華能新能源股份有限公司
Huaneng Renewables Corporation Limited *

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 0958

INTERIM REPORT 2012

* FOR IDENTIFICATION PURPOSE ONLY

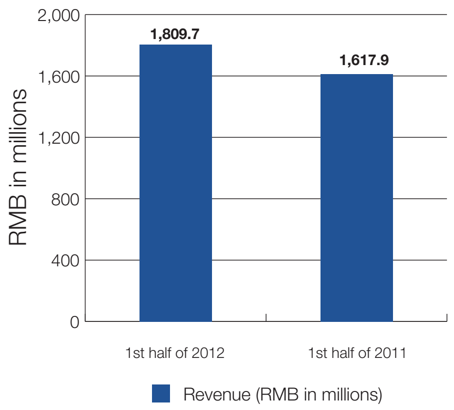
Contents

Interim Results

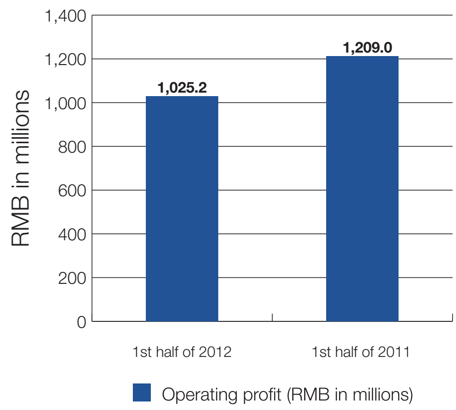
The board of directors (the "**Board**") of Huaneng Renewables Corporation Limited (the "**Company**") hereby announced the unaudited operating results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2012 and a comparison with the operating results for the corresponding period in 2011. For the six months ended 30 June 2012, the Group recorded consolidated revenue of RMB1,809.7 million, representing an increase of 11.86% over the corresponding period of 2011. The Group's operating profit amounted to RMB1,025.2 million, representing a decrease of 15.21% over the corresponding period of 2011. Net profit attributable to shareholders of the Company amounted to RMB246.2 million, representing a decrease of 63.43% over the corresponding period of 2011. As of 30 June 2012, net assets per share of the Group (excluding non-controlling interests) amounted to RMB1.37.

Note: Certain figures in this report have been subject to rounding adjustments, or have been rounded to one decimal place. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

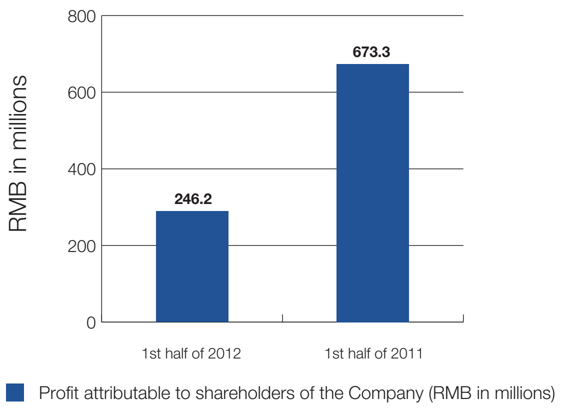
1. Revenue



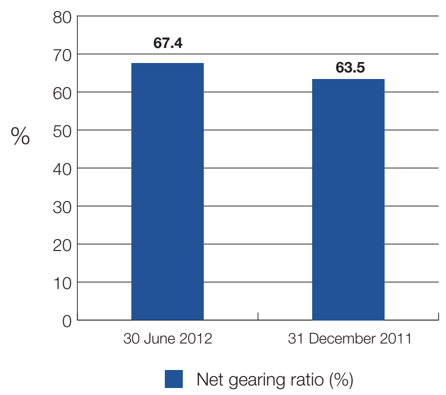
2. Operating profit



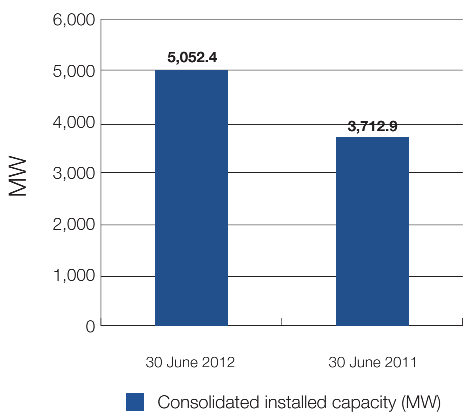
3. Profit attributable to shareholders of the Company



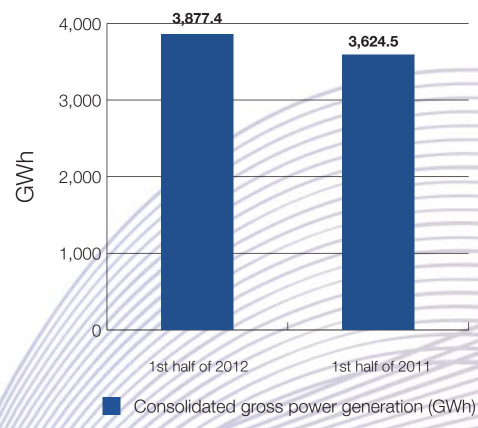
4. Net gearing ratio[(1)]



5. Consolidated installed capacity



6. Consolidated gross power generation



Note:

(1) The net gearing ratio is calculated by dividing the net debt (total borrowings and obligations under finance leases minus cash and cash equivalents) by the net debt plus total equity.

Financial Highlights

	For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Revenue	**1,809,744**	1,617,876
Profit before taxation	**303,022**	772,713
Income tax	**(25,798)**	(37,186)
Profit for the period	**277,224**	735,527
Attributable to:		
Shareholders of the Company	**246,228**	673,298
Non-controlling interests	**30,996**	62,229
Total comprehensive income for the period	**231,687**	735,527
Attributable to:		
Shareholders of the Company	**200,691**	673,298
Non-controlling interests	**30,996**	62,229
Basic and diluted earnings per share (RMB cents)	**2.92**	11.06

	As of 30 June 2012 RMB'000	As of 31 December 2011 RMB'000
Total non-current assets	**42,484,655**	41,356,375
Total current assets	**11,017,868**	10,174,321
TOTAL ASSETS	**53,502,523**	51,530,696
Total current liabilities	**14,813,053**	15,898,777
Total non-current liabilities	**26,243,553**	23,472,478
TOTAL LIABILITIES	**41,056,606**	39,371,255
NET ASSETS	**12,445,917**	12,159,441
Total equity attributable to the shareholders of the Company	**11,532,210**	11,331,519
Non-controlling interests	**913,707**	827,922
TOTAL EQUITY	**12,445,917**	12,159,441

Business Review for the First Half of the Year

OVERVIEW

For the first half of 2012, the slowed domestic economic growth and increased economic downward pressure resulted in a decreased year-on-year growth rate for nationwide electricity consumption. Wind condition across the whole country was generally unsatisfactory, and electricity output constraints in certain areas were intensive. Facing such severe business environment, the management of the Company worked closely with all staff to overcome challenges and persisted its focus on economic efficiency, optimised the layout of the projects, and successfully achieved new progress in safety production, project construction, preliminary development of projects, operation management, financial control, technology innovation and CDM projects' development.

