pre-tax cash flow projection covering a period of shorter than the useful life of the property, plant and equipment and operation period of each of the CGU. The first 5 years derived from the most recent financial budgets approved by management, while the forecast beyond 5 years is compiled based on the financial budget and assumes no growth. The pre-tax discount rate used by the cash flow projection is 12% (2012: 12%).

16 AVAILABLE-FOR-SALE INVESTMENTS

The available-for-sale investments represent investment in unlisted equity securities issued by nine (2012: nine) limited liability entities registered in the PRC. According to the assessment of directors of the Company, the fair value of these investments approximate to their carrying amounts as of 30 June 2013.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

17 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

Trade receivables are generally due within 60 days from the date of billing.

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

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Trade receivables:		
0 - 30 days	6,299,182	7,933,241
31 - 60 days	342,615	505,681
Over 60 days	1,542,842	1,611,172
	8,184,639	10,050,094

Included in the prepayment balance of the Group were prepayments for purchase of coal and fuel amounting to HK\$518,779,000 (31 December 2012: HK\$546,252,000). In addition, other receivables and prepayments included an amount of input VAT and prepayment for income tax of HK\$2,503,397,000 (31 December 2012: HK\$2,334,710,000). The balances of trade receivables and other receivables are unsecured, non-interest bearing and repayable on demand.

18 LOANS TO ASSOCIATES

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Current	131,818	3,454,804

As at 31 December 2012, the loans to associates comprised an amount of approximately HK\$2,579,182,000 due from Taiyuan China Resources Coal Co., Ltd. ("Taiyuan China Resources Coal"), an amount of approximately HK\$567,304,000 due from China Resources (Xuzhou) Electric Power Co., Ltd ("Xuzhou Electric Power") and an amount of approximately HK\$308,318,000 due from Jiangsu Zhenjiang Generator Co., Ltd ("Jiangsu Zhenjiang Generator"). They were unsecured, with annual interest rate of ranging from 5.85% to 6.37%. The loans to Taiyuan China Resources Coal and Jiangsu Zhenjiang Generator had been fully repaid to the Group in cash during the current period.

As at 30 June 2013, loan to the associate is denominated in RMB, and unsecured with annual interest rate levied at 5.85%.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

19 LOANS TO JOINT VENTURES

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Current	355,253	—

As at 30 June 2013, the loans to joint ventures are unsecured and comprise amounts of approximately HK\$342,950,000 and HK\$12,303,000 due from two joint ventures of Shanxi China Resources-Daning Energy, with annual interest rates of ranging from 6.48% to 8.28%. The amounts of HK\$342,950,000 are overdue.

20 SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised:		
Balance at 31 December 2012 and 30 June 2013	10,000,000	10,000,000
Issued and fully paid:		
Balance at 31 December 2012 and 1 January 2013	4,762,863	4,762,863
Issue upon exercise of share options	19,631	19,631
Balance at 30 June 2013	4,782,494	4,782,494

21 CAPITAL RESERVE

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Opening balance at 1 January	162,835	251,354
Transfers (a)	128,089	132,929
Transfers upon utilisation (b)	(108,103)	(87,660)
Others	—	4,564
Closing balance at 30 June	182,821	301,187

- (a) Pursuant to certain regulations in the People's Republic of China (the "PRC") relating to the mining industry, the Group is required to transfer to the capital reserve account an amount being calculated based on the volume of coal ore extracted each year and at the applicable rate per tonne of coal ore. Pursuant to the relevant provisions of the PRC Companies Law, the fund can only be used for future improvement of the mining facilities and enhancement of safety production environment. The fund is not available for distribution to shareholders of the Company.
- (b) During the period ended 30 June 2013, HK\$108,103,000 (six months ended 30 June 2012: HK\$87,660,000) of the reserve set up was utilised in the relevant assets and expenditures as stated in Note a. The corresponding amount was then transferred from this reserve account to retained earnings.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

22 SHARE OPTIONS

The Company has two share option schemes for granting options to eligible directors of the Company and employees of the Group and other participants in order to acquire ordinary shares of the Company.

The options granted are exercisable within a period of ten years from the dates of grant and there is a general vesting period of five years. 20% of the share options will be allowed to exercise upon each of the first five anniversaries of the dates of grant.

