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華潤電力控股有限公司

CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED

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

(Stock Code: 836)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2015

SUMMARY OF OPERATING RESULTS

The board of directors (the “Board”) of China Resources Power Holdings Company Limited (the “Company” or “CR Power”) announces the unaudited financial results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015.

For the six months ended 30 June 2015, the Group recorded a profit attributable to owners of the Company (“net profit”) of HK\$6,813 million, representing an increase of HK\$749 million or 12.4% from a net profit of HK\$6,064 million for the six months ended 30 June 2014. Basic earnings per share for the six months ended 30 June 2015 is 143.06 HK cents, representing an increase of 12.2% from 127.54 HK cents for the six months ended 30 June 2014.

The Board resolved to declare an interim dividend of 10 HK cents per share for the six months ended 30 June 2015.

	Six months ended	
	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Turnover (<i>HK\$'000</i>)	36,942,294	35,826,042
Profit attributable to owners of the Company (<i>HK\$'000</i>)	6,812,796	6,063,754
Basic earnings per share (<i>HK cents</i>)	143.06	127.54
Interim dividend per share (<i>HK cents</i>)	10.00	8.00
	As at 30 June 2015 (unaudited)	As at 31 December 2014 (audited)
Total assets (<i>HK\$'000</i>)	229,091,478	225,648,081
Cash and cash equivalents (<i>HK\$'000</i>)	11,850,864	8,285,135
Bank and other borrowings (<i>HK\$'000</i>)	100,279,701	100,432,860
Equity attributable to owners of the Company (<i>HK\$'000</i>)	74,429,161	70,794,403
Net debt to shareholders' equity (%)	118.0	129.1

BUSINESS REVIEW FOR THE FIRST HALF OF 2015

Growth of generation capacity

As at 30 June 2015, the Group had a total attributable operational generation capacity of 34,755MW.

In the first half of 2015, the Group commissioned five coal-fired generation units, including two 1,000MW ultra-supercritical generation units of Haifeng Power Plant in Guangdong, two 350MW heat and power co-generation units of Bohai New District Power Plant in Hebei and one 660MW heat and power co-generation unit of Jiaozuo Longyuan Power Plant in Henan, resulting in an increase in total attributable operational generation capacity of 3,360MW. Newly added total attributable operational generation capacity in wind-farms was 249MW.

As at 30 June 2015, the attributable operational generation capacity of our coal-fired power plants amounted to 30,596MW, representing 88.0% of the Group's total attributable operational generation capacity. Wind, gas-fired and hydro-power generation capacity amounted to 3,803MW, 77MW and 280MW, respectively, in aggregate representing 12.0% of our total attributable operational generation capacity.

Generation volume

The total net generation volume of our consolidated operating power plants amounted to 71,716,433MWh in the first half of 2015, representing an increase of 8.5% from 66,106,136MWh in the first half of 2014.

The growth in net generation volume of our consolidated operating power plants was mainly due to (1) five coal-fired generation units with total attributable capacity of 3,360MW and reserved wind farms with total attributable capacity of 249MW commissioned in the first half of 2015; and (2) three coal-fired generation units and a number of wind farms with total attributable capacity of 1,434MW commissioned in the second half of 2014.

For the 33 coal-fired power plants (including associate power plants) which were in commercial operations for the entire first six months of 2014 and 2015, net generation volume for the first half of 2015 decreased by 8.1% from the first half of 2014. The average full-load equivalent utilization hours for the first half of 2015 of these 33 coal-fired power plants amounted to 2,498 hours, representing a decrease of 8.2% from 2,721 hours for the first half of 2014.

Fuel costs

In the first half of 2015, average standard coal cost of our consolidated operating power plants decreased by 19.0% compared with the first half of 2014. Average unit fuel cost for our consolidated operating power plants was RMB156.82/MWh, representing a decrease of 19.5% compared with the first half of 2014. This was mainly due to decreasing coal prices and further enhanced operating efficiency of our subsidiary power plants as a result of our continuous implementation of lean management. The average net generation standard coal consumption rate of our consolidated operating power plants for the first half of 2015 was 305.99g/kWh, representing a decrease of 3.80g/kWh in comparison with the same period last year.

Coal production

In the first half of 2015, the Company's coal mines produced a total of 6.756 million tonnes of raw coal, representing an increase of 9.2% as compared to the same period last year. This was mainly due to the commissioning of certain coal mines upon completion of technical upgrades.

Development of renewable energy

As at 30 June 2015, the attributable operational generation capacity of the Company's wind power projects amounted to 3,803MW, representing an increase of 18.8% and 7.0% as compared to the end of June 2014 and the end of December 2014, respectively. The attributable operational generation capacity of our wind farms under construction amounted to 1,199MW. The average full-load equivalent utilization hours of wind farms that were in commercial operation in the entire first six months of 2014 and 2015 amounted to 1,148 hours versus 1,082 hours in the first half of 2014.