1. Stable power generation with increase

For the first half of 2012, the Group proactively carried out wind power density forecast and upgrade of low voltage ride through equipments, furthered its operation analysis, adopted classification management for large spare parts, medium spare parts and expendable spare parts, enhanced marketing, strived to reduce loss resulting from electricity output constraints, and endeavored in increasing power generation.

For the first half of 2012, the Group achieved consolidated gross power generation of 3,877.4 GWh, representing an increase of 7.0% over the corresponding period of 2011. For the first half of 2012, the weighted average utilization hours of the Group amounted to 861 hours, representing a decrease of 23.4% over the corresponding period of 2011. Slowed growth rate in power generation and decrease in weighted average utilization hours was mainly caused by the intensive electricity output constraints in certain regions in the first half of 2012 and the decreased wind speed as compared with the corresponding period of 2011.

The consolidated gross power generation of the wind farms of the Group in the first half of 2012 and 2011 is set out by province as follows:

	Consolidated gross power generation (MWh)		
	First half of 2012	**First half of 2011**	**Rate of Change**
Inner Mongolia	**819,033.9**	1,299,255.7	-37.0%
Liaoning	**932,314.4**	992,474.7	-6.1%
Shandong	**691,388.3**	635,816.2	8.7%
Yunnan	**546,545.2**	272,639.5	100.5%
Shanxi	**220,175.3**	44,784.0	391.6%
Hebei	**186,730.4**	114,309.9	63.4%
Guizhou	**62,244.2**	7,494.7	730.5%
Guangdong	**166,279.8**	99,181.7	67.7%
Xinjiang	**154,861.1**	158,522.2	-2.3%
Shanghai	**54,959.9**	—	—
Jilin	**40,435.0**	—	—
Shaanxi	**2,389.9**	—	—
Total	**3,877,357.4**	3,624,478.6	7.0%

The weighted average utilization hours of the wind farms of the Group in the first half of 2012 and 2011 are set out by province as follows:

	Weighted average utilization hours (hours)		
	First half of 2012	First half of 2011	Rate of Change
Inner Mongolia	**490**	878	-44.2%
Liaoning	**974**	1,429	-31.8%
Shandong	**974**	1,183	-17.7%
Yunnan	**1,681**	1,597	5.3%
Shanxi	**1,004**	1,248	-19.5%
Hebei	**909**	1,123	-19.1%
Guizhou	**1,056**	—	—
Guangdong	**1,296**	1,348	-3.9%
Xinjiang	**1,564**	1,601	-2.3%
Shanghai	**925**	—	—
Jilin	**1,227**	—	—
Total	**861**	1,123	-23.4%

Note: As of 30 June 2012, the project located in Shaanxi province was still in commissioning period, therefore, it was not included in the calculation of weighted average utilization hours.

2. Continuously enhanced construction quality

Persisting in the vision to create "world-class wind farms" and targeting to enhance the quality and profitability of the projects, the Group continuously summarized its experience in project construction development, as well as improved management innovation. The Group also strengthened the control over construction process, enhanced overall construction management and promoted whole-process refined management, to ensure the safety and quality of projects in construction controllable and being controlled, thus developing high-quality wind farm projects.

For the first half of 2012, the Group had newly added installed capacity of 148.5 MW. As of 30 June 2012, the Group had 5,052.4 MW of consolidated installed capacity of wind power, representing an increase of 36.1% from that as of 30 June 2011.

The Group's consolidated installed capacity of wind power as of 30 June 2012 and 2011, respectively, is set out by province as follows:

	Consolidated installed capacity of wind power (MW)		
	As of 30 June 2012	As of 30 June 2011	Rate of Change
Inner Mongolia	**1,716.2**	1,567.7	9.5%
Liaoning	**1,048.5**	900.0	16.5%
Shandong	**744.2**	645.2	15.3%
Yunnan	**375.0**	187.5	100.0%
Shanxi	**346.5**	99.0	250.0%
Hebei	**249.0**	99.0	151.5%
Guizhou	**183.0**	42.0	335.7%
Guangdong	**172.6**	73.6	134.6%
Xinjiang	**99.0**	99.0	0.0%
Shanghai	**60.0**	—	—
Jilin	**49.5**	—	—
Shaanxi	**9.0**	—	—
Total	**5,052.4**	3,712.9	36.1%

3. Further advancement in the preliminary development of projects

For the first half of 2012, the Group had actively promoted the preliminary development of projects, and strived to seize opportunities to secure high-quality wind resources. As of 30 June 2012, the Group had wind power pipeline projects of 83,924.5 MW, located in 21 provinces and autonomous regions across the country. In the first half of 2012, the Group obtained approvals for 11 new projects with the capacity of 484 MW. To set up a solid platform to proceed with the approval application works related to the third batch of projects planned yet to be rectified under the national "Twelfth Five-year" Plan (the "**Third Batch Projects**"), the Group organized preliminary working meetings in a timely manner, allocated detailed assignments, adopted various measures, and specified its missions to include certain of its projects within the scope of the Third Batch Projects.

4. Improvement in operation management

For the first half of 2012, the Group further enhanced its marketing. The Group improved its benchmark management, carried out comparison on certain benchmark figures including the power generation and utilization hours of other companies in the same industry in different regions and adopted measures to strive for a leading position in the industry in terms of utilization hours. The Group emphasized the supervision and assessment on the marketing in areas affected by electricity output constraints, optimised management of daily dispatching for electricity generation and strove for maximum power generation. The weighted average on-grid tariff of the Group for the first half of 2012 was RMB 0.607/kWh (including value-added tax), representing a slight increase of 1.6% over the corresponding period of 2011. The Group maintained its leading position in the industry in terms of weighted average on-grid tariff.

5. Strengthening financial management

For the first half of 2012, the Group enhanced its financial management. While focusing on maintaining adequate fund reserve, the Group raised funds from various channels and endeavored to reduce financing costs. During the first half of 2012, the Group effectively saved financial costs by replacement of existing loans and payment of settled fund.

6. Improving technology innovation

For the first half of 2012, the Group actively promoted technology innovation and carried out preparation work for the national major science and technology project, the "863 Project". As the main leader of the 863 Project, the Group undertook two research issues, ie. "Technology Standardization of Design, Construction, Transportation and Maintenance on Offshore Wind Farms and Examination and Certification System Establishment" 「海上風電場設計、施工、運維相關技術規範及檢測認證體系建設」 and "Management and Decision System Research for Lifecycle of Large-Scale Offshore Wind Farms" 「大型海上風電場全生命週期的管理決策系統研究」. The Group also participated in the research issue "Design on Transportation and Maintenance on Offshore Wind Farms" 「海上風電場運維技術設計」.