Details of the share options outstanding during the current period are as follows:

	Outstanding at 1 January 2013	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2013
exercise price:				
– HK\$2.75 per share	12,504,186	(3,679,724)	(203,600)	8,620,862
– HK\$3.919 per share	5,051,800	(457,200)	—	4,594,600
– HK\$4.175 per share	1,387,180	(745,840)	—	641,340
– HK\$4.641 per share	8,168,576	(2,744,466)	—	5,424,110
– HK\$6.925 per share	7,216,520	(3,314,720)	—	3,901,800
– HK\$12.21 per share	19,817,000	(8,689,740)	—	11,127,260
Number of share option	54,145,262	(19,631,690)	(203,600)	34,309,972

The weighted average closing price of the Company's shares at dates on which the options were exercised during the period was HK\$21.48.

23 PERPETUAL CAPITAL SECURITIES

On 11 May 2011, China Resources Power East Foundation Co., Ltd., a subsidiary of the Group, issued US\$750,000,000 (equivalent to HK\$5,835,750,000) 7.25% Guaranteed Perpetual Capital Securities ("Perpetual Capital Securities") at an issue price of 100 per cent which is guaranteed by the Company. The Perpetual Capital Securities were issued for general corporate funding purposes. Coupon payments of 7.25% per annum on the Perpetual Capital Securities are paid semi-annually in arrears from 9 November 2011 and can be deferred at the discretion of the Group. The Perpetual Capital Securities have no fixed maturity and are redeemable at the discretion of the Group on or after 9 May 2016 at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon interest payments are unpaid or deferred, the Group undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

24 BORROWINGS

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Non-current	65,198,253	59,876,386
Current	14,074,707	20,390,649
	79,272,960	80,267,035

Movement in borrowings is analysed as follows:

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Opening balance at 1 January	80,267,035	82,987,231
Borrowings of subsidiaries acquired (Note 31)	3,502,699	851,561
Proceeds from new borrowings	15,478,613	16,255,885
Proceeds from medium-term notes	—	2,453,200
Repayments of borrowings	(20,920,274)	(16,740,037)
Currency translation difference	944,887	(397,521)
Closing balance at 30 June	79,272,960	85,410,319

Interest expenses on borrowings for the six months ended 30 June 2013 is HK\$1,704,337,000 (30 June 2012: HK\$2,007,184,000).

As at 30 June 2013, the interest rate risk of the Group's borrowings of HK\$8,002,000,000 (31 December 2012: HK\$8,202,000,000) was hedged using interest rate swaps (floating to fixed interest swaps) (see Note 25 for details).

As at 30 June 2013, the Group had HK\$75,324,600,000 of unutilized banking facilities granted by various financial institutions (31 December 2012: approximately HK\$70,209,702,000). These facilities are obtained for financing the ongoing investments and operations of the Group.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

25 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives under hedge accounting is analysed as follows:

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Cash flow hedges - Interest rate swaps		
Analysed for reporting purposes:		
– Current	—	1,493
– Non-current	197,958	320,851
Cash flow hedges	197,958	322,344

The Group uses interest rate swaps (net quarterly settlement) to minimise its exposure to interest expenses of certain of its floating-rate Hong Kong Dollar/United States Dollar bank borrowings by swapping floating interest rates to fixed interest rates.

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2013 were HK\$8,002,000,000 (31 December 2012: HK\$8,202,000,000). At 30 June 2013, the fixed interest rates vary from 1.12% to 2.325% (31 December 2012: 1.12% to 3.36%), and the main floating rates are HIBOR and LIBOR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 30 June 2013 will be continuously released to the statement of income until the repayment of the bank borrowings.

For the six months ended 30 June 2013, the gross fair value gain and fair value loss from the interest rate swaps under cash flow hedge amounted to HK\$123,864,000 (six months ended 30 June 2012: HK\$70,803,000) and Nil (six months ended 30 June 2012: HK\$119,475,000), respectively, which resulted in a net fair value gain of HK\$123,864,000 (six months ended 30 June 2012: a net fair value loss of HK\$48,672,000) being deferred in equity. The amounts are expected to be released to statement of income when the related hedged interest expense arising from borrowings is charged to the statement of income on a quarterly basis. Fair value gain and fair value loss of interest rate swaps for the ineffective portion of the instruments amounted to HK\$1,854,000 (six months ended 30 June 2012: HK\$5,106,000) and HK\$1,332,000 (six months ended 30 June 2012: HK\$4,278,000), respectively. The net change in fair value amounting to HK\$522,000 (six months ended 30 June 2012: HK\$828,000) had been recognised in statement of income in the current period.

