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 2013

SUMMARY OF OPERATING RESULTS

The board of directors (the "Board") of China Resources Power Holdings Company Limited (the "Company" or "CR Power") is pleased to announce the unaudited financial results of the Company and its subsidiaries (the "Group" or "We") for the six months ended 30 June 2013.

For the six months ended 30 June 2013, the Group recorded a profit attributable to owners of the Company ("net profit") of approximately HK$5,331 million, representing an increase of HK$2,329 million or 77.6% from a net profit of HK$3,002 million for the six months ended 30 June 2012. Basic earnings per share for the six months ended 30 June 2013 is 112.57 HK cents, representing an increase of 78.1% from 63.20 HK cents for the six months ended 30 June 2012.

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

	Six months ended	
	30 June 2013 *(unaudited)*	**30 June 2012** *(unaudited)*
Turnover *(HK$'000)*	32,347,107	30,944,552
Profit attributable to owners of the Company *(HK$'000)*	5,330,636	3,001,672
Basic earnings per share *(HK cents)*	112.57	63.20
Interim dividend per share *(HK cents)*	8.00	6.00
	As at 30 June 2013	**As at 31 December 2012**
Total assets *(HK$'000)*	192,211,818	177,789,718
Cash and cash equivalents *(HK$'000)*	5,137,425	4,397,289
Borrowings *(HK$'000)*	79,272,960	80,267,035
Equity attributable to owners of the Company *(HK$'000)*	58,529,826	54,042,983
Net debt to shareholders' equity (%)	126.7%	140.4%
EBITDA interest coverage *(times)*	6.4	4.5

Details of the operating results are set out in the section headed "Operating Results" below.

BUSINESS REVIEW FOR THE FIRST HALF OF 2013

Growth of generation capacity

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

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

Generation volume

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

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

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

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

Fuel costs

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

In the first half of 2013, average standard coal cost for our consolidated operating power plants decreased by 18.0% compared with the first half of 2012. Average unit fuel cost for our consolidated operating power plants was RMB220.7/MWh, representing a decrease of 19.2% compared with the first half of 2012. This was mainly due to decreasing coal prices since the second half of 2012 and further enhanced operating efficiency of our subsidiaries as a result of our continuous implementation of lean management. The net generation standard coal consumption rate for the first half of 2013 was 315.5g/kWh, representing a decrease of 4.7g/kWh in comparison with the same period last year.

Coal production

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

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

Development of renewable energy

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

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

Environmental expenses

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

PROSPECTS FOR THE SECOND HALF OF 2013

In the first half of 2013, due to the slowdown in China's macroeconomic growth, national power consumption increased by 5.1% representing a drop of 0.4 percentage point as compared to the same period last year. We believe that in the second half of 2013, the Chinese government will focus its efforts on "steady growth" and "employment security". As a result, China's macroeconomic growth is not expected to slow down further but is expected to increase slightly. We anticipate that the power consumption growth of the national economy in the second half of this year will be slightly higher than that in the first half. One of the primary focuses for CR Power will be to strive for higher utilization hours.

During the first half of 2013, coal prices continued to fall month over month. Around June and July of 2013, coal spot prices recorded sharp decreases as compared to the beginning of the year. We expect coal supply to remain ample in the second half of 2013.

In recent years, we have been focusing on improving the operational efficiency of our power plants through introducing standardized lean management, as a result of which our standard coal consumption rate has significantly decreased. We will continue to implement lean management to reduce energy consumption and unit fuel cost. While creating value for our shareholders, we will actively perform our social responsibility of energy saving and emission reduction.

As at 30 June 2013, the attributable generation capacity of our coal-fired power plants under construction amounted to 7,640MW, including a 1,000MW ultra-supercritical generation unit in Puqi, Hubei, 2x1,000MW ultra-supercritical generation units in Cangnan, Zhejiang, 2x1,000MW ultra-supercritical generation units in Shanwei, Guangdong, 2x660MW ultra-supercritical heat and power co-generation units in Jiaozuo, Henan, 2x350MW supercritical heat and power co-generation units in Yichang, Hubei, 2x350MW supercritical heat and power co-generation units in Panjin, Liaoning and 2x350MW supercritical heat and power co-generation units in Tangshan, Hebei. The 1.000MW unit in Puqi, Hubei was commissioned for operation on 13 August 2013.