7. New progress in CDM projects' development

As of 30 June 2012, 108 CDM projects of the Group with a capacity of 6,315.4 MW were approved by the National Development and Reform Commission of the PRC ("**NDRC**"), 57 CDM projects with a capacity of 3,600.9 MW were successfully registered with the CDM EB under the United Nations. In the first half of 2012, 15 projects with a capacity of 670.5 MW were newly approved, 6 projects with a capacity of 267.5 MW were newly registered.

Business Prospect for the Second Half of the Year

The Group is of the view that, new energy industry, as the key strategic emerging industry for development by the government, will enjoy sustainable development with the government's strengthening of its adjustment on economic structure. In particular, it is expected to be benefited from the renewable energy quota system to be launched in the second half of 2012, as well as the downward adjustment of interest rate during the year. Looking forward, the development of wind power industry in China still has a prosperous outlook.

In the second half of 2012, the Group will seize arising opportunities in the market, endeavor in optimising structure, enhance marketing, further standardize management, improve its efficiency, and actively coped with challenges encountered in the development during the first half of 2012, and focus on the following works:

1. Strengthen safety production management to maintain efficient, safe and stable production and operation.
2. Increase the reservation of pipeline projects, optimise resource layout and create sustainable development.
3. Promote project quality, actively accelerate the progress, speed up the progress of infrastructure construction.
4. Strengthen marketing, optimise fund allocation, and enhance profitability in operation.
5. Improve the corporate governance, optimise control procedures, and improve management standard.
6. Strengthen technology innovation, achieve major breakthroughs and emphasize advanced technology research.

Management Discussion and Analysis

OVERVIEW

In the first half of 2012, net profit of the Group amounted to RMB277.2 million, representing a decrease of RMB458.3 million or 62.31% as compared with RMB735.5 million for the corresponding period of 2011. Net profit attributable to shareholders of the Company amounted to RMB246.2 million, representing a decrease of 63.43% as compared with RMB673.3 million for the corresponding period of 2011. The decrease was primarily due to (1) intensive electricity output constraints and low wind speed as compared with the corresponding period of 2011, and (2) decrease of the market price of CERs.

REVENUE

Revenue of the Group amounted to RMB1,809.7 million in the first half of 2012, representing an increase of 11.86% as compared with RMB1,617.9 million for the corresponding period of 2011, primarily due to the increase in electricity sales volume resulting from the expansion of the consolidated installed capacity of the Group's wind power business. For the first half of 2012, the Group's revenue from sales of electricity amounted to RMB1,807.4 million, representing an increase of 11.77% as compared with RMB1,617.1 million for the corresponding period of 2011.

OTHER NET INCOME

Other net income of the Group amounted to RMB107.2 million in the first half of 2012, representing a decrease of RMB146.2 million or 57.68% as compared with RMB253.4 million for the corresponding period of 2011. The decrease was primarily due to the decrease of income from sales of CERs over the corresponding period of 2011.

OPERATING EXPENSES

Operating expenses of the Group amounted to RMB891.8 million in the first half of 2012, representing an increase of 34.66% from RMB662.3 million over the corresponding period of 2011. The increase was primarily due to the increase in depreciation and amortisation expenses caused by newly added installed capacity as well as increases in personnel costs.

Depreciation and amortisation expenses

Depreciation and amortisation expenses of the Group amounted to RMB742.0 million in the first half of 2012, representing an increase of 39.67% as compared with RMB531.3 million for the corresponding period of 2011. The increase was primarily due to the expansion of the Group's consolidated installed capacity.

Personnel costs

Personnel costs of the Group amounted to RMB53.8 million in the first half of 2012, representing an increase of 52.51% as compared with RMB35.2 million for the corresponding period of 2011. The increase was primarily due to the expansion of the Group's consolidated installed capacity and the increase in headcount.

Administration expenses and other operating expenses

Administration expenses and other operating expenses of the Group amounted to RMB86.2 million in the first half of 2012, representing a decrease of 4.70% as compared with RMB90.5 million for the corresponding period of 2011.

OPERATING PROFIT

Operating profit of the Group amounted to RMB1,025.2 million in the first half of 2012, representing a decrease of 15.21% as compared with RMB1,209.0 million for the corresponding period of 2011. The decrease was because of the revenue growth rate being lower than the operating expenses growth, which was mainly due to the electricity output constraints and low wind speed and the decrease of income from sales of CERs.

NET FINANCE EXPENSES

Net finance expenses of the Group amounted to RMB722.1 million in the first half of 2012, representing an increase of RMB285.8 million or 65.52% as compared with RMB436.3 million for the corresponding period of 2011. The increase was primarily due to (1) operating projects that ceased capitalisation of interest; (2) increase of average borrowing rate due to the increase of borrowing rate as compared with the corresponding period of 2011; and (3) increase of borrowings as compared with the corresponding period of 2011.

INCOME TAX

Income tax of the Group amounted to RMB25.8 million in the first half of 2012, representing a decrease of RMB11.4 million from RMB37.2 million for the corresponding period of 2011. The decrease was mainly due to the decrease of profit before taxation.

LIQUIDITY AND SOURCE OF FUNDING

As of 30 June 2012, the current assets of the Group amounted to RMB11,017.9 million, including cash at bank of RMB7,737.9 million, trade debtors and bill receivable of RMB2,616.5 million (of which trade debtors consisted of receivables from the sales of electricity amounted to RMB2,528.8 million and receivables for sales of CERs amounted to RMB79.0 million), prepayments and other current assets of RMB589.7 million (mainly consisted of receivables for sales of CERs). Current liabilities amounted to RMB14,813.1 million, including other payables of RMB6,221.0 million (primarily consisted of payables to suppliers for purchase of equipments, payables for construction and retention for construction contracts). Short term borrowings (including long-term borrowings due within one year) amounted to RMB8,215.7 million. As of 30 June 2012, current ratio of the Group was 0.74, representing an increase of 0.1 as compared with 0.64 as of 31 December 2011.

As of 30 June 2012, the Group's outstanding borrowings amounted to RMB29,929.7 million, representing an increase of RMB3,913.8 million as compared with that as of 31 December 2011. As of 30 June 2012, the Group's outstanding borrowings included short-term borrowings and long-term borrowings due within one year of RMB8,215.7 million, long-term borrowings (excluding long-term borrowings due within one year) of RMB21,714.0 million.

CAPITAL EXPENDITURE

The capital expenditure of the Group amounted to approximately RMB2,202.0 million as of 30 June 2012, representing a decrease of 48.79% as compared with RMB4,300.0 million for the corresponding period of 2011. The capital expenditure mainly consisted of construction costs of wind power projects of approximately RMB2,011.0 million and other capital expenditure of RMB191.0 million. The capital expenditure was mainly funded by internal resources, bank borrowings and other financing funds.