The above derivatives are measured at fair value by making reference to the market value provided by the respective financial institutions issuing such instruments.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

26 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

As at 30 June 2013, the ageing analysis of trade payables based on invoice date was as follows:

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Trade payables:		
0 - 30 days	3,337,699	5,539,284
31 - 90 days	842,290	1,476,954
Over 90 days	2,791,632	1,937,454
	6,971,621	8,953,692

27 AMOUNTS DUE TO ASSOCIATES

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Loans from associates (a)	609,531	514,919
Amounts due to associates (b)	417,664	85,638
	1,027,195	600,557

(a) Loans from associates are unsecured, with interest rates of ranging from 0% to 5.85% per annum, and repayable within one year.

(b) Amounts due to associates as at 30 June 2013 are unsecured, non-interest bearing, and repayable on demand.

28 AMOUNTS DUE TO OTHER RELATED COMPANIES

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Loan from an intermediate holding company (Note)	2,600,000	2,600,000
Amount due to a fellow subsidiary for business combination (Note 31(a))	4,286,807	1,636
Amounts due to non-controlling shareholders of subsidiaries	290,748	333,798
Others	45,812	41,697
	7,223,367	2,977,131

Note: As at 30 June 2013, the loan from an intermediate holding company is unsecured, bears interest rate of 3-month HIBOR plus 1.7% per annum. The amount will be repayable on or before 30 August 2013.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

29 CAPITAL COMMITMENTS

	As at	
	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Contracted for but not provided in the financial information		
– Capital expenditure in respect of the acquisition of property, plant and equipment	26,631,344	17,681,070
– Capital expenditure in respect of acquisition of mining/exploration rights	7,469,690	6,958,441
Authorised but not contracted for		
– Capital expenditure in respect of acquisition of property, plant and equipment	97,977	—
	34,199,011	24,639,511

30 RELATED PARTY TRANSACTIONS AND BALANCES

(a) During the period, the Group entered into the following significant transactions with related parties:

Name of related company	Relationship	Nature of transactions	Six months ended 30 June	
			2013 HK\$'000	2012 HK\$'000
CRH	Intermediate holding company	Interest expense paid (Note 28)	28,611	27,023
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	2,128	1,344
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	4,190	4,853
Taiyuan China Resources Coal	Associate	Purchase of coal Interest income received (Note 18)	150,073 37,948	— 48,128
Shangxi Jinrun Co., Ltd	Associate	Interest expense paid (Note 27(a))	—	8,055
Certain subsidiaries of China Resources Cements Holdings Limited	Fellow subsidiary	Sales of by product Sales of coal Purchase of limestone powder	10,173 16,525 —	7,709 242,234 1,327
China Resources Packaging Materials Co., Ltd.	Fellow subsidiary	Sales of coal	11,523	1,975
Jiangsu Zhenjiang Generator Co., Ltd	Associate	Sales of coal Sales of power Interest income received (Note 18)	916,404 1,311 3,855	1,194,831 16,788 —
China Resources (Xuzhou) Electric Power Co., Ltd	Associate	Sales of power Sales of coal Providing maintenance service Providing service Interest income received (Note 18)	107,509 106,710 4,096 3,566 8,791	49,833 — — — 11,287
CRP Hezhou	Joint venture	Providing maintenance service	5,322	—
Thriving Choice Limited	Fellow subsidiary	Interest expense paid (c)	7,441	—
Yangcheng Asia-america Daing railway operation Co.,Ltd	Joint venture	Interest income received (Note 19)	6,264	—
Lanhua Daning Electric Power Co., Ltd	Joint venture	Interest income received (Note 19)	199	—

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

30 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (b) The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Salary, wages and other benefits	10,003	6,869
Post-employment benefits	445	340
	10,448	7,209

- (c) The amount due to Thriving Choice Limited arising from the acquisition of Elite Wing Limited is unsecured, with annual interest rate of 3-month Hibor plus 1.6%. Details are set out in Note 31(a).
- (d) Except the disclosed in Notes 18, 19, 27, 28 and above, the amounts due from associates, amounts due from joint ventures, and amounts due from/to other related companies are unsecured, non-interest bearing and repayable on demand.
- (e) Transactions/balances with other state-controlled entities

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the Chinese government ("state-controlled entities"). In addition, the Group itself is part of a larger group of companies under CRNC, ultimate holding company of the Company, which is controlled by the Chinese State government. Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the condensed consolidated interim financial information, the Group also conducts business with other state-controlled entities during the ordinary course of its business. The directors consider those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned.