Environmental expenses

In the first half of 2015, the total amount of discharge fees incurred by the subsidiaries was approximately RMB71 million, which was RMB57 million or 44.5% lower than RMB128 million incurred in the first half of 2014. This was mainly due to the reduction of emission as a result of the installation of desulfurization, denitration and ash removal facilities on all of the operating coal-fired generation units of the Company.

PROSPECTS FOR THE SECOND HALF OF 2015

Due to the macroeconomic downturn and structural changes in industrial production, in the first half of 2015, national power consumption increased by 1.3%, representing a decline of 4 percentage points as compared to the same period last year. In the second half of 2015, the Group does not expect any significant growth in power consumption as demand for power is expected to be weak, while the supply of power will be abundant. One of the primary focuses for CR Power will be to strive for higher utilization hours.

Due to the continuous weak coal market, and abundant supply of coal in the domestic coal market, supply and demand of thermal coal has been on an easing trend. Coal prices continued to drop on a monthly basis and remained at low levels. Without a fundamental change in the trend of volume and structural surplus in the coal market, it is expected that coal prices will continue to remain weak in the short term.

The Group will continue to focus on organic growth and will comprehensively, systemically and deeply promote lean management and benchmarking in respect of the three divisions, i.e. thermal power, coal-mining and renewable energy. In this regard, the Group will continue to improve and optimize various productive and operational indicators, and enhance the overall operational efficiency and management of the Company.

In order to further reduce emissions and perform our social responsibilities in energy saving and emission reduction proactively, the Group plans to implement ultra-low emission transformation on 22 coal-fired generation units with a total attributable installed capacity of 8,276MW in 2015 to further reduce the emission of sulphur dioxide, nitrogen oxide and ash.

As at the end of June 2015, the attributable generation capacity of our coal-fired power plants under construction amounted to 1,320MW, including 2x660MW supercritical coal-fired generation units in Liuzhi, Guizhou.

In the second half of 2015, the Group plans to make preparations for the construction of a number of coal-fired generation units, including 2x660MW ultra-supercritical generation units in Wujianfang, Inner Mongolia, 2x1,000MW ultra-supercritical generation units in Caofeidian, Hebei and 2x350MW supercritical heat and power co-generation units using low calorific value coal in Ningwu, Shanxi.

OPERATING RESULTS

The results of operations for the six months ended 30 June 2015, 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 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)
Turnover	36,942,294	35,826,042
Operating expenses		
Fuels	(14,203,816)	(16,406,962)
Repairs and maintenance	(966,520)	(829,994)
Depreciation and amortisation	(4,861,281)	(4,079,659)
Employee benefit expenses	(2,323,591)	(2,363,102)
Consumables	(479,393)	(467,634)
Impairment charges	(1,167,847)	(1,999,262)
Business tax and surcharge	(501,640)	(334,410)
Others	(1,646,755)	(1,699,434)
Total operating expenses	<u>(26,150,843)</u>	<u>(28,180,457)</u>
Other income	855,263	670,902
Other (losses)/gains — net	<u>(59,784)</u>	<u>600,435</u>
Operating profit	11,586,930	8,916,922
Finance costs	(1,463,661)	(1,548,313)
Share of results of associates	481,419	306,107
Share of results of joint ventures	<u>132,833</u>	<u>278,341</u>
Profit before income tax	10,737,521	7,953,057
Income tax expense	<u>(2,724,726)</u>	<u>(2,021,813)</u>
Profit for the period	<u>8,012,795</u>	<u>5,931,244</u>
Profit for the period attributable to:		
Owners of the Company	6,812,796	6,063,754
Non-controlling interests		
- Perpetual capital securities	210,807	210,900
- Others	<u>989,192</u>	<u>(343,410)</u>
	<u>1,199,999</u>	<u>(132,510)</u>
	<u>8,012,795</u>	<u>5,931,244</u>
Earnings per share attributable to owners of the Company during the period		
- Basic	<u>HK\$1.43</u>	<u>HK\$1.28</u>
- Diluted	<u>HK\$1.43</u>	<u>HK\$1.27</u>

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended	
	30 June 2015	30 June 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit for the period	<u>8,012,795</u>	<u>5,931,244</u>
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Currency translation difference	88,415	(732,496)
Share of changes in translation reserve of associates and joint ventures	11,350	(69,887)
Release to profit or loss in relation to disposal of associates	(100,441)	—
Fair value changes on cash flow hedges, net of tax	<u>50,112</u>	<u>34,117</u>
Total items that may be reclassified subsequently to profit or loss	<u>49,436</u>	<u>(768,266)</u>
Total comprehensive income for the period, net of tax	<u>8,062,231</u>	<u>5,162,978</u>
Attributable to:		
Owners of the Company	6,854,556	5,411,259
Non-controlling interests		
- Perpetual capital securities	210,807	210,900
- Others	<u>996,868</u>	<u>(459,181)</u>
	<u>1,207,675</u>	<u>(248,281)</u>
Total comprehensive income for the period	<u>8,062,231</u>	<u>5,162,978</u>