NET GEARING RATIO

As of 30 June 2012, the net gearing ratio of the Group, which is calculated by dividing net debt (total borrowings and obligations under finance lease minus cash and cash equivalents) by sum of net debt and total equity, was 67.4%, representing an increase of 3.9 percentage points as compared with 63.5% as of 31 December 2011. The increase was primarily due to increase of net debt because of the increase of installed capacity of the Group.

MATERIAL INVESTMENT

In June 2012, the Group acquired approximately 141 million shares of Huadian Fuxin Energy Corporation Limited (Hong Kong stock code: 00816) at the price of HK$1.65 per share (total investment equivalent to RMB191.0 million). The assets were presented as available-for-sale financial assets.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition and disposal in the first half of 2012.

PLEDGE OF ASSETS

The Group did not pledge any assets in the first half of 2012.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as of 30 June 2012.

Corporate Governance and Other Information

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to increase the transparency and accountability of the Board to all shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODES

Throughout the six months ended 30 June 2012, the Company has fully complied with the code provisions set out in the Code on Corporate Governance Practices effective until 31 March 2012 and Corporate Governance Code effective from 1 April 2012 contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules to govern securities transactions by its directors and supervisors. Having made specific enquiry to all directors and supervisors of the Company, all directors and supervisors have confirmed that they strictly complied with the required standard set out in the Model Code for the six months ended 30 June 2012.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in accordance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's internal control and financial reporting process and to maintain an appropriate relationship with the Company's independent auditors.

The Audit Committee comprises three members, namely, Mr. Zhou Shaopeng (independent non-executive director), Mr. Zhao Keyu (non-executive director) and Mr. Wan Kam To (independent non-executive director). Mr. Zhou Shaopeng currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed, discussed with senior management members of the Company and confirmed the announcement of interim results of the Group for the six months ended 30 June 2012, the 2012 interim report and the unaudited interim financial statements for the six months ended 30 June 2012. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 30 June 2012, none of the directors, supervisors or chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong (the "**SFO**")) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which have to be recorded in the register under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As of 30 June 2012, to the best knowledge of the directors of the Company, the followings are the persons (other than the directors, supervisors or chief executive of the Company), who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Class of shares	Capacity/Nature of interests	Number of shares held (shares)	Approximate percentage in the relevant class of shares[5] (%)	Approximate percentage in the total share capital[6] (%)
China Huaneng Group[1]	Domestic shares	Beneficial owner/Interest of controlled corporation	5,535,311,200 (Long position)	100.00%	65.53%
National Council for Social Security Fund (全國社會保障基金理事會)[2]	H shares	Beneficial owner	264,688,800 (Long position)	9.09%	3.13%
China Life Insurance (Group) Company	H shares	Interests of controlled corporation	22,500,000 (Long position)	0.77%	0.27%
		Beneficial owner	169,700,000 (Long position)	5.83%	2.01%
Best Investment Corporation[3]	H shares	Beneficial owner	193,184,000 (Long position)	6.64%	2.29%
China Investment Corporation (中國投資有限責任公司)[3]	H shares	Interests of controlled corporation	204,364,000 (Long position)	7.02%	2.42%
SCMB Overseas Limited[4]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
Standard Chartered Asia Limited[4]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
Standard Chartered Bank[4]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
Standard Chartered Holdings (International) B.V.[4]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
Standard Chartered Holdings Limited[4]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
Standard Chartered MB Holdings B.V.[4]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
Standard Chartered PLC[4]	H shares	Interests of controlled corporation	174,708,000 (Long position)	6.00%	2.07%
Standard Chartered Private Equity (Mauritius) III Limited[4]	H shares	Beneficial owner	155,542,000 (Long position)	5.34%	1.84%
Standard Chartered Private Equity Limited[4]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
Temasek Holdings (Private) Limited	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%

Name of shareholder	Class of shares	Capacity/Nature of interests	Number of shares held (shares)	Approximate percentage in the relevant class of shares(5) (%)	Approximate percentage in the total share capital(6) (%)
CSR Corporation Limited (中國南車股份有限公司)	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
CSR Group (中國南車集團公司)	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
State Grid International Development Limited (國家電網國際發展有限公司)	H shares	Beneficial owner	155,542,000 (Long position)	5.34%	1.84%
Government of Singapore Investment Corporation Pte Ltd.	H shares	Investment manager	146,558,000 (Long position)	5.03%	1.74%

Notes:

(1) China Huaneng Group is beneficially interested in 5,258,545,640 domestic shares, representing approximately 62.25% of the total share capital of the Company. Huaneng Capital Services Corporation Ltd. ("Huaneng Capital") is interested in 276,765,560 domestic shares, representing approximately 3.28% of the total share capital of the Company. Since Huaneng Capital is a wholly-owned subsidiary of China Huaneng Group, China Huaneng Group is therefore deemed to be interested in the domestic shares held by Huaneng Capital.

(2) National Council for Social Security Fund holds 248,570,000 H shares according to the record of share register.

(3) China Investment Corporation holds 204,364,000 H shares through its wholly-owned subsidiary Best Investment Corporation. Best Investment Corporation holds 193,184,000 H shares according to the record of share register.

(4) Standard Chartered PLC holds 174,708,000 H shares through its wholly-owned subsidiaries, namely SCMB Overseas Limited, Standard Chartered Asia Limited, Standard Chartered Bank, Standard Chartered Holdings (International) B.V., Standard Chartered Holdings Limited, Standard Chartered MB Holdings B.V., Standard Chartered Private Equity (Mauritius) III Limited and Standard Chartered Private Equity Limited. Each of the aforesaid wholly-owned subsidiaries holds 155,542,000 H shares according to the record of share register.

(5) It is calculated on the basis that the Company has issued 5,535,311,200 domestic shares or 2,911,586,800 H shares.

(6) It is calculated on the basis that the Company has issued 8,446,898,000 shares in total.

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

For the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

MATERIAL LITIGATION

As of 30 June 2012, the Company was not involved in any material litigation or arbitration. Nor were the directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2012.