The Group operates power plants in the PRC and sells all its electricity to the power grid companies which are also state-controlled entities in the PRC. In addition, the Group purchases significant amount of coal from coal mining companies and have certain borrowings and deposits with certain banks which are state-controlled entities in its ordinary course of business. The Group has also entered into various transactions, including other operating expenses with other state-controlled entities which individually and collectively were insignificant during the period.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

31 BUSINESS COMBINATION

- (a) On 30 May 2013, the Group acquired the entire issued share capital of Elite Wing Limited from a fellow subsidiary of the Company, Thriving Choice Limited, at a total cash consideration of approximately HK\$4,286.8 million, together with interest expenses that would accrue thereon the amount from completion of the acquisition until payment is made (the "Wind Farm Acquisition"). Elite Wing Limited and its subsidiaries mainly comprises 30 wind power generation companies, which are engaged in the development and operations of wind farms in ten provinces of the PRC.

The Wind Farm Acquisition contributed revenue of approximately HK\$84,703,000 and net profit of approximately HK\$50,530,000 to the Group for the period from 31 May 2013 to 30 June 2013. If the Wind Farm Acquisition had occurred on 1 January 2013, consolidated revenue and net profit of the Group for the period ended 30 June 2013 would have been HK\$32,810,023,000 and HK\$6,528,164,000 respectively.

The following table summarises the consideration payable for the Wind Farm Acquisition, and the provisional fair value of the assets acquired and liabilities assumed recognised at the acquisition date.

Purchase consideration:	HK\$'000
– Cash payable to a fellow subsidiary (Note 28)	4,286,807
<hr/>	
Recognised amounts of identifiable assets acquired and liabilities assumed	Provisional fair value HK\$'000
Property, plant and equipment	8,139,278
Prepaid lease payment	58,665
Prepayments for non-current assets	430,577
Deferred income tax assets	2,095
Trade and other receivables	269,628
Cash and cash equivalents	325,933
Borrowings	(3,502,699)
Other long-term liability	(103,015)
Trade and other payables	(1,333,655)
Total identifiable net assets	4,286,807
Goodwill	—

The respective fair values of the acquired identifiable assets and liabilities were determined on a provisional basis and would be subject to further revisions.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013

(All amounts in HK\$ unless otherwise stated)

31 BUSINESS COMBINATION (Continued)

- (b) On 5 March 2013, AACI SAADEC (HK) Holdings Limited (“AACI(HK)”), a wholly-owned subsidiary of the Company, entered into an Equity Interest Transfer Agreement (the “Agreement”) with Shanxi Lanhua Science and Technology Company Ltd. (山西蘭花科技創業股份有限公司) (“the Purchaser”), one of the equity owners of Shanxi China Resources-Daning (the “TargetCo”), a then associate of the Group. Pursuant to the Agreement, the Purchaser agreed to purchase 5% equity interest of the TargetCo from AACI (HK) for a total consideration of RMB384,525,669 (approximately HK\$474,339,000), in which included the retained earnings in respect of the 5% equity interest of the TargetCo as of 31 March 2011 in the amount of RMB109,730,267 (approximately HK\$135,360,000) (the “Transaction”). The Purchaser also confirmed that AACI(HK) was entitled to the retained earnings of the TargetCo in respect of the 5% equity interest of the TargetCo from 1 April 2011 to 30 June 2012 in the amount of RMB46,553,808 (approximately HK\$57,427,000). Prior to the Acquisition, AACI(HK) held 56% equity interest of the TargetCo. After the Transaction, AACI(HK) holds 51% equity interest of the TargetCo.

At the same date of the Agreement, the Purchaser also entered into an Acting in Concert Undertaking with AACI(HK), which mandates the director representatives of the Purchaser attending board meetings of the TargetCo should vote according to the directions of AACI(HK). As a result, the board of directors of the Company assess that control of the TargetCo was transferred to the Group and the TargetCo had been accounted for as a subsidiary of the Group from the date of such undertaking.

The Transaction contributed revenue of approximately HK\$713,346,000 and net profit of approximately HK\$119,748,000 to the Group for the period from 6 March 2013 to 30 June 2013. If the Transaction had occurred on 1 January 2013, consolidated revenue and net profit of the Group for the period ended 30 June 2013 would have been HK\$33,507,934,000 and HK\$6,453,214,000 respectively.

