China Power International Development Limited

中國電力國際發展有限公司

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

(Stock Code : 2380)

Interim Report

2013

Information for our Shareholders and Investors

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited

- Ordinary Shares (Stock Code 2380)
- RMB982 Million USD Settled 2.25% Convertible Bonds Due 2016 (Stock Code 4517)
- RMB1,140 Million USD Settled 2.75% Convertible Bonds Due 2017 (Stock Code 4564)

INTERIM REPORT

The 2013 interim report will be sent to the shareholders of the Company who have selected to receive the printed version of corporate communication by 6 September 2013.

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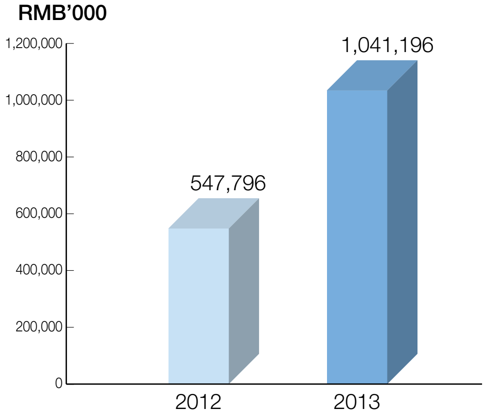
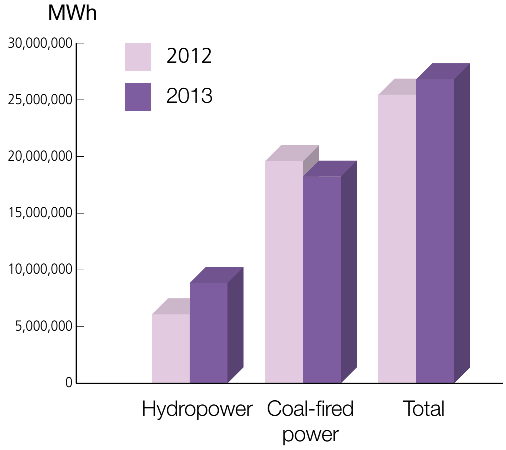
Interim Financial Highlights

Profit attributable to owners of the Company for the six months ended 30 June

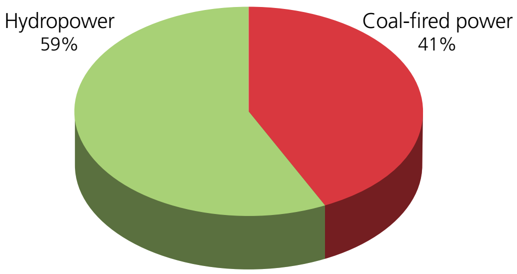


Electricity sold for the six months ended 30 June

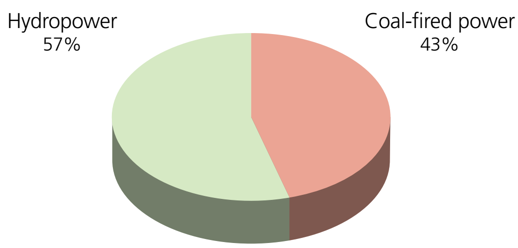


	Unaudited Six months ended 30 June 2013	2012	Change
	RMB'000	*RMB'000*	%
Profit attributable to owners of the Company	**1,401,196**	547,796	155.79
	MWh	*MWh*	%
Total electricity sold	**27,008,433**	25,616,140	5.44
— Coal-fired power	**18,281,302**	19,678,991	-7.10
— Hydropower	**8,727,131**	5,937,149	46.99

Net Profit for the six months ended 30 June 2013



Net Profit for the six months ended 30 June 2012



	Unaudited Six months ended 30 June 2013	Proportion	2012	Proportion
	RMB'000	**%**	*RMB'000*	%
Net profit	**2,083,437**	**100**	780,368	100
— Coal-fired power*	**849,301**	**41**	338,634	43
— Hydropower	**1,234,136**	**59**	441,734	57

** It included other minor items, please refer to the details as set out in note 6 "Revenue and segment information" in the notes to condensed consolidated interim financial information.*

	Unaudited Six months ended 30 June 2013	2012	Change
	RMB	*RMB*	*%*
Earnings per share			
Basic	**0.25**	0.11	127.27
Diluted	**0.21**	0.10	110.00
	RMB'000	*RMB'000*	*%*
Revenue	**9,642,440**	9,101,377	5.94
Profit attributable to owners of the Company	**1,401,196**	547,796	155.79

	As at 30 June 2013 Unaudited	31 December 2012 Audited	Change
	RMB'000	*RMB'000*	*%*
Shareholders' equity	**15,958,625**	14,942,244	6.80
Total assets	**72,310,727**	69,909,398	3.43
Cash and cash equivalents	**2,706,472**	2,016,418	34.22
Total borrowings	**43,033,494**	44,939,874	–4.24

	Unaudited Six months ended 30 June 2013	2012	Change
	MWh	*MWh*	*%*
Total power generation*	**28,345,116**	27,013,695	4.93
Total electricity sold*	**27,008,433**	25,616,140	5.44

* *Excluding associates and joint ventures*

Management's Discussion and Analysis

China Power International Development Limited (the "Company"), together with its subsidiaries (collectively the "Group") are principally engaged in the investment, development, operation and management of coal-fired power and hydropower plants in Mainland China. Its power generation businesses are mainly located in the power grid regions of Eastern, Southern, Central and Northern China.