Review Report

Review report to the board of directors of
Huaneng Renewables Corporation Limited
(Established in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 17 to 39 which comprises the consolidated balance sheet of Huaneng Renewables Corporation Limited (the "Company") as at 30 June 2012 and the related consolidated statement of comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim financial reporting, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report 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 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 the interim financial report consists of making enquiries, 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 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 report as at 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim financial reporting.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

21 August 2012

Unaudited consolidated statement of comprehensive income

For the six months ended 30 June 2012
(Expressed in Renminbi)

	Note	Six months ended 30 June 2012 RMB'000	Six months ended 30 June 2011 RMB'000
Revenue	5	**1,809,744**	1,617,876
Other net income	6	**107,233**	253,412
Operating expenses			
Depreciation and amortisation		**(742,019)**	(531,261)
Personnel costs		**(53,752)**	(35,244)
Repairs and maintenance		**(9,826)**	(5,314)
Administration expenses		**(45,582)**	(49,732)
Other operating expenses		**(40,642)**	(40,745)
		(891,821)	(662,296)
Operating profit		**1,025,156**	1,208,992
Finance income		**87,647**	13,320
Finance expenses		**(809,781)**	(449,599)
Net finance expenses	7	**(722,134)**	(436,279)
Profit before taxation	8	**303,022**	772,713
Income tax	9	**(25,798)**	(37,186)
Profit for the period		**277,224**	735,527
Other comprehensive income for the period, net of tax	10		
Exchange difference on translation of financial statements of an overseas subsidiary		**624**	—
Available-for-sale securities: net movement in fair value reserve		**(46,161)**	—
		(45,537)	—
Total comprehensive income for the period		**231,687**	735,527
Profit attributable to:			
Shareholders of the Company		**246,228**	673,298
Non-controlling interests		**30,996**	62,229
Profit for the period		**277,224**	735,527

The notes on pages 24 to 39 form part of this interim financial report.

Unaudited consolidated statement of comprehensive income

For the six months ended 30 June 2012
(Expressed in Renminbi)

	Note	Six months ended 30 June 2012 RMB'000	2011 RMB'000
Total comprehensive income attributable to:			
Shareholders of the Company		**200,691**	673,298
Non-controlling interests		**30,996**	62,229
Total comprehensive income for the period		**231,687**	735,527
Basic and diluted earnings per share (RMB cents)	11	**2.92**	11.06

The notes on pages 24 to 39 form part of this interim financial report.

Unaudited Consolidated Balance Sheet

At 30 June 2012

(Expressed in Renminbi)

	Note	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Non-current assets			
Property, plant and equipment	12	**38,103,746**	36,956,402
Lease prepayments		**101,021**	102,159
Intangible assets	13	**372,374**	381,390
Investment in a jointly controlled entity		**85,100**	85,100
Other non-current assets	14	**3,815,648**	3,824,175
Deferred tax assets		**6,766**	7,149
Total non-current assets		**42,484,655**	41,356,375
Current assets			
Inventories		**2,042**	2,086
Trade debtors and bills receivable	15	**2,616,531**	2,010,495
Prepayments and other current assets	16	**589,745**	584,276
Tax recoverable		**—**	9
Restricted deposits		**71,662**	59,467
Cash at bank and on hand	17	**7,737,888**	7,517,988
Total current assets		**11,017,868**	10,174,321
Current liabilities			
Borrowings	18	**8,215,663**	6,758,833
Obligations under finance leases	19	**352,427**	283,067
Other payables	20	**6,220,964**	8,838,884
Tax payable		**23,999**	17,993
Total current liabilities		**14,813,053**	15,898,777
Net current liabilities		**(3,795,185)**	(5,724,456)
Total assets less current liabilities		**38,689,470**	35,631,919
Non-current liabilities			
Borrowings	18	**21,714,002**	19,257,069
Obligations under finance lease	19	**2,567,980**	2,384,147
Retention payables		**1,681,110**	1,546,593
Deferred income		**253,329**	257,826
Deferred tax liabilities		**27,132**	26,843
Total non-current liabilities		**26,243,553**	23,472,478

The notes on pages 24 to 39 form part of this interim financial report.

Unaudited Consolidated Balance Sheet

At 30 June 2012
(Expressed in Renminbi)

	Note	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
NET ASSETS		**12,445,917**	12,159,441
CAPITAL AND RESERVES	21		
Share capital		**8,446,898**	8,446,898
Reserves		**3,085,312**	2,884,621
Total equity attributable to the shareholders of the Company		**11,532,210**	11,331,519
Non-controlling interests		**913,707**	827,922
TOTAL EQUITY		**12,445,917**	12,159,441

The notes on pages 24 to 39 form part of this interim financial report.

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

(Expressed in Renminbi)

	Attributable to the shareholders of the Company								
	Share capital RMB'000 (note 21(b))	Capital reserve RMB'000 (note 21(c)(i))	Statutory surplus reserve RMB'000 (note 21(c)(ii))	Exchange reserve RMB'000 (note 21(c)(iii))	Fair value reserve RMB'000 (note 21(c)(iv))	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2012	8,446,898	1,366,477	2,830	(785)	–	1,516,099	11,331,519	827,922	12,159,441
Changes in equity for the six months ended 30 June 2012:									
Profit for the period	–	–	–	–	–	246,228	246,228	30,996	277,224
Other comprehensive income	–	–	–	624	(46,161)	–	(45,537)	–	(45,537)
Total comprehensive income	–	–	–	624	(46,161)	246,228	200,691	30,996	231,687
Capital contributions	–	–	–	–	–	–	–	54,789	54,789
Balance at 30 June 2012	8,446,898	1,366,477	2,830	(161)	(46,161)	1,762,327	11,532,210	913,707	12,445,917

The notes on pages 24 to 39 form part of this interim financial report.

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012
(Expressed in Renminbi)

	Attributable to the shareholders of the Company						
	Share capital RMB'000	Capital reserve RMB'000 (note 21 (c)(i))	Statutory surplus reserve RMB'000 (note 21 (c)(ii))	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2011	5,800,000	(1,328,216)	2,830	809,272	5,283,886	834,933	6,118,819
Changes in equity for the six months ended 30 June 2011:							
Profit for the period	–	–	–	673,298	673,298	62,229	735,527
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	673,298	673,298	62,229	735,527
Issuance of shares upon public offering, net of issuing expenses	2,485,710	2,533,736	–	–	5,019,446	–	5,019,446
Capital contributions	–	–	–	–	–	5,382	5,382
Dividends by subsidiaries to non-controlling equity owners	–	–	–	–	–	(39,817)	(39,817)
Balance at 30 June 2011	8,285,710	1,205,520	2,830	1,482,570	10,976,630	862,727	11,839,357

The notes on pages 24 to 39 form part of this interim financial report.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2012
(Expressed in Renminbi)

		Six months ended 30 June	
		2012	2011
	Note	RMB'000	RMB'000
Cash generated from operations		**1,769,261**	1,551,033
Income tax paid		**(19,112)**	(15,276)
Net cash generated from operating activities		**1,750,149**	1,535,757
Net cash used in investing activities		**(5,308,129)**	(3,088,360)
Net cash generated from financing activities		**3,191,769**	8,822,767
Net (decrease)/increase in cash and cash equivalents		**(366,211)**	7,270,164
Cash and cash equivalents at 1 January	17	**7,506,226**	1,297,771
Effect of foreign exchanges rates changes		**24,707**	(10,595)
Cash and cash equivalents at 30 June	17	**7,164,722**	8,557,340

The notes on pages 24 to 39 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

1 Principal activities and organisation

Huaneng Renewables Corporation Limited (the "Company") was established in the People's Republic of China (the "PRC") on 5 August 2010 as a joint stock company with limited liability as part of the reorganisation of Huaneng New Energy Industrial Co., Ltd.. The Company and its subsidiaries (the "Group") are mainly engaged in wind power generation and sale.