Interim Condensed Consolidated Balance Sheet

	As at 30 June 2015 <i>HK\$'000</i> <i>(unaudited)</i>	As at 31 December 2014 <i>HK\$'000</i> <i>(audited)</i>
ASSETS		
Non-current assets		
Property, plant and equipment	149,632,600	146,907,932
Prepaid lease payments	3,387,059	3,218,044
Mining rights	18,001,962	18,138,478
Exploration and resources rights	172,044	171,989
Prepayments for non-current assets	4,742,126	3,579,037
Investments in associates	10,273,134	11,222,297
Investments in joint ventures	2,206,674	2,472,578
Goodwill	2,698,255	3,123,668
Deferred income tax assets	917,601	739,113
Available-for-sale investments	1,656,972	1,656,455
Loans to an associate	1,504,460	809,229
Loan to a non-controlling shareholder of a subsidiary	17,119	17,113
Derivative financial instruments	—	575,898
Loan to an available-for-sale investee company	<u>181,757</u>	<u>181,698</u>
	<u>195,391,763</u>	<u>192,813,529</u>
Current assets		
Inventories	2,687,338	3,308,874
Trade receivables, other receivables and prepayments	16,668,716	19,684,542
Loans to joint ventures	145,311	371,575
Loan to an available-for-sale investee company	95,264	95,233
Amounts due from associates	458,358	106,025
Amounts due from joint ventures	541,306	120,181
Amounts due from other related companies	41,962	85,337
Financial assets at fair value through profit or loss	5,218	5,217
Derivative financial instruments	575,898	—
Pledged and restricted bank deposits	629,480	772,433
Cash and cash equivalents	<u>11,850,864</u>	<u>8,285,135</u>
	<u>33,699,715</u>	<u>32,834,552</u>
Total assets	<u><u>229,091,478</u></u>	<u><u>225,648,081</u></u>

	As at 30 June 2015 <i>HK\$'000</i> <i>(unaudited)</i>	As at 31 December 2014 <i>HK\$'000</i> <i>(audited)</i>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	22,123,075	22,102,792
Other reserves	15,559,912	14,710,033
Retained profits	<u>36,746,174</u>	<u>33,981,578</u>
	<u>74,429,161</u>	<u>70,794,403</u>
Non-controlling interests		
- Perpetual capital securities	5,897,196	5,897,106
- Others	<u>9,332,597</u>	<u>9,100,859</u>
	<u>15,229,793</u>	<u>14,997,965</u>
Total equity	<u><u>89,658,954</u></u>	<u><u>85,792,368</u></u>
LIABILITIES		
Non-current liabilities		
Borrowings	76,766,737	79,535,707
Derivative financial instruments	6,682	72,276
Deferred income tax liabilities	2,585,106	2,635,041
Deferred income	914,904	930,275
Retirement and other long-term employee benefits obligations	<u>627,027</u>	<u>626,397</u>
	<u>80,900,456</u>	<u>83,799,696</u>
Current liabilities		
Trade payables, other payables and accruals	31,591,324	31,960,657
Amounts due to associates	812,799	730,760
Amounts due to joint ventures	147,028	1,881
Amounts due to other related companies	1,192,490	959,233
Current income tax liabilities	1,225,753	1,486,367
Borrowings	23,512,964	20,897,153
Derivative financial instruments	<u>49,710</u>	<u>19,966</u>
	<u>58,532,068</u>	<u>56,056,017</u>
Total liabilities	<u><u>139,432,524</u></u>	<u><u>139,855,713</u></u>
Total equity and liabilities	<u><u>229,091,478</u></u>	<u><u>225,648,081</u></u>
Net current liabilities	<u><u>(24,832,353)</u></u>	<u><u>(23,221,465)</u></u>
Total assets less current liabilities	<u><u>170,559,410</u></u>	<u><u>169,592,064</u></u>

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended	
	30 June	30 June
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
CASH INFLOWS FROM OPERATING ACTIVITIES - NET	<u>15,308,115</u>	<u>12,715,963</u>
Cash flows from investing activities		
Dividends received from associates	312,939	527,296
Dividends received from a joint venture	—	751,678
Dividends received from available-for-sale investments	126,136	23,501
Decrease/(increase) in pledged and restricted bank deposits	142,953	(626,809)
Net cash inflow on disposal of equity investments	1,173,955	583,654
Acquisition of and deposits paid for property, plant and equipment and prepaid lease payments	(7,149,596)	(10,651,290)
Acquisition of and deposits paid for mining rights and exploration and resources rights	—	(114,053)
Capital contributions to an associate	(12,329)	—
Capital contributions to a joint venture	—	(219,763)
Loans to associates	(868,233)	(1,753,117)
Other investing cash inflows	<u>238,995</u>	<u>205,270</u>
CASH FLOWS USED IN INVESTING ACTIVITIES-NET	<u>(6,035,180)</u>	<u>(11,273,633)</u>