BUSINESS OVERVIEW FOR THE FIRST HALF OF THE YEAR

For the first half of 2013, the domestic economy maintained a steady growth in China. Electricity consumption in China increased by 5.1%, representing a slight drop of 0.4% in the growth rate, as compared with the corresponding period last year. The overall electricity supply and demand in China remained in balance. During the period, the average utilization hours of power generation facilities in China was 2,173 hours, representing a decrease of 64 hours as compared with the corresponding period last year. In particular, the average utilization hours of hydropower facilities was 1,532 hours, representing an increase of 76 hours as compared with the corresponding period last year; the average utilization hours of coal-fired power facilities was 2,412 hours, representing a decrease of 83 hours as compared with the corresponding period last year. The performance of the Group's businesses was generally in line with the power industry in China.

Benefiting from the Group's strategic structure of "balanced hydro and coal-fired power generation", both businesses of hydropower and coal-fired power performed satisfactorily in the first half of this year. The substantial improvement in the Group's consolidated net profit was mainly attributable to the significant increase in electricity sold from hydropower business and the decrease in the fuel cost for coal-fired power generation as a result of the declining average coal prices during the period under review.

For the first half of 2013, the Group recorded revenue of approximately RMB9,642,440,000, representing an increase of approximately 5.94% as compared with the corresponding period last year, while the profit attributable to the owners of the Company amounted to approximately RMB1,401,196,000, representing an increase of approximately 155.79% as compared with the corresponding period last year. The basic earnings per share was approximately RMB0.25, representing an increase of approximately RMB0.14 from RMB0.11 of the corresponding period last year. Net asset per share, excluding interest of non-controlling shareholders, was RMB2.78, representing an increase of RMB0.09 as compared with the corresponding amount at 31 December 2012.

Installed Capacity

As at 30 June 2013, the attributable installed capacity of the power plants of the Group reached 12,963MW, among which the attributable installed capacity of coal-fired power was 9,797MW, representing approximately 76% of the total attributable installed capacity, and the attributable installed capacity of hydropower was 3,166MW, representing approximately 24% of the total attributable installed capacity.

Power Generation, Electricity Sold and Utilization Hours

For the first half of 2013, the aggregate gross power generation of the Group reached 28,345,116MWh, representing an increase of 4.93% as compared with the corresponding period last year, among which the generation from coal-fired power and hydropower reached 19,503,496MWh and 8,841,620MWh respectively. The aggregate total electricity sold also reached 27,008,433MWh, representing an increase of 5.44% as compared with the corresponding period last year, among which the electricity sold from coal-fired power and hydropower reached 18,281,302MWh and 8,727,131MWh respectively.

Management's Discussion and Analysis

For the first half of 2013, the average utilization hours of coal-fired power generating units was 2,459 hours, representing a decrease of 220 hours as compared with the corresponding period last year, which was mainly because of the significant increase in hydropower generation in certain provinces that relatively reduced the output from local coal-fired power generation. The average utilization hours of hydropower generating units was 2,414 hours, representing an increase of 699 hours as compared with the corresponding period last year, which was mainly due to the rich rain flows in the areas where our hydropower plants are located as well as the vigorous promotion for the use of clean energy by the State, which raised the sales of hydropower during the period.

On-Grid Tariff

For the first half of 2013, the average on-grid tariff of coal-fired power of the Group was RMB381.07/MWh, representing an increase of RMB4.72/MWh as compared with the corresponding period last year, while the average on-grid tariff of hydropower of the Group was RMB280.91/MWh, representing an increase of RMB4.09/MWh as compared with the corresponding period last year.

Unit Fuel Cost

For the first half of 2013, the average unit fuel cost of the Group's coal-fired power generation business was approximately RMB231.90/MWh, representing a decrease of approximately 12.76% from that of RMB265.81/MWh of the corresponding period last year.

The decrease in the unit fuel cost was primarily due to the continuing decline in coal prices since the beginning of this year. As a result, the Group's profit margin from coal-fired power generation business rose and gross profit improved.

The Group continued to implement measures to control the overall fuel costs, such as optimizing coal sourcing structure, improving calorific value, controlling monthly procurement plan, strengthening stock inspection, and minimizing the difference in calorific value between coal mines and power plants.

Significant Investments

As at 30 June 2013, the Group had interest in 18.86% of the issued share capital of Shanghai Electric Power Co., Ltd. ("Shanghai Power"), whose A shares are listed on the Shanghai Stock Exchange.

The Group recognizes its shareholding in Shanghai Power as "Available-for-sale financial assets". As at 30 June 2013, the fair value of the shareholding held by the Group was approximately RMB1,662,281,000, representing a decrease of 11.21% as compared with the corresponding amount at 31 December 2012.