The following table summarises the consideration for the Transaction, and the provisional fair value of the assets acquired and liabilities assumed recognised at the Transaction date.

	HK\$'000
Purchase consideration:	
– Fair value of 51% equity interest in the TargetCo held by the Group at the Transaction date	6,181,946
– Fair value of 5% equity interest in the TargetCo held by the Group at the Transaction date	545,466
Less: total consideration received on disposal of 5% equity interest	(531,766)
Total consideration	6,195,646

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2013
(All amounts in HK\$ unless otherwise stated)

31 BUSINESS COMBINATION (Continued)

(b) (Continued)

Recognised amounts of identifiable assets acquired and liabilities assumed

	Provisional fair value HK\$'000
Property, plant and equipment	1,788,101
Prepaid lease payments	32,038
Mining rights	7,073,012
Investments in joint ventures	82,631
Deferred income tax assets	141,190
Other non-current assets	1,210
Inventories	188,482
Trade and other receivables	859,892
Loans to joint ventures	355,253
Cash and cash equivalents	4,681,565
Deferred income tax liabilities	(1,957,179)
Trade and other payables	(544,439)
Current income tax liabilities	(615,064)
Total identifiable net assets	12,086,692
Less: Non-controlling interest	(5,891,046)
Total identifiable net assets attributable to owners of the Company	6,195,646
Goodwill	—

The respective fair values of the acquired identifiable assets and liabilities were determined on a provisional basis and would be subject to further revisions.

32 CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2013.

33 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Save as already disclosed in the notes to the condensed consolidated interim financial information, the Group had no other significant subsequent event.

Disclosure of Interests

SHARE OPTIONS

Detailed terms of the Pre-IPO Share Option Scheme and Share Option Scheme were disclosed in the 2012 Annual Report.

(A) Pre-IPO Share Option Scheme

Movement of the options under the Pre-IPO Share Option Scheme during the six months ended 30 June 2013 (the "Period") is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2013	Number of options lapsed or cancelled during the Period	Number of options exercised during the Period ⁽¹⁾	Number of options outstanding as at 30 June 2013	Date of expiry	Exercise price (HK\$)
Aggregate total of employees	6 Oct 2003	652,204	(203,600)	(325,760)	122,844	5 Oct 2013	2.750
Aggregate total of other participants	6 Oct 2003	11,851,982	—	(3,353,964)	8,498,018	5 Oct 2013	2.750
		12,504,186	(203,600)	(3,679,724)	8,620,862		

Notes:

1. The weighted average closing price of the shares of the Company (the "Shares") immediately before the dates on which the options were exercised was HK\$21.14.
2. No option was granted under the Pre-IPO Share Option Scheme during the Period.

Disclosure of Interests

(B) Share Option Scheme

Movement of the options granted under the Share Option Scheme during the six months ended 30 June 2013 is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2013	Number of options exercised during the Period ⁽¹⁾	Number of options outstanding as at 30 June 2013	Date of expiry	Exercise price (HK\$)
Name of Director						
Wang Yu Jun	18 Mar 2005	101,800	(101,800)	—	17 Mar 2015	3.919
Zhang Shen Wen	18 Mar 2005	244,320	(244,320)	—	17 Mar 2015	3.919
Anthony H. Adams	18 Nov 2005	109,156	(109,156)	—	17 Nov 2015	4.641
Chen Ji Min	30 Mar 2007	203,600	—	203,600	29 Mar 2017	12.210
Andrew Ma Chiu Cheung	30 Mar 2007	203,600	—	203,600	29 Mar 2017	12.210
Aggregate total of employees						
	1 Sep 2004	1,387,180	(745,840)	641,340	31 Aug 2014	4.175
	18 Mar 2005	1,426,640	(111,080)	1,315,560	17 Mar 2015	3.919
	18 Nov 2005	8,059,420	(2,635,310)	5,424,110	17 Nov 2015	4.641
	5 Sep 2006	7,216,520	(3,314,720)	3,901,800	4 Sep 2016	6.925
	30 Mar 2007	19,409,800	(8,689,740)	10,720,060	29 Mar 2017	12.210
Aggregate total of other participants						
	18 Mar 2005	3,279,040	—	3,279,040	17 Mar 2015	3.919
		41,641,076	(15,951,966)	25,689,110		

Notes:

1. The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$21.55.
2. No option was granted, lapsed or cancelled under the Share Option Scheme during the Period.