	Six months ended	
	30 June	30 June
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from financing activities		
Proceeds from bank borrowings	18,390,515	18,663,936
Proceeds from notes discounted	722,969	716,924
Proceeds from issuance of shares for exercised options	13,861	20,385
Capital contributions from non-controlling interests	—	167,432
Proceeds from disposal of interests in a subsidiary without loss of control	389,555	—
Repayment of bank and other borrowings	(16,569,926)	(8,723,701)
Repayment of bonds	(1,982,720)	—
Repayment of loan due to an intermediate holding company	—	(4,285,740)
(Repayment of advances from)/ advances from associates	(205,011)	844,253
Advances from (repayment of advance from) joint ventures	145,146	(290,934)
Dividends paid to owners of the Company	(3,330,663)	(3,182,310)
Dividends paid to non-controlling interests of the subsidiaries	(917,857)	(841,520)
Interests paid	(2,256,540)	(2,180,659)
Coupon paid on perpetual capital securities	<u>(210,717)</u>	<u>(210,766)</u>
Other financing cash inflows/(outflows)	100,858	(35,385)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES-NET	<u>(5,710,530)</u>	<u>661,915</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,562,405	2,104,245
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8,285,135	6,035,046
EXCHANGE GAINS/(LOSSES)	<u>3,324</u>	<u>(67,264)</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>11,850,864</u></u>	<u><u>8,072,027</u></u>

Overview

For the six months ended 30 June 2015, the Group's net profit increased by 12.4% to HK\$6,813 million from HK\$6,064 million for the same period in 2014.

Mainly due to the increase in total net generation volume of our consolidated operating power plants as new units commenced operation, and decrease in average unit fuel cost of our consolidated operating coal-fired power plants in comparison with the first half of 2014, our operating profit for the first half of 2015 increased by 29.9% to HK\$11,587 million as compared to the same period in 2014, which resulted in an increase in net profit of 12.4% for the first half of 2015 as compared to the same period in 2014.

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

- Increase in turnover. Turnover in the first half of 2015 increased by 3.1%, mainly attributable to the increase in net generation volume of our subsidiary power plants as compared to the same period last year as a result of newly commissioned coal-fired power projects and wind farms since second half of last year, partially offset by two rounds of on-grid tariff cuts for coal-fired power plants respectively in the second half of 2014 and the first half of 2015, and a fall in the average sales price of coal for subsidiary coal mines;
- Decrease in unit fuel costs. Average unit fuel cost was RMB156.82/MWh in the first half of 2015, representing a decrease of 19.5% when compared with the first half of 2014, which is mainly due to falling coal prices. In the first half of 2015, the unit price of standard coal decreased by 19.0% and the net generation standard coal consumption rate decreased by 3.80g/kWh when compared with the same period last year;

These increases were offset by:

- Decrease in gains on change in fair value. This was mainly due to the recognition of gains of HK\$576 million on changes in fair value of the call option to acquire additional 16% equity interest of Hezhou Power Plant in Guangxi, a joint venture, in the first half of 2014.
- Increase in income tax expense. Due to newly commissioned coal-fired generation units, a decrease in tax credit on specific equipment or expiration of preferential taxation treatment enjoyed by certain power plants, income tax expense increased by HK\$703 million or 34.8% as compared to the same period last year.

- Increase in profit attributable to non-controlling interests. Due to impairment provision made in respect of certain of our non-wholly owned coal mines in the same period last year and contributions from newly commissioned coal-fired generation units in the first half this year, profit attributable to non-controlling interest increased by HK\$1,333 million year-on-year.

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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard 34 “Interim financial reporting” by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Group had net current liabilities as at 30 June 2015. The Directors of the Company are of the opinion that, taking into account the current available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is, at least for the next 12 months from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

Accounting policies

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

New and amended standards, Company Ordinance effective for the financial year beginning on or after 1 January 2015:

- Amendment to HKAS19 regarding defined benefit plans: The change in accounting standard does not have any material impact on the Group.
- Annual improvements 2012 and 2013 do not have any material impact on the Group.

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) came into operation for the Company’s first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. It is concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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

SEGMENT INFORMATION

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

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

For the six months ended 30 June 2015

	Thermal power <i>HK\$'000</i>	Renewable energy <i>HK\$'000</i>	Coal mining <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
External sales	32,337,646	2,987,919	1,616,729	—	36,942,294
Inter-segment sales	<u>—</u>	<u>—</u>	<u>81,023</u>	<u>(81,023)</u>	<u>—</u>
Total	<u>32,337,646</u>	<u>2,987,919</u>	<u>1,697,752</u>	<u>(81,023)</u>	<u>36,942,294</u>
Segment profit/(loss)	<u>10,646,087</u>	<u>1,821,068</u>	<u>(644,692)</u>	<u>—</u>	<u>11,822,463</u>
Central corporate expenses					(333,183)
Interest income					145,197
Fair value changes on derivative financial instruments					(14,263)
Gains on disposal of equity investments					41,258
Finance costs					(1,463,661)
Share of results of associates					481,419
Share of results of joint ventures					132,833
Dividend income from available-for-sale investments					49,360
Exchange losses					<u>(123,902)</u>
Profit before income tax					<u>10,737,521</u>