New Power Plants

The Group's new power generating units which commenced commercial operation during the first half of 2013 included:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest %	Attributable Installed Capacity (MW)
CP Shentou Power Plant	Coal-fired power	600	80	480
Changshu Power Plant	Coal-fired power	1,000	50	500
Baishi Power Plant	Hydropower	420	59.85	251.4
Total		**2,020**		**1,231.4**

As at 30 June 2013, the Group's projects under construction were as follows:

Power Plant	Type of Power Plant	Installed Capacity (MW)	Interest %	Attributable Installed Capacity (MW)	Expected Timeline for Production
CP Shentou Power Plant	Coal-fired power	600	80	480	Q3 2013
Changshu Power Plant	Coal-fired power	1,000	50	500	Q4 2013
Pingwei Power Plant III	Coal-fired power	2,000	100	2,000	Q3 2015
Tuokou Power Plant	Hydropower	830	59.85	496.8	Q4 2013
Small hydropower projects in Sichuan	Hydropower	58	~44.1-63	32	Q3 2013
Total		**4,488**		**3,508.8**	

New Development Projects

The Group has been actively seeking development opportunities for energy saving and environment-friendly coal-fired power and hydropower projects with large capacities and high parameters in areas with rich resources as well as regional and market advantages. Currently, the total installed capacity of new projects in a preliminary development stage (including projects which the PRC government approvals have been applied for) is over 5,450MW.

Among which, the installed capacity for coal-fired power projects amounts to 5,200MW. These projects include:

- The expansion project of the two 1,000MW ultra super-critical coal-fired generating units of CP Shentou Power Plant;

- The project of the two 600MW super-critical coal-fired generating units of Guizhou Pu'an Power Plant; and

- The expansion project of the two 1,000MW ultra super-critical coal-fired generating units of Yaomeng Power Plant.

In addition, the Group will continue to seek opportunities in developed regions such as the coastal areas of Guangdong Province to further expand coal-fired power projects.

As for hydropower generation, the total installed capacity of the hydropower projects currently under preliminary development and anticipated acquisition is approximately 250MW which mainly includes certain small to medium-sized hydropower projects located in areas with rich water resources such as Sichuan and Hunan.

ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION

The Board well understands the importance of environmental protection to the sustained and steady development of the Group. Therefore, it strives for the best balance among the safety and reliability of power supply, cost control and environmental protection. Ms. Li Xiaolin, the Chairman of the Board, enthusiastically promotes the message of "light and power to the world, leave clear water and blue skies to our children", which is also one of the fundamental corporate development missions of our Group. The Company established the Department of Safety and Environmental Protection with a view to further strengthen the efforts of environmental protection by actively implementing energy saving and fuel consumption reduction measures and enforcing environmental protection steps to promote reduction of pollutants emission.

Energy Saving and Emission Reduction

The Group has always committed to the full utilization of its hydropower clean energy generation. For the first half of 2013, the hydropower generation amounted to 31.19% (2012: 22.21%) of the total power generation of the Group. During the period under review, the electricity generated and sold from hydropower increased significantly by 47.35% and 46.99% respectively as compared with the corresponding period last year.

During the first half of 2013, in positive response to the national environmental protection policy, the Group continued to strengthen the environmental protection measures to its coal-fired power generating units. The Group installed desulphurization facilities for all its coal-fired power generating units with the relevant operational ratio reached 99.54%, and the efficiency ratio of desulphurization reached 95.40% (2012: 95.25%). During the implementation of national economic "Twelfth Five-Year Plan" period of China, the Group will also install denitration facilities for all of its coal-fired power generating units. To reduce the emission of nitrogen oxide (NO_x), the Group completed the denitration and renovation projects for the generating unit no. 2 of Dabieshan Power Plant, generating unit no. 5 of Yaomeng Power Plant II, generating units no. 1 and no. 2 of Changshu Power Plant in the first half of 2013.

During the period under review, environmental protection indicators for coal-fired power generating units were further improved:

- The emission rate of dusts at 0.19g/KWh, representing a decrease of 0.04g/KWh compared with the corresponding period last year;
- The emission rate of sulphur dioxide (SO_2) at 0.37g/KWh, representing a decrease of 0.05g/KWh compared with the corresponding period last year; and
- The emission rate of nitrogen oxide (NO_x) at 1.23g/KWh, representing a decrease of 0.30g/KWh compared with the corresponding period last year.

Coal Consumption

The Group is committed to improve equipment efficiency and reduce fuel consumption through the construction of new coal-fired power generating units with large capacity, upgrading of old units and various other measures.

For the first half of 2013, the average coal consumption rate of the Group was 315.08g/KWh, representing a decrease of 1.99g/KWh as compared with the corresponding period last year, equivalent to approximately a saving of 40,000 tons of standard coal.

Operational Safety

For the first half of 2013, no material safety accident in the aspects of employees, facilities and environmental protection occurred in the Group.

OPERATING RESULTS FOR THE FIRST HALF OF 2013

For the first half of 2013, the revenue of the Group was approximately RMB9,642,440,000, representing an increase of approximately 5.94% as compared with the corresponding period last year. Profit attributable to owners of the Company was approximately RMB1,401,196,000, representing an increase of 155.79% at approximately RMB853,400,000 as compared with the corresponding period last year.

For the first half of 2013, the net profit of the Group amounted to approximately RMB2,083,437,000, representing an increase of approximately RMB1,303,069,000 as compared with the corresponding period last year. Among which, the net profit from hydropower business amounted to approximately RMB1,234,136,000 while the net profit mainly from coal-fired power business amounted to approximately RMB849,301,000, representing their respective ratio of contribution to the total net profit of 59%:41% (2012: 57%:43%).