On 10 June 2011, the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited.

2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, Interim financial reporting, issued by the International Accounting Standard Board ("IASB"). It was authorised for issuance on 21 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2011 annual financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with 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. KPMG's independent review report to the Board of Directors is included in the interim financial report.

The financial information relating to the financial year ended 31 December 2011 that is included in the interim financial report as being previously reported information does not constitute the Company's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2011 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 19 March 2012.

3 Changes in accounting policies

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. These include the amendments to IFRS 7 Financial instruments: disclosures concerning transfers of financial assets which require certain disclosures to be included in the annual financial statements in respect of all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset existing at the reporting date, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

None of the other developments are relevant to the Group's financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Seasonality of operations

The Group is engaged in wind power business, which generates more revenue in certain period in the year, depending on different wind conditions of the wind farms such as wind speed. Generally the wind speed is more favourable for power generation in spring and winter. As a result, the revenue and profit from wind power business fluctuates during the year.

5 Revenue

The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Sales of electricity	**1,807,393**	1,617,126
Others	**2,351**	750
	1,809,744	1,617,876

The Group has a single reportable segment which is wind power segment. As the Group does not have material operations outside the PRC, no geographic segment information is presented.

(Expressed in Renminbi)

6 Other net income

	Six months ended 30 June 2012 RMB'000	2011 RMB'000
Government grants		
— Certified Emission Reductions ("CERs") income	**64,888**	222,462
— Others	**41,886**	30,426
Others	**459**	524
	107,233	253,412

7 Finance income and expenses

	Six months ended 30 June 2012 RMB'000	2011 RMB'000
Interest income on financial assets	**63,564**	6,050
Foreign exchange gains	**24,083**	7,270
Finance income	**87,647**	13,320
Interest on borrowings and other financial liabilities	**1,076,799**	619,307
Less: interest expenses capitalised into property, plant and equipment	**286,403**	183,177
	790,396	436,130
Foreign exchange losses	**17,325**	10,602
Bank charges and others	**2,060**	2,867
Finance expenses	**809,781**	449,599
Net finance expenses recognised in profit or loss	**(722,134)**	(436,279)

The borrowing costs have been capitalised at rates of 6.15% to 7.06% per annum for the six months ended 30 June 2012 (six months ended 30 June 2011: 4.89% to 6.44% per annum).

8 Profit before taxation

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2012	**2011**
	RMB'000	**RMB'000**
Amortisation		
— lease prepayments	**1,137**	1,044
— intangible assets	**9,044**	8,697
Depreciation		
— property, plant and equipment	**731,838**	521,520
Operating lease charges		
— hire of properties	**7,822**	5,625
Cost of inventories	**2,949**	3,044

9 Income tax

(a) Taxation in the consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2012	**2011**
	RMB'000	**RMB'000**
Current tax		
Provision for the period	**25,126**	22,257
Under-provision in respect of prior periods	**—**	2,329
	25,126	24,586
Deferred tax		
Origination and reversal of temporary differences	**672**	12,600
	25,798	37,186

(Expressed in Renminbi)

9 Income tax (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Profit before taxation	**303,022**	772,713
Applicable tax rate	**25%**	25%
Notional tax on profit before taxation	**75,756**	193,178
Tax effect of non-deductible expenses	**561**	467
Effect of differential tax rate of certain subsidiaries of the Group (note(i))	**(40,719)**	(181,549)
Tax effect of unused tax losses not recognised	**(9,734)**	22,658
Under-provision in respect of prior periods	**—**	2,329
Others	**(66)**	103
Income tax	**25,798**	37,186

Note:

(i) The provision for income tax of the Group is calculated based on a statutory rate of 25% of the assessable profit of the Group, except for certain subsidiaries of the Group, which are tax exempted or taxed at preferential rates as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2012 and the six months ended 30 June 2011, and except for a subsidiary incorporated in Hong Kong which is subject to Hong Kong Profits Tax calculated at 16.5% of its estimated assessable profit for the period.

10 Other comprehensive income

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Items that may be reclassified subsequently to profit or loss		
Available-for-sale securities:		
Net movement in fair value reserve		
— Before tax amount		
Change in fair value recognised during the period	**(46,161)**	—
— Tax expense	**—**	—
Net of tax amount	**(46,161)**	—
Exchange difference on translation of financial statements of an overseas subsidiary		
— Before and net of tax amount	**624**	—
Other comprehensive income	**(45,537)**	—

11 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2012 of RMB246,228,000 (six months ended 30 June 2011: RMB673,298,000) and the weighted average number of shares in issue during the six months ended 30 June 2012 of 8,446,898,000 (six months ended 30 June 2011: 6,088,397,000).

There was no difference between the basic and diluted earnings per share as there were no diluted potential shares outstanding for the periods presented.

12 Property, plant and equipment

During the six months ended 30 June 2012, the Group acquired items of property, plant and equipment of approximately RMB1,882,764,000 (six months ended 30 June 2011: approximately RMB3,532,275,000). No material items of property, plant and equipment were disposed of during the six months ended 30 June 2012 and 2011.

(Expressed in Renminbi)

13 Intangible assets

Intangible assets mainly represent service concession assets of approximately RMB370,173,000 (31 December 2011: approximately RMB379,069,000), software and other intangible assets of approximately RMB2,201,000 (31 December 2011: approximately RMB2,321,000).

14 Other non-current assets

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Deductible Value-Added Tax ("VAT") (note (i))	**3,156,250**	3,308,579
Unquoted equity investments in non-listed companies, at cost	**221,067**	221,067
Available-for-sale equity securities, measured at fair value		
— Listed in Hong Kong	**336,449**	191,115
Deposits and advances to third parties (note (ii))	**101,882**	103,414
	3,815,648	3,824,175

Notes:

(i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment and intangible assets, which is deductible from output VAT.

(ii) The deposits and advances to third parties are unsecured and interest free. The balance as at 30 June 2012 mainly represented deposits with third parties in connection with the finance lease arrangement in the amount of RMB40,173,000 (31 December 2011: RMB40,173,000), which are expected to be repaid at the end of the lease period, and funding support amounting to RMB46,250,000 (31 December 2011: RMB46,250,000), to local grid companies in order to facilitate the construction of the grid network, which the directors of the Company expect it will be recovered in two to four years.