For the six months ended 30 June 2014

	Thermal power	Renewable energy	Coal mining	Eliminations	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue					
External sales	31,594,141	2,272,327	1,959,574	—	35,826,042
Inter-segment sales	<u>—</u>	<u>—</u>	<u>121,392</u>	<u>(121,392)</u>	<u>—</u>
Total	<u>31,594,141</u>	<u>2,272,327</u>	<u>2,080,966</u>	<u>(121,392)</u>	<u>35,826,042</u>
Segment profit/(loss)	<u>9,045,632</u>	<u>1,284,364</u>	<u>(1,775,025)</u>	<u>—</u>	<u>8,554,971</u>
Central corporate expenses					(331,030)
Interest income					92,650
Fair value changes on derivative financial instruments					575,030
Gains on disposal of equity investments					275,868
Finance costs					(1,548,313)
Share of results of associates					306,107
Share of results of joint ventures					278,341
Dividend income from available-for-sale investments					26,178
Exchange losses					<u>(276,745)</u>
Profit before income tax					<u>7,953,057</u>

Geographical information

Substantially all of the Group's non-current assets are located in the People's Republic of China (the "PRC"), and operations for the 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 2015 was HK\$36,942 million, representing a 3.1% increase from HK\$35,826 million for the first half of 2014. The increase in turnover was mainly due to a year-on-year increase in total net generation volume of our consolidated operating power plants by 8.5% as a result of the commissioning of new generation units, partially offset by two rounds of on-grid tariff cuts for coal-fired power plants respectively in the second half of 2014 and the first half of 2015, and the decrease in average sales price of coal of our subsidiary coal mines as compared to the same period last year.

Operating expenses

Operating expenses mainly comprise fuels, repairs and maintenance, depreciation and amortisation, employee benefit expenses, consumables, business tax and surcharge, impairment charges, and other operating expenses. Other operating expenses include (among others) coal safety production fees, production maintenance fees, water charges, utility expenses, taxes, office rent and other management fees. Total operating expenses for the first half of 2015 amounted to HK\$26,151 million, representing a decrease of HK\$2,029 million or 7.2% from HK\$28,180 million in the first half of 2014.

Fuels in the first half of 2015 amounted to approximately HK\$14,204 million, representing a decrease of HK\$2,203 million or 13.4% from HK\$16,407 million in the first half of 2014. Although the net generation volume of our consolidated power plants increased by 8.5% over the same period last year, the average unit fuel cost for our consolidated coal-fired power plants in the first half of 2015 decreased by 19.5% over the same period last year, as a result, fuels decreased by 13.4% year-on-year.

Repairs and maintenance increased from HK\$830 million for the first half of 2014 to HK\$967 million for the first half of 2015, representing an increase of HK\$137 million or 16.4%. The increase in repairs and maintenance expenses was mainly due to increased generation capacity. Consumables expenses increased by HK\$12 million or 2.5% to HK\$479 million over the same period of last year.

Depreciation and amortisation increased from HK\$4,080 million for the first half of 2014 to HK\$4,861 million for the first half of 2015, representing an increase of HK\$781 million or 19.2%. This was mainly due to an increase in the operational generation capacity to 34,755MW as at 30 June 2015 from 29,897MW as at 30 June 2014. Newly commissioned coal-fired power plants and wind farms during the first half of 2015 and second half of last year are all subsidiary power plants.

Employee benefit expenses decreased by HK\$39 million or 1.7% from HK\$2,363 million in the first half of 2014 to HK\$2,324 million in the first half of 2015. Despite an increase in generating capacity, employee benefit expenses decreased in the first half of 2015 as compared to the same period last year as a result of employee termination benefits incurred in respect of the closure down of units of Jinzhou Power Plant in Liaoning in the first half of last year.

Business tax and surcharge increased by HK\$168 million or 50% from HK\$334 million in the first half of 2014 to HK\$502 million, among which business tax, urban maintenance and construction tax and education surcharge increased by approximately HK\$83 million mainly due to interest income from inter-company loans, and resource tax increased by approximately HK\$80 million mainly due to change in basis of calculation from volume sold to sales amounts effective from December 2014.

Impairment charges decreased by HK\$831 million from approximately HK\$1,999 million in the first half of 2014 to HK\$1,168 million, which was attributable to: (1) impairment charges in respect of certain power generation units of approximately HK\$451 million, including impairment charges of HK\$268 million in respect of the shut down of a 200MW unit in Tangshan China Resources Thermal Power Co., Ltd., impairment charges of approximately HK\$85 million in respect of a 180MW gas-fired unit in Guangzhou China Resources Thermal Power Co., Ltd. and impairment charges of approximately HK\$53 million in respect of write-off of desulfurization equipment in Nanjing Chemical Industrial Park Thermoelectricity Co., Ltd.; (2) provisions for bad debts, including approximately HK\$226 million in respect of entrusted loans due from Yangcheng Asian American-Danling Railroad Spur Operation Company Limited (陽城亞美大寧鐵路專線運營有限公司), a joint venture of Shanxi China Resources Daning Energy Co., Ltd. (山西華潤大寧能源有限公司) and approximately HK\$63 million in respect of a receivable from a debtor of Shanxi China Resources Liansheng Energy Investment Co., Ltd. (山西華潤聯盛能源投資有限公司); and (3) write-off of goodwill of approximately HK\$195 million, HK\$180 million and HK\$51 million, in respect of certain acquired projects including China Resources Tianneng Xuzhou Coal & Power Co., Ltd., Shenhai China Resources Thermal Power Co., Ltd. and China Resources Power (Xingning) Co., Ltd., respectively.