In the first half of 2013, we obtained the approval from the Chinese government to construct Cangzhou Bohai New District Power Plant in Hebei (2x350MW heat and power co-generation units). Based on the development prospects in the coal-fired power industry, we will adhere to our investment hurdle rates and select only those coal-fired power plant projects that we believe to be highly competitive and capable of creating value for our shareholders in the future. In addition, we will also continue to increase our investments in the wind power industry.

OPERATING RESULTS

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

Interim Condensed Consolidated Statement of Income

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

Interim Condensed Consolidated Statement of Comprehensive Income

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

Interim Condensed Consolidated Balance Sheet

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

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

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June 2013	30 June 2012
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES - NET	12,256,973	8,383,202
Cash flows from investing activities		
Dividends received from associates	88,073	89,062
Dividends received from available-for-sale investments	—	84,786
Withdrawal of pledged bank deposits	84,456	51,567
Net cash inflow/(outflow) on acquisition of subsidiaries	5,007,498	(424,540)
Net cash inflow on disposal of an associate	423,626	—
Acquisition of and deposits paid for property, plant and equipment and prepaid lease payments	(9,847,885)	(4,634,106)
Acquisition of and deposits paid for mining rights and exploration and resources rights	(378,085)	(653,763)
Recovery of deposits for acquisition of mining rights and exploration and resources rights and related interests	—	1,558,209
Capital contributions into associates	(232,838)	(232,486)
Capital contributions into joint ventures	—	(146,373)
Advances to associates	—	(245,320)
Loan repaid from associates	3,322,986	—
Other investing cash inflows	543,976	152,157
CASH USED IN INVESTING ACTIVITIES-NET	(988,193)	(4,400,807)

	Six months ended 30 June 2013 HK$'000 (unaudited)	30 June 2012 HK$'000 (unaudited)
Cash flows from financing activities		
Proceeds from bank and other borrowings raised	15,478,613	16,255,885
Proceeds from issuance of corporate bonds	—	2,453,200
Proceeds from issuance of shares for exercised options	156,817	33,287
Advance from associates and group companies	340,202	1,000,000
Capital contributions from non-controlling interests	137,865	180,105
Repayment of bank and other borrowings	(20,920,274)	(16,740,037)
Repayment of loan due to group companies	—	(1,465,920)
Loan from/repayment of loan due to associates	85,368	(458,347)
Dividends paid to owners of the Company	(2,134,940)	(1,131,203)
Dividends paid to non-controlling interests of the subsidiaries	(1,760,159)	(39,688)
Interest paid	(1,919,948)	(1,809,026)
Coupon paid on perpetual capital securities	(211,096)	(210,946)
CASH USED IN FINANCING ACTIVITIES-NET	(10,747,552)	(1,932,690)
NET INCREASE IN CASH AND CASH EQUIVALENTS	521,228	2,049,705
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,397,289	4,496,605
EXCHANGE GAIN	218,908	124,556
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,137,425	6,670,866

Overview

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

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

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

- Increase in turnover. Turnover in the first half of 2013 increased by 4.5%, mainly as a result of the increase in net generation volume of our subsidiary power plants as compared to the same period last year and CR Daning's turnover was consolidated as a subsidiary from March 2013, partially offset by a decrease in the sales volume of our same subsidiary coal mines and fall in the average sales price of coal;

- Decrease in fuel costs. Fuel costs in the first half of 2013 decreased by 15.8% as compared to the same period last year, which was mainly due to falling coal prices since the second half of 2012, and further enhancement in the operating efficiency of our subsidiaries with the continuous implementation of lean management, resulting in an average unit fuel cost of RMB220.7/MWh for the first half of 2013, representing a decrease of 19.2% when compared with the first half of 2012;