15 Trade debtors and bills receivable

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Amounts due from third parties	**2,616,131**	2,009,995
Amounts due from fellow subsidiaries	**400**	500
	2,616,531	2,010,495
Less: allowance for doubtful debts	**—**	—
	2,616,531	2,010,495

The ageing analysis of trade debtors and bills receivable of the Group is as follows:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Current	**2,616,531**	2,010,495
Past due within 1 year	**—**	—
	2,616,531	2,010,495
Less: allowance for doubtful debts	**—**	—
	2,616,531	2,010,495

The Group's trade debtors are mainly wind power electricity sales receivable from local grid companies. Generally, the debtors are due within 15–30 days from the date of billing, except that certain wind power projects collect the tariff premium, representing 30% to 60% of total electricity sales, normally in 2 to 18 months from the date of recognition of sales, as agreed with local grid companies. The collection of such tariff premium is subject to the allocation of additional funds by relevant government authorities to local gird companies from government designated funds and tariff surcharge payable by end-users, which consequently takes a relatively long time for the grid companies to make settlement. The directors are of the opinion that these trade and bills receivable from tariff premium are fully recoverable considering there are no bad debt experiences in the past and the tariff premium is funded by the PRC government.

(Expressed in Renminbi)

16 Prepayments and other current assets

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
CERs receivable	**523,561**	501,664
Interest income receivable	**10,595**	—
Government grant receivable	**7,312**	13,772
Amounts due from fellow subsidiaries	**2,635**	5,181
Staff advance	**7,567**	4,712
Deposits	**11,067**	6,524
Prepayments	**3,133**	926
Other debtors	**24,693**	52,315
	590,563	585,094
Less: allowance for doubtful debts	**818**	818
	589,745	584,276

17 Cash at bank and on hand

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Cash on hand	**740**	804
Cash at bank and other financial institutions	**7,737,148**	7,517,184
	7,737,888	7,517,988
Representing:		
— Cash and cash equivalents	**7,164,722**	7,506,226
— Time deposits with original maturity over three months	**573,166**	11,762
	7,737,888	7,517,988

18 Borrowings

(a) The long-term interest-bearing borrowings comprise:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Bank and other loans		
— Secured	**1,995,517**	2,133,179
— Unsecured	**22,734,148**	19,517,723
	24,729,665	21,650,902
Less: Current portion of long-term borrowings		
— Bank and other loans	**3,015,663**	2,393,833
	21,714,002	19,257,069

As at 30 June 2012, bank loans guaranteed by China Huaneng Group ("Huaneng Group") amounted to RMB23,619,000 (31 December 2011: RMB24,300,000).

(b) The short-term interest-bearing borrowings comprise:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Bank and other loans (unsecured)	**5,200,000**	4,365,000
Current portion of long-term borrowings		
— Bank and other loans	**3,015,663**	2,393,833
	8,215,663	6,758,833

(Expressed in Renminbi)

18 Borrowings (continued)

(c) The interest rates on borrowings are as follows:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Long-term (including current portion)		
Bank and other loans	**1% (note (i)), 4.86%~7.76%**	1% (note (i)), 4.86%~7.40%
Short-term (excluding current portion of long term borrowings)		
Bank and other loans	**5.85%~7.22%**	5.90%~7.87%

Note:

(i) A subsidiary of the Company, Huaneng Shantou Nan'ao Wind Power Company Limited ("Nan'ao Power"), obtained a foreign government loan through China Construction Bank Guangdong Branch on 29 November 1999. This loan is funded by Spanish government via China Construction Bank Guangdong Branch. According to the terms of the loan, Nan'ao Power is obligated to use the loan proceeds to purchase goods and services only from entities in Spain. The total loan amount was US$8,586,809, of which US$4,317,319 was export credit loan with annual interest rate of 5.78% and a loan term of seven years due on 22 January 2008. The export credit loan was fully settled and repaid in 2008. The remaining US$4,269,490 has an annual interest rate of 1%. Nan'ao Power is required to make semi-annual installment payments starting 15 June 2010. The loan is to be paid off by 15 December 2029.

(d) The long-term borrowings (including current portion) are repayable as follows:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Within 1 year or on demand	**3,015,663**	2,393,833
After 1 year but within 2 years	**2,374,882**	2,593,391
After 2 years but within 5 years	**7,760,619**	5,859,736
After 5 years	**11,578,501**	10,803,942
	24,729,665	21,650,902

19 Obligations under finance leases

The Group had obligations under finance leases repayable as follows:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Present value of the minimum lease payments		
Within 1 year	**352,427**	283,067
After 1 year but within 2 years	**408,395**	348,451
After 2 years but within 5 years	**1,223,384**	1,128,886
After 5 years	**936,201**	906,810
	2,567,980	2,384,147
Present value of finance lease obligations	**2,920,407**	2,667,214

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Total minimum lease payments		
Within 1 year	**518,459**	433,987
After 1 year but within 2 years	**565,093**	494,872
After 2 years but within 5 years	**1,531,701**	1,426,935
After 5 years	**1,059,358**	1,040,125
	3,156,152	2,961,932
	3,674,611	3,395,919
Less: total future interest expenses	**754,204**	728,705
Present value of finance lease obligations	**2,920,407**	2,667,214

At inception, the lease periods of the finance lease obligation is approximately 7 to 10 years. The principal obligations and interest expenses are to be paid at least annually within the lease period.

(Expressed in Renminbi)

20 Other payables

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Payables for acquisition of property, plant and equipment and intangible assets	**4,521,527**	4,864,547
Retention payable (note (i))	**1,176,821**	1,187,787
Bills payable	**—**	2,228,289
Dividends payable	**325,259**	330,259
Amounts due to related parties (note (ii))		
— fellow subsidiaries	**19,432**	25,855
— jointly controlled entity	**22,500**	22,500
Payables for staff related costs	**44,285**	32,074
Payables for other taxes	**17,387**	46,887
Interest payable	**66,233**	59,854
Other accruals and payables	**27,520**	40,832
	6,220,964	8,838,884

Notes:

(i) Retention payable represents the retention payables due to equipment suppliers and construction contractors which will be settled upon the expiry of the warranty period.

(ii) Amounts due to related parties are unsecured, interest-free and have no fixed terms of repayment.

All of the other payables are expected to be settled within one year or are repayable on demand.

(Expressed in Renminbi)

21 Capital and reserves

(a) Dividends

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: nil).

(b) Share capital

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Issued and fully Paid		
5,535,311,200 domestic state-owned ordinary shares of RMB1.00 each	**5,535,311**	5,535,311
2,911,586,800 H shares of RMB1.00 each	**2,911,587**	2,911,587
	8,446,898	8,446,898

(c) Nature and purpose of reserves

(i) Capital reserve

Capital reserve includes share premium and other capital reserve.

Share premium represents the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the initial public offering in 2011.

Other capital reserve mainly represents the difference between the total amount of the nominal value of shares issued and the amount of the net assets and cash injected by Huaneng Group upon the establishment of the Company.

(ii) Statutory surplus reserve

According to the Company's Article of Association, the Company is required to transfer 10% of its net profit as determined in accordance with the PRC Accounting Rules and Regulations to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company and is non-distributable other than in liquidation.

(iii) Exchange reserve

The exchange reserve comprises the foreign exchange differences arising from the translation of the financial statements of an overseas subsidiary that has functional currency other than Renminbi.

(iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period.