Other operating expenses decreased from HK\$1,699 million for the first half of 2014 to HK\$1,647 million for the first half of 2015. Other operating expenses for the first half of 2015 mainly included other production costs for our coal operations such as safety production fees and production maintenance fees in an aggregated amount of approximately HK\$113 million; other production costs for power operations such as

discharge fees, utility expenses and water charges in an aggregated amount of approximately HK\$730 million; and management fees such as taxes, office rent, building management fees, professional fees, transportation costs and other administrative fees in an aggregated amount of approximately HK\$804 million.

Other income and other losses - net

Other income amounted to approximately HK\$855 million for the first half of 2015, representing an increase of HK\$184 million or 27.5% from HK\$671 million for the first half of 2014, which was mainly attributable to increase in government grant, interest income, income from by-products and dividend income. Other income for the first half of 2015 mainly included sales of scrap materials of approximately HK\$389 million, interest income of approximately HK\$145 million, government grant of approximately HK\$125 million, dividend income of approximately HK\$49 million and service income from heat connection contracts of approximately HK\$28 million.

Other losses — net recorded a loss of approximately HK\$60 million for the first half of 2015, comprising exchange losses of HK\$124 million, gain on disposal of equity investments of HK\$41 million and revenue from insurance indemnities of HK\$21 million. Other gains — net recorded gains of HK\$600 million for the same period last year, mainly including gain on change in fair value of the call option to indirectly acquire additional 16% equity interest in Hezhou Power Plant, a joint venture, of HK\$576 million recognised in accordance with accounting standards for the first half of last year.

Fair value change on derivative financial instruments

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

Derivatives were initially recognised at fair value at the date when a derivative contract was entered into and subsequently re-measured their fair values at each balance sheet date. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges were deferred in equity. The gain or loss relating to the ineffective portion would be recognised immediately in the income statement under other gains/(losses). The losses of the ineffective portion arising from fair value changes of derivative financial instruments for the first half of 2015 were HK\$14,263,000 (the gains for the first half of 2014: HK\$868,000).

In 2010, the Group and an independent third party (the “Partner”) 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”), and Resources J indirectly holds 100% equity interest in Hezhou Power Plant.

Pursuant to a Call Option Agreement entered into between the Group and the Partner dated 19 August 2010, the Partner 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 Partner 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 Partner in respect of the Call Option Shares and the interest on dividend received by the Partner in respect of the Call Option Shares. As at 30 June 2014, the fair value of the call option was HK\$575,898,000, which remained unchanged in the first half of 2015.

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\$11,587 million for the first half of 2015, representing an increase of HK\$2,670 million or 29.9% from HK\$8,917 million for the first half of 2014. The increase was mainly due to (1) an increase in 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 coal-fired generation units; and (3) a decrease in impairment charges, which was partially offset by (1) decrease in net generation volumes on a same coal-fired power plant basis; (2) two rounds of on-grid tariff cuts for coal-fired power plants respectively in the second half of 2014 and the first half of 2015; and (3) decrease in gain on fair value change.

Finance costs

Finance costs amounted to approximately HK\$1,464 million for the first half of 2015, representing a decrease of 5.5% from HK\$1,548 million for the first half of 2014, mainly due to the decrease in the average cost of bank and other borrowings by approximately 0.14 percentage point to approximately 4.44% from 4.58% in the first half of 2014 and interest capitalization of the projects under construction. The average amount of bank and other borrowings (being the average of the sum of total interest-bearing liabilities at the beginning and the end of the period) increased to HK\$100,356 million in the first half of 2015 from HK\$94,873 million in the first half of 2014.

	Six months ended	
	30 June	30 June
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interests on bank borrowings		
— wholly repayable within five years	1,325,309	1,189,547
— not wholly repayable within five years	422,814	412,907
Interests on corporate bonds		
— wholly repayable within five years	370,011	300,501
— not wholly repayable within five years	—	112,073
Interests on loans from related parties		
— wholly repayable within five years	—	15,451
Others	<u>70,093</u>	<u>108,671</u>
	2,188,227	2,139,150
Less: Interests capitalized in property, plant and equipment	<u>(724,566)</u>	<u>(590,837)</u>
	<u>1,463,661</u>	<u>1,548,313</u>

Share of results of associates

Share of results of associates in the first half of 2015 amounted to HK\$481 million, representing a HK\$175 million or 57.3% increase from HK\$306 million in the first half of 2014. The increase was mainly due to the recognition of asset impairment charges in respect of certain associate coal mines of the Company in the first half of 2014.