The increase in net profit as compared to the first half of 2012 was mainly due to the following factors:

- the total electricity sold increased by 1,392,293MWh and the average on-grid tariff of both coal-fired power and hydropower increased as compared with the corresponding period last year, contributing to an aggregate increase in revenue of approximately RMB541,063,000; and

- fuel costs decreased as compared with the corresponding period last year, saving operating expenses of approximately RMB991,309,000.

However, part of the profit increase for the period under review was offset by the following factors:

- commencing operation of the new power generating units during the period led to an increase in depreciation of fixed assets for approximately RMB84,560,000 as compared with the corresponding period last year; and

- commencing operation of the new power generating units during the period also caused an increase in repairs and maintenance expenses for approximately RMB77,698,000 as compared with the corresponding period last year, due to the corresponding increase in scheduled maintenance work required for the relevant large-capacity generating units.

Revenue

The revenue of the Group was mainly derived from the sales of electricity. For the first half of 2013, the Group recorded a revenue of approximately RMB9,642,440,000, representing an increase of 5.94% as compared with approximately RMB9,101,377,000 of the corresponding period last year. The increase in revenue was mainly attributed to the increase in both the total electricity sold and the average on-grid tariff as compared with the corresponding period last year.

Revenue from the hydropower segment included part of the 2012 power plant lease income of approximately RMB207 million from Heimifeng Power Plant (a 63%-owned subsidiary of the Group), such revenue was recognized during this period because it took time to execute the lease charges of that power plant as approved by the National Reform and Development Commission last year.

Segment Information

The reporting segments currently identified by the Group are "Generation and sales of coal-fired electricity" and "Generation and sales of hydropower electricity".

Operating Costs

Operating costs of the Group mainly consist of coal and fuel costs for coal-fired power generation, repairs and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, consumables and other operating expenses.

For the first half of 2013, operating costs of the Group amounted to approximately RMB6,835,345,000, representing a decrease of 8.41% as compared with approximately RMB7,462,846,000 of the corresponding period last year. The decrease was mainly because of the substantial reduction in fuel costs by RMB991,000,000 that caused by the declining coal prices. However, it was partly offset by the increases in both depreciation expense and repairs and maintenance expenses.

Fuel costs were the Group's major operating costs. For the first half of 2013, the fuel costs of the Group were approximately RMB4,239,510,000, representing 62.02% of the total operating costs and a decrease of 18.95% as compared with approximately RMB5,230,819,000 of the corresponding period last year.

Management's Discussion and Analysis

Operating Profit

For the first half of 2013, the Group's operating profit was approximately RMB2,949,456,000, representing an increase of 63.26% as compared with the operating profit of approximately RMB1,806,645,000 of the corresponding period last year.

Finance Costs

For the first half of 2013, finance costs of the Group amounted to approximately RMB757,459,000, representing a decrease of 12.10% as compared with approximately RMB861,699,000 of the corresponding period last year. Such decrease in finance costs was mainly because of the exchange gain arising from the translation of foreign currencies denominated borrowings related to the hydropower business at the period end.

Share of Results of Associates

For the first half of 2013, the share of profits of associates was approximately RMB200,420,000, representing an increase in profits of approximately RMB168,406,000 as compared with the share of profits of approximately RMB32,014,000 of the corresponding period last year. The increase in profit was mainly because the first 1,000MW new coal-fired power generating unit of Changshu Power Plant commenced operation in January 2013.

Share of Results of Joint Ventures

For the first half of 2013, the share of profits of joint ventures was approximately RMB26,161,000, representing an increase in profits of approximately RMB33,754,000 as compared to the share of losses of approximately RMB7,593,000 of the corresponding period last year. The increase in profit was mainly because the two 300MW co-generation units of Xintang Power Plant commenced operation in August and October last year respectively.

Taxation

For the first half of 2013, taxation charges of the Group were approximately RMB382,773,000, representing an increase of approximately RMB135,614,000 as compared with approximately RMB247,159,000 of the corresponding period last year. Such increase was mainly because of a number of power plants recorded satisfactory profit growth during the period.

Among the coal-fired power plants of the Group, Fuxi Power Plant currently enjoys the preferential tax treatment of "exemption in first two years and 50% reduction in subsequent three years", which will end in 2016, and is also entitled to a preferential income tax rate of 15% until 2020. Pingwei Power Plant, Pingwei Power Plant II, Yaomeng Power Plant, Yaomeng Power Plant II, Shentou I Power Plant, Dabieshan Power Plant and Changshu Power Plant were all subject to the applicable income tax rate at 25% for the year. All hydropower plants of the Group were also subject to the applicable income tax rate of 25% for the year (the applicable income tax rate of small hydropower plants in Sichuan is lower than 25%).

Profit Attributable to Owners of the Company

For the first half of 2013, profit attributable to owners of the Company was approximately RMB1,401,196,000, representing an increase of approximately RMB853,400,000 or by 155.79% as compared with approximately RMB547,796,000 of the corresponding period last year.