Disclosure of Interests

DIRECTORS' INTERESTS IN SECURITIES

Save as disclosed below, as at 30 June 2013, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein:

(A) The Company

Details of Shares and outstanding options granted under the Pre-IPO Share Option Scheme and Share Option Scheme in the Company held by the Directors as at 30 June 2013 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of the Company
Zhou Junqing	Beneficial Owner	470,864	Long	0.010%
	Interest of Spouse	20,000	Long	0.000%
Wang Yu Jun	Beneficial Owner	381,870	Long	0.008%
Wang Xiao Bin	Beneficial Owner	3,664,560	Long	0.077%
Zhang Shen Wen	Beneficial Owner	2,671,120	Long	0.056%
Du Wen Min	Beneficial Owner	480,240	Long	0.010%
Raymond Ch`ien Kuo Fung	Beneficial Owner	30,000	Long	0.001%
	Interest of spouse	4,000	Long	0.000%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2013	Number of options exercised during the Period	Number of options and underlying shares as at 30 June 2013	Percentage of the issued share capital of the Company
Wang Yu Jun	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	101,800	(101,800)	—	0.000%
Zhang Shen Wen	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	244,320	(244,320)	—	0.000%
Anthony H. Adams	Beneficial Owner	18 Nov 2005	17 Nov 2015	4.641	109,156	(109,156)	—	0.000%
Chen Ji Min	Beneficial Owner	30 Mar 2007	29 Mar 2017	12.210	203,600	—	203,600	0.004%
Andrew Ma Chiu Cheung	Beneficial Owner	30 Mar 2007	29 Mar 2017	12.210	203,600	—	203,600	0.004%

Disclosure of Interests

(B) China Resources Enterprise, Limited

China Resources Enterprise, Limited ("CRE") is an associated corporation of the Company (as defined under the SFO). Details of shares in CRE held by the Directors as at 30 June 2013 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CRE
Du Wen Min	Beneficial Owner	100,000	Long	0.004%
Zhang Shen Wen	Beneficial Owner	20,000	Long	0.001%

(C) China Resources Gas Group Limited

China Resources Gas Group Limited ("CR Gas") is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Gas held by the Directors as at 30 June 2013 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Gas
Zhou Junqing	Beneficial Owner	34,800	Long	0.002%
Zhang Shen Wen	Beneficial Owner	66,000	Long	0.003%
Du Wen Min	Beneficial Owner	54,000	Long	0.002%

(D) China Resources Land Limited

China Resources Land Limited ("CR Land") is an associated corporation of the Company (as defined under the SFO). Details of the shares in CR Land held by the Directors as at 30 June 2013 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Land
Zhou Junqing	Beneficial Owner	30,000	Long	0.001%
Du Wen Min	Beneficial Owner	640,000	Long	0.011%
Chen Ying	Beneficial Owner	500,000	Long	0.009%

Disclosure of Interests

(E) China Resources Cement Holdings Limited

China Resources Cement Holdings Limited ("CR Cement") is an associated corporation of the Company (as defined under the SFO). Details of the shares in CR Cement held by the Directors as at 30 June 2013 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Cement
Zhou Junqing	Beneficial Owner	178,000	Long	0.003%
Zhang Shen Wen	Beneficial Owner	100,000	Long	0.002%
Chen Ying	Beneficial Owner	230,000	Long	0.004%

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 June 2013, the Directors were not aware of any other persons (other than a Director or chief executive, whose interests are disclosed in the section headed "Directors' Interests in Securities" above) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO:

Name of shareholders	Capacity	No. of issued ordinary shares held	Long/short position	Approximate % of shareholding
CRH (Power) Limited	Beneficial owner	3,024,999,999	Long	63.25%
CRH	Interest in a controlled corporation	3,025,001,999	Long	63.25%
CRC Bluesky Limited	Interest of a controlled corporation	3,025,001,999	Long	63.25%
China Resources Co., Limited ("CRL")	Interest of a controlled corporation	3,025,001,999	Long	63.25%
China Resources National Corporation ("CRNC")	Interest of a controlled corporation	3,025,001,999	Long	63.25%

Note: CRH (Power) Limited is a 100% subsidiary of CRH, which is a 100% subsidiary of CRC Bluesky Limited, which is in turn owned as to 100% by CRL, which is in turn held as to 100% by CRNC. Each of CRH, CRNC, CRL and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in 3,024,999,999 Shares as those of CRH (Power) Limited. CRH, through another wholly-owned subsidiary, is interested in 2,000 Shares of the Company. Accordingly, each of CRNC, CRL and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in the 2,000 Shares as those of CRH.