(Expressed in Renminbi)

22 Capital commitments

Capital commitments outstanding at the period/year end not provided for in the interim financial report were as follows:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Contracted for	**6,636,872**	6,736,189
Authorised but not contracted for	**10,337,415**	12,372,414
	16,974,287	19,108,603

23 Contingent liabilities

Up to date, there have been no rules issued on whether the revenue from sales of CERs is subject to any VAT or business tax. Based on the discussions with local tax authorities, the directors of the Company are of the opinion that no such taxes will be applicable to the revenue from sales of CERs. Therefore, the Group has not made any provision on such contingencies.

24 Material related party transactions

(a) Transactions with related parties

The Group is part of a larger group of companies under Huaneng Group and has significant transactions and relationships with the subsidiaries of Huaneng Group. The principal related party transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Service provided to		
Fellow subsidiaries	**400**	750
Service provided by		
Fellow subsidiaries	**39,366**	21,774
Net deposit in		
China Huaneng Finance Corporation Ltd. ("Huaneng Finance")	**657,407**	—
Interest income		
Huaneng Finance	**942**	—

24 Material related party transactions (continued)

(b) Outstanding balances with related parties

The deposits as at 30 June 2012 placed with a fellow subsidiary, Huaneng Finance, amounted to RMB902,407,000 (31 December 2011: RMB245,000,000). Details of the other outstanding balances with related parties are set out in notes 14, 15, 16, 18 and 20.

(c) Transactions with other government-related entities in the PRC

The Group is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as "government-related entities").

Apart from transactions mentioned above, the Group conducts a majority of its business activities with government-related entities in the ordinary course of business. These transactions are carried out at terms similar to those that would be entered into with non-government-related entities. Transactions with other government-related entities included but are not limited to the following:

— Sales of electricity;

— Depositing and borrowing money; and

— Purchase of equipment, materials and construction services.

The tariff of electricity is regulated by relevant government. The Group prices its other services and products based on commercial negotiations. The Group has also established its approval processes for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.

For the six months ended 30 June 2012 and 2011, all revenue from the sales of electricity is made to the provincial power grid companies which are government-related entities. As at 30 June 2012 and 31 December 2011, substantially all of the trade and bills receivable are due from these power grid companies.

The Company and its subsidiaries maintained substantially all of the bank deposits in government-related financial institutions while lenders of substantially all of the Company and its subsidiaries' loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

Other collectively significant transactions with government-related entities also included a large portion of equipment and materials purchases, and property, plant and equipment construction services received.

(Expressed in Renminbi)

24 Material related party transactions (continued)

(d) Commitments with related parties

Commitments with related parties outstanding at the period/year end not provided for in the interim financial report were as follows:

	At 30 June 2012 RMB'000	At 31 December 2011 RMB'000
Services to be provided by related parties	**38,095**	56,776

(e) Key management personnel remuneration

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Salaries and other emoluments	**2,564**	2,024
Discretionary bonus	**1,458**	996
Retirement scheme contributions	**259**	205
	4,281	3,225

Corporate Information

Registered Office

10–11th Floor

No. 23A Fuxing Road

Haidian District, Beijing, the PRC

Head Office in the PRC

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Haidian District, Beijing, the PRC

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The Landmark

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Hong Kong

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Joint Company Secretaries

Ms. SONG Yuhong

Ms. MOK Ming Wai *(FCIS, FCS)*

Authorized Representatives

Mr. LIN Gang

Ms. MOK Ming Wai *(FCIS, FCS)*

Non-executive Directors

Mr. CAO Peixi *(Chairman)*

Mr. ZHANG Tingke *(Vice Chairman)*

Mr. ZHAO Keyu

Executive Directors

Mr. LIN Gang *(President)*

Mr. NIU Dongchun

Ms. YANG Qing

Mr. HE Yan

Independent Non-executive Directors

Mr. QIN Haiyan

Ms. DAI Huizhu

Mr. ZHOU Shaopeng

Mr. WAN Kam To

Supervisors

Mr. HUANG Jian

Mr. WANG Huanliang

Mr. YU Zewei

Audit Committee

Mr. ZHOU Shaopeng *(Chairman)*

Mr. ZHAO Keyu

Mr. WAN Kam To

Nomination Committee

Mr. CAO Peixi *(Chairman)*

Mr. ZHOU Shaopeng

Mr. QIN Haiyan

Remuneration Committee

Mr. QIN Haiyan *(Chairman)*

Ms. DAI Huizhu

Mr. NIU Dongchun

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the PRC

Glossary of Technical Terms

"CDM"	the Clean Development Mechanism, a mechanism provided by Article 12 of the Kyoto Protocol, permitting industrialized countries to finance projects that reduce greenhouse gas emission in developing countries in exchange for emission credits
"CDM EB"	the CDM Executive Board, which supervises the clean development mechanism under the authority and guidance of the Conference of the Parties to the UNFCCC
"CERs"	Certified Emission Reductions, which are carbon credits issued by CDM EB for emission reductions achieved by registered CDM projects and verified by a DOE under the Kyoto Protocol
"consolidated gross power generation" or "consolidated net power generation"	the aggregate gross power generation or net power generation (as the case may be) of the project companies that the Group fully consolidate in the financial statements for a specified period
"consolidated installed capacity"	the aggregate installed capacity, operational capacity or capacity under construction (as the case may be) of the Group's project companies that are fully consolidated into the consolidated financial statements. It is calculated by including 100% of the installed capacity, operational capacity or capacity under construction of the Group's project companies that the Group consolidate in the consolidated financial statements and are deemed as the Group's subsidiaries. Since the Group wholly own or control all the project companies that operate the wind power business, the consolidated installed capacity, consolidated operational capacity or consolidated capacity under construction equals to the Group's total installed capacity, total operational capacity or total capacity under construction, as the case may be
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including auxiliary electricity and electricity generated during the construction and testing period
"GW"	unit of power, gigawatt. 1 GW = 1,000 MW
"GWh"	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used as a measure for the annual energy production of large power plants
"installed capacity"	the capacity of power generation units or wind turbines that have been completely assembled or erected in the case of wind power. For wind power, installed capacity includes the capacity of wind turbines in testing period
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour

Glossary of Technical Terms

"MW"	unit of power, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh
"pipeline projects"	wind or solar power projects that have been identified and reserved for future development pursuant to the investment and development agreements that the Group entered into with various levels of local government under which the Group have the exclusive right or priority to develop wind or solar power projects at specified sites with certain estimated capacity. The Group classify the wind power pipeline projects into three categories — advanced-stage projects, developing-stage projects and early-stage projects, based on their maturity
"renewable energy"	energy generated from sustainable energy sources that are regenerative or, for all practical purposes, cannot be depleted
"weighted average utilization hours"	the consolidated gross power generation less the electricity generated during the construction and testing period in a specified period divided by the weighted average consolidated operational capacity in the same period

華能新能源股份有限公司
Huaneng Renewables Corporation Limited
(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0958)