Earnings Per Share and Interim Dividend

For the first half of 2013, the basic and diluted earnings per share attributable to owners of the Company was approximately RMB0.25 (2012: RMB0.11) and RMB0.21 (2012: RMB0.10) respectively. The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2013.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2013, cash and cash equivalents of the Group were approximately RMB2,706,472,000 (31 December 2012: RMB2,016,418,000). The financial resources of the Group were mainly derived from cash inflow from operating activities, bank borrowings, project financing and bonds issuance. Current assets amounted to approximately RMB10,521,231,000 (31 December 2012: RMB6,610,060,000) and current ratio was 0.59 (31 December 2012: 0.46).

DEBTS

As at 30 June 2013, total borrowings of the Group amounted to approximately RMB43,033,494,000 (31 December 2012: RMB44,939,874,000). All of the Group's bank and other borrowings are denominated in Renminbi, Japanese Yen ("JPY") and United States Dollars ("USD").

In May 2011, the Company issued 5-year convertible bonds of RMB982,000,000 with carrying amount of RMB609,480,000 as at 30 June 2013. During the period under review, bondholders exercised conversion rights with corresponding principal value amounted to RMB312,500,000 in total and with a carrying value of RMB283,455,000.

In September 2012, the Company issued 5-year convertible bonds of RMB1,140,000,000 with carrying amount of RMB990,348,000 as at 30 June 2013. During the period under review, no bondholders exercised the conversion rights yet.

The debts incurred by the Group were used for general corporate purposes, including capital expenditure and working capital requirements.

The Group's debt to equity ratios (total borrowings/shareholders' equity) as at 30 June 2013 and 31 December 2012 were approximately 269.66% and 300.76% respectively.

CAPITAL EXPENDITURE

For the first half of 2013, capital expenditure of the Group was approximately RMB2,174,119,000, which was mainly used for construction of new power generating units and technical upgrade for existing power generating units. Sources of funds were mainly derived from project financing, bonds issuance and self-generated funds.

RISK MANAGEMENT

The investment and business operation of the Group are exposed to risks from exchange rates, interest rates, commodity prices and liquidity. Amid global financial uncertainties, the financial risks and operational risks the Group encountered have increased accordingly.

To effectively control its risk exposure, the Group has implemented all-round risk management and has established a systematic, comprehensive risk management mechanism and internal control system. It has a designated risk management department in place for execution and implementation of risk management measures and taking measures to control the scales of assets and liabilities so as to maintain a reasonable level of gearing ratio.

FOREIGN EXCHANGE RATE RISKS

The Group is principally operating in Mainland China, with most transactions denominated in Renminbi. Apart from certain cash and bank balances and bank borrowings, most of the Group's assets and liabilities were denominated in Renminbi. Wu Ling Power, the principal subsidiary of the Group, held borrowings denominated in JPY and USD. Increased fluctuation on Renminbi exchange rate and JPY exchange rate resulted in the increase in the Group's fluctuation in exchange gain/loss, thereby affecting its financial condition and operating results. As at 30 June 2013, the balance of the Group's borrowings denominated in foreign currencies amounted to approximately RMB1,152,590,000 (31 December 2012: RMB1,268,740,000).

In 2008, Wu Ling Power entered into a derivative financial instrument contract with a view to manage the foreign exchange exposure of its JPY borrowings. However, to avoid risks from derivative financial instruments given the continuous depreciation of JPY last year, the Group had terminated the hedging contract in May this year and recognized a book loss of approximately RMB26,634,000 during the current period. However, the cumulative savings of principal and interests from this hedging contract of Wu Ling Power amounted to approximately RMB73,000,000 since the Group acquired Wu Ling Power in October 2009.

PLEDGE OF ASSETS

As at 30 June 2013, the Group pledged certain property, plant and equipment with a net book value of approximately RMB672,862,000 (31 December 2012: RMB534,547,000) to certain banks to secure bank borrowings in the amount of RMB355,570,000 (31 December 2012: RMB261,820,000). In addition, certain bank borrowings were secured by the rights on accounts receivable of certain subsidiaries of the Group. The accounts receivable secured under these borrowings as at 30 June 2013 amounted to approximately RMB1,874,273,000 (31 December 2012: RMB1,575,920,000). As at 30 June 2013, bank deposits of certain subsidiaries of the Group amounting to RMB100,481,000 (31 December 2012: RMB35,000,000) were pledged as security for an obligation under finance lease in the amount of RMB450,269,000 (31 December 2012: RMB492,373,000), bills payables in the amount of RMB105,761,000 (31 December 2012: Nil) and bank borrowings in the amount of RMB150,000,000 (31 December 2012: Nil).

CONTINGENT LIABILITIES

As at 30 June 2013, the Group had no material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the Group had a total of 7,768 full-time employees (31 December 2012: 7,669).

The Group puts great emphasis on the development of performance evaluation as well as the rewarding and punishment mechanism. The Group determines the emoluments of the Directors and its employees based on their respective performance, working experiences, duties and the prevailing market rates. The Group has also implemented incentive policy linking emoluments with performance.

The Group also focuses on the training of and communication between employees of different levels. It continues to improve the professional and technical skills and overall competence of its employees to satisfy the needs of its expanding business.