Share of results of joint ventures

Share of results of joint ventures in the first half of 2015 amounted to HK\$133 million, as compared to HK\$278 million in the first half of last year. This was mainly attributable to a decrease in net generation volume of Hezhou Power Plant in Guangxi, a joint venture of the Group, by 26.5% over the same period of last year due to the regional macro-economic slowdown and negative impact of hydroelectric projects on coal-fired power plants in Southwestern region.

Income tax expense

Income tax expense for the first half of 2015 amounted to HK\$2,725 million, representing an increase of HK\$703 million or 34.8% from HK\$2,022 million for the first half of 2014. The increase in PRC enterprise income tax was mainly due to (1) an increase in income tax expense incurred by newly commissioned coal-fired generation units; (2) a decrease in income tax credit for coal-fired power plants' specific environmental friendly, water and energy-saving equipment; and (3) certain consolidated wind power projects entering preferential income tax stage with 50% concession or paying full tax rate. Details of the income tax expense for the six months ended 30 June 2014 and 2015 are set out below:

	Six months ended	
	30 June 2015	30 June 2014
	HK\$'000	HK\$'000
Current income tax - PRC enterprise income tax	2,952,788	2,222,255
Deferred income tax	<u>(228,062)</u>	<u>(200,442)</u>
	<u>2,724,726</u>	<u>2,021,813</u>

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

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

Profit for the period

	Six months ended	
	30 June 2015 HK\$'000	30 June 2014 HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	4,687,947	3,901,549
Amortisation of prepaid lease payments	38,880	36,462
Amortisation of mining rights	<u>134,454</u>	<u>141,648</u>
Total depreciation and amortisation	<u>4,861,281</u>	<u>4,079,659</u>
Employee benefit expenses	2,323,591	2,363,102
Included in other income		
Sales of scrap materials	389,327	341,378
Dividend income	49,360	26,178
Government grant	124,959	71,829
Interest income	145,197	92,650
Service income from heat connection contracts	27,664	38,012
Service fee income	34,519	23,689
Management fee income	14,569	18,395
Sales of outsourcing coal	9,879	17,179
Others	59,789	41,592
Included in other gains and losses		
Fair value changes on derivative financial instruments	(14,263)	575,030
Gains on disposal of equity investments	41,258	275,868
Net exchange losses	(123,902)	(276,745)
Others	<u>37,123</u>	<u>26,282</u>

Profit for the period attributable to owners of the Company

As a result of the above, the Group's net profit for the first half of 2015 amounted to approximately HK\$6,813 million, representing an increase of 12.4% as compared to HK\$6,064 million in the first half of 2014.

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 2015	30 June 2014
	HK\$'000	HK\$'000
Profit attributable to owners of the Company	<u>6,812,796</u>	<u>6,063,754</u>
	Number of ordinary shares	
	Six months ended	
	30 June 2015	30 June 2014
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,762,192,487	4,754,356,560
Effect of dilutive potential ordinary shares:		
— share options	<u>7,884,670</u>	<u>12,457,136</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>4,770,077,157</u>	<u>4,766,813,696</u>

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of 10 HK cents per share for the six months ended 30 June 2015 (2014: interim dividend of 8 HK cents per share). The interim dividend is to be paid in cash, with an option to receive new and fully paid shares in lieu of cash (the "Scrip Dividend Option Scheme"). Based on the number of shares in issue as at the date of this announcement, a total amount of dividend of approximately HK\$479,946,000 will be distributed.

A circular containing details of the Scrip Dividend Option Scheme together with the relevant election form will be sent to shareholders on or around 12 October 2015. The Scrip Dividend Option Scheme is conditional upon the granting by the Listing

Committee of the Stock Exchange of the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Option Scheme. It is expected the dividend warrants and the share certificates for the Scrip Dividend Option Scheme will be sent to shareholders on or around 6 November 2015.

At the Board meeting held on 19 March 2015, the Directors proposed a final dividend of HK\$0.70 per share for the year ended 31 December 2014. The proposal was subsequently approved by the shareholders of the Company on 8 June 2015. The final dividend paid in 2015 was approximately HK\$3,334 million (2014: HK\$3,186 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 25 September 2015. The register of members of the Company will be closed from Friday, 25 September 2015 to Wednesday, 30 September 2015 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 24 September 2015. The dividend will be payable on or about Friday, 6 November 2015.

Capital structure management

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

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

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

Liquidity and financial resources, borrowings, and charge of assets

The Group had net current liabilities of approximately HK\$24,832 million as at 30 June 2015. 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 2015 denominated in local currency and foreign currencies mainly included HK\$1,867 million, RMB6,870 million and US\$164 million, respectively.