- Increase in share of results of joint ventures. Profit contribution from our joint ventures amounted to HK$233 million in the first half of 2013, representing an increase of approximately HK$265 million from the first half of 2012. This was mainly due to the profit contribution from Hezhou Power Plant in Guangxi Province which commenced commercial operation in the second half of 2012;

- Decrease in finance costs. The finance costs for the first half of 2013 amounted to HK$1,704 million, representing a decrease of approximately HK$303 million or 15.1% in comparison with the first half of 2012, which was mainly due to the decrease of HK$6,137 million or 7.2% in borrowings and corporate bonds from HK$85,410 million as at 30 June 2012 to HK$79,273 million as at 30 June 2013; and the decrease in average cost of borrowings by 0.4 percentage point;

- Increase in other gains/(losses) — net. As a result of fluctuations in the exchange rate of RMB against Hong Kong Dollar, exchange gains in the first half of 2013 was approximately HK$464 million, as compared to exchange losses of approximately HK$117 million for the same period last year.

However, these increases were offset by the following:

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

Basis of preparation of financial statements and principal accounting policies

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

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

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

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

SEGMENT INFORMATION

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

Segmental information on these operating segments are set out below.

For the six months ended 30 June 2013

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

For the six months ended 30 June 2012

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

Geographical segments

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

Turnover

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

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

(1) Total net generation volume of our consolidated operating power plants increased in the first half of 2013, which resulted in an increase of approximately HK$1,599 million in turnover;

(2) In March 2013, CR Daning was consolidated into the Group as a subsidiary, which resulted in an increase of approximately HK$716 million in turnover; this was partially offset by the decrease in turnover in (3) below:

(3) During the first half of 2013, sales volume of our same subsidiary coal mines decreased by 8.6% as compared to the same period last year; and average sales price of coal per tonne decreased by approximately 27% as compared to the same period last year, which resulted in a decrease of approximately HK$922 million in turnover.

Operating expenses

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

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

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

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

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

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

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

Other income and other gains/(losses) - net

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

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

Operating profit

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

Fair value change on derivative financial instruments

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

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

Finance costs

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

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

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

Share of results of associates

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

Share of results of joint ventures

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

Income tax expense

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

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

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

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

Profit for the period

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

Profit for the period attributable to owners of the Company

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

Earnings per share

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

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

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

Interim dividend and closure of register of members

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

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

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

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

Capital structure management

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

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

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

Liquidity and financial resources, borrowings, and charge of assets

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

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

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

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

The maturity profile of the above loans is as follows:

	As at 30 June 2013	**As at 31 December 2012**
	HK$'000	*HK$'000*
Within 1 year	14,074,707	20,390,649
Between 1 and 2 years	20,866,623	6,183,528
Between 2 and 5 years	25,413,608	34,143,493
Over 5 years	18,918,022	19,549,365
	79,272,960	80,267,035

The above secured borrowings are secured by:

Pledge of assets *(Note)*	5,120,808	5,986,147

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

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

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

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

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

Trade receivables, other receivables and prepayments

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

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

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

Trade payables, other payables and accruals

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

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

Key financial ratios of the Group

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

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

Foreign exchange risk

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

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

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

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

Contingent liabilities

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

Employees

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

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

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

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

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 Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited ("Listing Rules").

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 2013 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.

PUBLIC FLOAT

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

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

Hong Kong, 19 August 2013

As at the date of this announcement, the Board of Directors of the Company comprises four executive directors, namely, Ms. ZHOU Junqing (Chairman), Mr. WANG Yu Jun (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. HUANG Daoguo and Mr. CHEN Ying; and five independent non-executive directors, namely Mr. Anthony H. ADAMS, Mr. CHEN Ji Min, Mr. MA Chiu-Cheung, Andrew, Ms. LEUNG Oi-sie, Elsie and Dr. CH'IEN Kuo-fung, Raymond.