POST BALANCE SHEET DATE EVENT

In accordance with the relevant provisions of the national power system and market-oriented electricity pricing mechanism reform issued by the National Energy Administration of the PRC, which require that all pumped storage power plants should be developed, owned and operated solely by the State's grid enterprises, Wu Ling Power signed an agreement with State Grid Corporation of China on 26 July 2013 to dispose of Heimifeng Power Plant, the only pumped storage power generation plant it owned. Completion of the disposal is expected to be on or before 31 December 2013 or on such other date as agreed by the vendor and the purchaser of the agreement. It is expected that as a result of the disposal, the Group will recognize an estimated and unaudited pre-tax gain of approximately RMB771 million (equivalent to approximately HK$976 million) based on the consideration and the net asset value of Heimifeng Power Plant as at 31 December 2012. The net proceeds generated from the disposal will be applied as general working capital of the Group. Please refer to the announcement of the Company dated 26 July 2013 for details of the transaction.

OUTLOOK OF THE SECOND HALF OF THE YEAR

For the second half of 2013, with the central government's efforts to strive for macroeconomic stability, the economy of China is expected to maintain steady and moderate growth, and the electricity market is expected to maintain an overall balance in supply and demand. Although competition in the domestic power generation market remains keen, the Group will maintain its strategic structure of "balanced hydro and coal-fired power generation", the hydro and coal-fired power businesses will continue to play a complementary role for each other.

Affected by a combination of factors, the coal prices are estimated to stay at a low level. Hence, the fuel costs of coal-fired power generation of the Group are expected to remain relatively low. However, the Group will closely monitor the relevant national policies which require tariff adjustments following changes in coal prices, actively strengthen operational risk management and strive for improving the annual results.

For the second half of 2013, with more new power generating units commencing production, it is expected to bring profit contribution and continuous improvement to the Group's financial position. In the second half of this year, the Group will take proactive steps as follows:

- assure the operational policy of "focus on two prices and one volume", which means monitoring on-grid tariffs, controlling coal prices and ensuring sales volume of power generation;
- optimize coal sourcing structure, exercise strict cost control and improve the standard of fuels management; and
- strengthen fund management to improve capital efficiency.

By order of the Board
China Power International Development Limited

Li Xiaolin
Chairman

Hong Kong, 16 August 2013

Corporate Governance

The Company is committed to high standard of corporate governance. The Board recognizes good corporate governance is vital to the healthy and sustainable development of the Group. Through continuing exploration and practice, the Company has formed a standardized governance structure and established an effective internal control system. The Board and the management always follow good governance principles to manage the Group's business effectively, treat all the shareholders fairly and strive for the long-term, stable and growing return for the shareholders.

The Group's corporate governance has been fully disclosed in the "Corporate Governance Report" of the Company's 2012 annual report. During the six months ended 30 June 2013, save for the deviations from the code provisions of A.2.1, A.4.2 and E.1.2, the Company has strictly complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in the Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The CG Code A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Ms. Li Xiaolin currently serves as chairman of the Board and chief executive officer of the Company. The Board believes that Ms. Li Xiaolin has accumulated extensive experience in the power generating industry and the capital market. It will be more beneficial to the Company in responding to the changing market environment more rapidly and in developing and executing the Company's long-term business strategies and business plans more effectively if Ms. Li Xiaolin continues to serve as the chief executive officer of the Company. The Board believes that by virtue of the extensive experience and expertise of the Board members (including three independent non-executive Directors and two non-executive Directors), a balance of power and authority in the operation of the Board has been adequately ensured. Coupled with the Company's Executive Committee, it is sufficient for ensuring the effective management and supervision of the Group's daily business operations.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The CG Code A.4.2 also stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, as provided in the articles of association of the Company, the executive Director who is also the chief executive officer of the Company shall not be subject to retirement by rotation. The Board is of the view that the continuous leadership of the chief executive officer can ensure the operational efficiency of the Group and a more coherent implementation of business plans delegated by the Board. Such provisions of the Company's articles of association have reflected the importance of maintaining the stability of the position.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by the Directors (the "Code of Conduct"), the standard of which is no less than the requirements of Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiries to each of the Directors, they all confirmed that they have fully complied with the Code of Conduct during the six months ended 30 June 2013.

INFORMATION OF DIRECTORS

There is no material change on the Directors' information as published in the Company's 2012 annual report during the period under review. At the date of this report, the Board has seven Directors (including three independent non-executive Directors which constituted over one-third of the Board).

INDEPENDENT NON-EXECUTIVE DIRECTOR

Pursuant to the CG Code A.4.3, any further appointment of an independent non-executive director who has been serving more than nine years should be subject to a separate resolution to be approved by the shareholders. Mr. Kwong Che Keung, Gordon, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec are independent non-executive Directors who have been serving the Company since 2004. During the terms of their appointments, they have not been involved in the daily management of the Company or in any relationships which would interfere with their independent judgment, and they have demonstrated the ability to provide an independent, balanced and objective view to the Company's affairs. Therefore the Company is of the view that Mr. Kwong, Mr. Li and Mr. Tsui shall all comply with the criteria of independence as set out in Rule 3.13 of the Listing Rules. Notwithstanding the length of their services, the Company believes that their extensive knowledge and experience in the Group's business will continually benefit the Company and the shareholders as a whole.

Separate resolutions for re-election of each of them were approved by the shareholders on the Company's annual general meeting held on 28 May 2013. Details have been published in the poll results announcement of the annual general meeting of the Company dated 28 May 2013.