Disclosure of Interests

MEDIUM TO LONG-TERM PERFORMANCE EVALUATION INCENTIVE PLAN

As an incentive to retain and motivate the employees, on 25 April 2008 (the "Adoption Date"), the Board resolved to adopt the Medium to Long-Term Performance Evaluation Incentive Plan (the "Plan") and the Company appointed BOCI-Prudential Trustee Limited as trustee to the Plan (the "Trustee"). Pursuant to the Plan, the Shares may be purchased by the Trustee from the market out of cash contribution by the Group and be held in trust for the selected employees until such Shares are vested with the selected employees in accordance with the provisions of the Plan. The Plan does not constitute a share option scheme pursuant to chapter 17 of the Listing Rules and is a discretionary Plan of the Company. The Board will implement the Plan in accordance with the terms of the Plan, including the provision of necessary funds to the Trustee for purchase of Shares up to 2% of the issued share capital of the Company as at the Adoption Date (i.e. 4,150,021,178 Shares). The Plan shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years unless terminated at the discretion of the Board at an earlier date.

From the Adoption Date up to 30 June 2013, the Trustee purchased accumulatively a total of 38,001,475 Shares, representing 0.92% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of approximately HK\$601,809,000 (including transaction costs). As at the date of this report, the purchased Shares have been held in trust by the Trustee on behalf of the Company for selected employees.

Corporate Governance and Other Information

CORPORATE GOVERNANCE CODE

During the period ended 30 June 2013, the Company has applied all of the principles and complied with the code provisions set out in the Corporate Governance Code (the "Code") as contained in Appendix 14 of the Listing Rules on the Stock Exchange of Hong Kong Limited.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

The Company and its subsidiaries did not purchase, sell or redeem any securities of the Company during the six months ended 30 June 2013.

AUDITORS AND AUDIT AND RISK COMMITTEE

The interim results for the six months ended 30 June 2013 have been reviewed by the Company's Audit and Risk Committee and PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the HKICPA.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules and has appointed five independent non-executive directors including at least one with related financial management expertise and representing at least one-third of the Board.

AUDIT AND RISK COMMITTEE

The Company has complied with Rule 3.21 of the Listing Rules and has established the Audit and Risk Committee comprising five members, majority of whom are Independent Non-executive Directors, including at least one with related financial management expertise.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

Corporate Information

Chairman	Zhou Junqing
President	Wang Yu Jun
Vice Chairman	Zhang Shen Wen
Chief Financial Officer and Company Secretary	Wang Xiao Bin
Executive Directors	Zhou Junqing Wang Yu Jun Zhang Shen Wen Wang Xiao Bin
Non-Executive Directors	Du Wen Min Wei Bin Huang Dao Guo Chen Ying
Independent Non-Executive Directors	Anthony H. Adams Chen Ji Min Andrew Ma Chiu Cheung Elsie Leung Oi-sie Raymond Ch`ien Kuo Fung
Auditors	PricewaterhouseCoopers
Legal Advisor	Morrison & Foerster
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
Registered Office	Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, General Line: (852) 2593 7530 Facsimile: (852) 2593 7531

Information for Investors

SHARE LISTING AND STOCK CODE

The Company's shares are listed on The Stock Exchange of Hong Kong Limited. The stock code is 836.

FINANCIAL DIARY

Six-month financial period end	30 June 2013
Announcement of interim results	19 August 2013
Last day to register for interim dividend	13 September 2013
Book close	16 September 2013 to 19 September 2013
Payment of interim dividend	4 October 2013

SHAREHOLDER ENQUIRIES

For inquires about share transfer and registration, please contact the Company's Share Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong.
Telephone: (852) 2862 8628
Facsimile: (852) 2865 0990

For inquires from investors and securities analysts, please contact:

Investor Relations Department
China Resources Power Holdings Company Limited
Room 2001-2002, 20th Floor, China Resources Building,
26 Harbour Road, Wanchai, Hong Kong.
General line: (852) 2593 7530
IR hotline: (852) 2593 7550
Facsimile: (852) 2593 7531/2593 7551
E-mail: crp-ir@crc.com.hk

OUR WEBSITE

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