The bank and other borrowings of the Group as at 31 December 2014 and 30 June 2015 were as follows:

	As at 30 June 2015 HK\$'000	As at 31 December 2014 HK\$'000
Secured bank loans	6,808,878	6,393,299
Unsecured bank loans	77,821,509	76,408,641
Corporate bonds and notes	<u>15,649,314</u>	<u>17,630,920</u>
	<u>100,279,701</u>	<u>100,432,860</u>

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

	As at 30 June 2015 HK\$'000	As at 31 December 2014 HK\$'000
Within 1 year	23,512,964	20,897,153
Between 1 and 2 years	12,106,726	18,638,320
Between 2 and 5 years	41,713,630	45,690,298
Over 5 years	<u>22,946,381</u>	<u>15,207,089</u>
	<u>100,279,701</u>	<u>100,432,860</u>

The above secured bank and other borrowings are secured by:

Pledge of assets (note)	<u>5,935,207</u>	<u>5,167,347</u>
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Note: Certain bank loans were secured by the Group's land use rights, buildings, power generating plant and equipment with carrying values of HK\$49,209,000 (2014: HK\$43,354,000), HK\$1,331,885,000 (2014: HK\$1,310,418,000) and HK\$4,554,113,000 (2014: HK\$3,813,575,000), respectively.

The bank and other borrowings as at 30 June 2015 denominated in local currency and foreign currencies mainly amounted to HK\$33,580 million, RMB47,790 million and US\$785 million, respectively.

As at 30 June 2015, bank and other borrowings of approximately HK\$33,580 million and US\$785 million (2014: HK\$33,532 million and US\$879 million) bore interest at a range from HIBOR plus 0.9% to HIBOR plus 2.2% per annum and LIBOR plus 1.34% to LIBOR plus 2% per annum, respectively. The remaining bank and other borrowings and loans from related parties carried interest rates at a range from 3.77% to 7.21% (1H2014: 4.42% to 6.88%) per annum.

The Group made use of interest rate swaps (net quarterly settlement) to minimise its exposure to changes in interest expenses of certain Hong Kong Dollar ("HKD") bank borrowings by swapping floating interest rates into fixed interest rates. As at 30 June 2015, loans of HK\$5,318 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 2015, the Group's ratio of net debt to shareholders' equity was 118.0%. 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 2015, the Group's primary sources of funding included new bank borrowings and net cash inflow from operating activities, which amounted to HK\$18,391 million and HK\$15,308 million respectively. The Group's funds were primarily used for the repayment of bank borrowings, acquisition of and deposits paid for property, plant and equipment and prepaid lease payments, interest and dividend payments, which amounted to HK\$16,570 million, HK\$7,429 million, HK\$2,257 million and HK\$4,249 million respectively.

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 trade receivables at the end of the reporting period:

	As at 30 June 2015 HK\$'000	As at 31 December 2014 HK\$'000
0-30 days	7,699,211	8,598,987
31-60 days	506,944	374,018
Over 60 days	<u>2,536,184</u>	<u>2,242,234</u>
	<u>10,742,339</u>	<u>11,215,239</u>

Trade payables

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

	As at 30 June 2015 HK\$'000	As at 31 December 2014 HK\$'000
0-30 days	6,867,712	7,111,508
31-90 days	1,986,594	1,795,255
Over 90 days	<u>1,554,862</u>	<u>1,557,285</u>
	<u>10,409,168</u>	<u>10,464,048</u>

Key financial ratios of the Group

	As at 30 June 2015	As at 31 December 2014
Current ratio (times)	0.58	0.59
Quick ratio (times)	0.53	0.53
Net debt to shareholders' equity (%)	118.0%	129.1%
EBITDA interest coverage (times) ⁽¹⁾	8.4	6.5

Current ratio = balance of current assets at the end of the period / balance of current liabilities at the end of the period

Quick ratio = (balance of current assets at the end of the period - balance of inventories at the end of the period) / balance of current liabilities at the end of the period

Net debt to shareholders' equity = (balance of borrowings at the end of the period - cash and cash equivalents at the end of the period - balance of pledged cash at the end of the period) / balance of equity attributable to owners of the Company at the end of the period

EBITDA interest coverage = (profit before income tax + interest expense + depreciation and amortisation) / interest expenses (including capitalized interests)

Foreign exchange risk

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

Note:

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

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

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

As at 30 June 2015, the Group had HK\$1,867 million and US\$164 million cash at bank, and HK\$33,580 million and US\$785 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent liabilities

As at 30 June 2015, the Group provided certain guarantees to HK\$1,011,940,000 (31 December 2014: HK\$1,051,518,000) to its related parties.

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

Employees

As at 30 June 2015, the Group had approximately 43,536 employees.

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

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the period, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules, except for the deviation of code provision A.2.1 in regards to the separate roles of the Chairman and the President.

The division of responsibilities between the Chairman and the President has been clearly established and set out in writing. Since 26 August 2014 up till now, both roles have been assumed by Ms. Zhou Junqing until a replacement is identified for the role of the President.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDITORS AND AUDIT AND RISK COMMITTEE

The interim results for the six months ended 30 June 2015 have been reviewed by the Company’s Audit and Risk Committee and auditors, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the HKICPA.

CHANGES SINCE 30 JUNE 2015

There were no other significant changes in the Group’s financial position or from the information disclosed under Management Discussion and Analysis in the interim report for the six months ended 30 June 2015.

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

Hong Kong, 18 August 2015

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