INTERNAL CONTROL

The Board puts great emphasis on risk management and strengthening of the internal control system. The Board also conducts regular reviews on the effectiveness of internal controls through the Audit Committee.

The principles of the internal control framework of the Company are: to strengthen the Company's internal monitoring and control system in accordance with the requirements as set out in the Listing Rules, with particular emphasis on continuous improvement of the Company's governance structure, building of an effective top-down control system, regular assessment on adaptability of the internal control system and effectiveness of management, review of the identified risk factors and developing measures from time to time to ensure the effective running of the internal control system.

In the first half of 2013, the Internal Audit Department has made significant efforts on internal audits. As revealed by the audits, it set rectification requirements on 22 issues, made 15 proposals to strengthen controls and actively followed up to ensure the situations improved. Meanwhile, it also carried out independent risk assessment to the Group through on-site interviews, questionnaires, testing and consultation, in order to evaluate the nature, possibilities and significance of various risk factors and reveal the key risky areas requiring close attention accordingly.

In addition, for good governance practice, the Internal Audit Department has taken appropriate measures to review the Group's existing continuing connected transactions on a quarterly basis. For the six months ended 30 June 2013, the relevant companies of the Group had strictly complied with those requirements governing continuing connected transactions and their agreed terms during the usual course of business, and had ensured the transaction amounts did not exceed the respective annual caps as disclosed.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Kwong Che Keung, Gordon, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec and is chaired by Mr. Kwong Che Keung, Gordon. The terms of reference of the committee has been published on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEx"). The primary duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information, review of the relationship with the external auditor of the Company and overseeing the governance and compliance matters.

The Audit Committee and PricewaterhouseCoopers have reviewed the Group's interim financial information for the six months ended 30 June 2013.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee comprises three independent non-executive Directors, namely Mr. Li Fang, Mr. Kwong Che Keung, Gordon and Mr. Tsui Yiu Wa, Alec and is chaired by the Mr. Li Fang. The terms of reference of the committee has been published on the websites of the Company and HKEx. Its major duties include making recommendations to the Board on the remuneration policy and structure for all Directors and senior management of the Company, reviewing the structure, size and composition of the Board at least annually, and making recommendations to the Board on changes to its Board members.

EXECUTIVE COMMITTEE

The Executive Committee comprises all executive Directors, vice president, chief financial officer, chief engineer, chief legal counsel and other senior management. The chairman of the committee is served by the Chairman of the Board. The Executive Committee conducts its works and reports to the Board under the "Working Guidelines for the Executive Committee" which was approved by the Board. The Executive Committee has been authorized to manage the daily operations of the Group, advise the Board in formulating policies in relation to the Group's business operations, monitor the performance and compliance of the daily business and supervise the management to implement various Board resolutions.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company always recognizes the importance of maintaining effective communication with the shareholders and investors. The shareholders and investors are informed about the latest business performance and development of the Group by means of various communication channels, including the Company's website at www.chinapower.hk, the annual and interim reports, the quarterly power generation announcements and other announcements on the Group's key business development, so that they can make the best investment decisions. Regular holding of shareholders' meetings, press conferences as well as meetings with financial analysts and investors also provide our shareholders and investors the opportunities to directly communicate with the management of the Company. Furthermore, the Company's website is updated constantly to provide investors and general public the latest information in all aspects of the Company. The "Shareholder Communication Policy" of the Company is posted on the Company's website under the "Corporate Governance" section.

According to the CG Code E.1.2, chairman of the board should attend the annual general meeting. The Chairman of the Board, Ms. Li Xiaolin, was unable to attend the Company's annual general meeting held on 28 May 2013, she had arranged Mr. Gu Dake, the executive Director and President of the Company, who is very familiar with the Group's business and operations, to attend and chair the general meeting. All other Directors, including the Company's three independent non-executive Directors, being the chairman/members of the Audit committee and the Remuneration and Nomination Committee, together with the external independent auditor, attended the annual general meeting and answered questions from the attending shareholders and investors.

During the first half of 2013, the Company participated in investment forums organized by seven internationally renowned investment banks, among which, including: "UBS Greater China Conference 2013", "Goldman Sachs China Clean Energy Corporate Day 2013", "Merrill Lynch China Energy & Clean Environment Corporate Day 2013", "Macquarie 2013 Greater China Conference", "18th CLSA China Forum", "Morgan Stanley Fourth Annual China Industrials Summit" and "J.P. Morgan China Summit 2013". The Company also arranged international roadshows in Hong Kong, Singapore and Europe to coordinate with the announcing of 2012 annual results of the Company. Senior management and investor relationship team of the Company participated in the roadshows. Apart from these, the Company met over a hundred of agents from investment institutions during the first half of this year by admitting daily visits from investors, holding conference meetings and various other investor events. Through proactive management of investor relationship activities, investors can fully understand the Company's business which will enable the Company to seize opportunities in the capital market.

SHARE OPTION SCHEMES

The Company has two share option schemes, namely the Pre-IPO share option scheme (the "Pre-IPO Scheme") and the share option scheme (the "Share Option Scheme") as follows:

(A) Pre-IPO Scheme

The Company has conditionally approved and adopted the Pre-IPO Scheme on 24 August 2004.

The Pre-IPO Scheme ended on the date on which dealings in the shares of the Company commenced on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (i.e. 15 October 2004). No further share options may be granted after that date but the provisions of the Pre-IPO Scheme shall remain in full force and effect. The main terms of the Pre-IPO Scheme are summarized in the 2012 annual report.

Movements of the share options granted under the Pre-IPO Scheme for the six months ended 30 June 2013 are as follows:

		Number of shares subject to share options						
Grantee	Date of grant	Outstanding as at 1 January 2013	Granted during the period	Lapsed or cancelled during the period	Exercised during the period	Outstanding as at 30 June 2013	Expiry date[1]	Exercise price per share (HK$)
Directors:								
LI Xiaolin	18 September 2004	1,661,500	–	–	–	1,661,500	17 September 2014	2.53
GU Dake	18 September 2004	872,300	–	–	–	872,300	17 September 2014	2.53
WANG Zichao	18 September 2004	540,000	–	–	–	540,000	17 September 2014	2.53
Other employees	18 September 2004	2,284,600	–	–	–	2,284,600	17 September 2014	2.53
	11 October 2004	498,500	–	–	–	498,500	10 October 2014	2.53

Note:

(1) Each share option has a 10-year exercise period within which there is a total vesting period of four years. Commencing from the first, second, third and fourth anniversaries of the offer date of a share option, the relevant grantee may exercise up to 25%, 50%, 75% and 100% respectively of the shares comprised in his or her share option (less any number of shares in respect of which the share option has been previously exercised).

As at 30 June 2013, a total of 5,856,900 shares (representing approximately 0.10% of the existing issued share capital of the Company) may be issued by the Company if all share options which had been granted under the Pre-IPO Scheme have been exercised.

(B) Share Option Scheme

The Share Option Scheme was conditionally approved and adopted by a written resolution passed by the Company's shareholders on 24 August 2004. The purposes of the Share Option Scheme are to attract and retain high-caliber personnel to provide them with the opportunity to acquire equity of the Company and to motivate them to higher level of performance. The main terms of the Share Option Scheme are summarized in the 2012 annual report.

Movements of the share options granted under the Share Option Scheme for the six months ended 30 June 2013 are as follows:

		Number of shares subject to share options						
Grantee	Date of grant	Outstanding as at 1 January 2013	Granted during the period	Lapsed or cancelled during the period	Exercised during the period	Outstanding as at 30 June 2013	Expiry date[1]	Exercise price per share (HK$)
Directors:								
LI Xiaolin	4 April 2007	1,905,000	–	–	–	1,905,000	3 April 2017	4.07
	2 July 2008	820,000	–	–	–	820,000	1 July 2018	2.326
GU Dake	4 April 2007	1,377,000	–	–	–	1,377,000	3 April 2017	4.07
	2 July 2008	700,000	–	–	–	700,000	1 July 2018	2.326
GUAN Qihong	2 July 2008	400,000	–	–	–	400,000	1 July 2018	2.326
WANG Zichao	4 April 2007	804,000	–	–	–	804,000	3 April 2017	4.07
	2 July 2008	700,000	–	–	–	700,000	1 July 2018	2.326
Other employees	4 April 2007	5,958,000	–	–	–	5,958,000	3 April 2017	4.07
	2 July 2008	19,410,000	–	–	–	19,410,000	1 July 2018	2.326

Note:

(1) Each share option has a 10-year exercise period within which there is a total vesting period of four years. Commencing from the first, second, third and fourth anniversaries of the offer date of a share option, the relevant grantee may exercise up to 25%, 50%, 75% and 100% respectively of the shares comprised in his or her share option (less any number of shares in respect of which the share option has been previously exercised).

As at 30 June 2013, the total number of shares in respect of which share options may be granted under the Share Option Scheme was 32,074,000 shares, representing approximately 0.56% of the existing issued share capital of the Company.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2013, save as disclosed below, none of the Directors or the chief executive has any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO") which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Name of Directors	Capacity	Name of company in which interest are held	Date of grant	Number of underlying shares interested under physically settled equity derivatives[1]	Percentage of issued share capital of the Company (%)	Long/short position
LI Xiaolin	Beneficial owner	the Company	18 September 2004, 4 April 2007 and 2 July 2008	4,386,500	0.0764	Long
GU Dake	Beneficial owner	the Company	18 September 2004, 4 April 2007 and 2 July 2008	2,949,300	0.0514	Long
GUAN Qihong	Beneficial owner	the Company	2 July 2008	400,000	0.0070	Long
WANG Zichao	Beneficial owner	the Company	18 September 2004, 4 April 2007 and 2 July 2008	2,044,000	0.0356	Long

Notes:

(1) The interests of the above Directors in the underlying shares of the Company represent the share options granted to them under the Pre-IPO Scheme and Share Option Scheme by the Company.

(2) None of the above Directors has interests in any securities of the Company (except for interests held under equity derivatives disclosed above).

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2013, to the best knowledge of the Directors, the following persons (other than the Directors and the chief executive of the Company) who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholders	Capacity	Number of shares in which interested other than under equity derivatives[(3)]	Percentage of issued share capital of the Company (%)	Long/short position
China Power Development Limited ("CPDL")	Beneficial owner	1,996,500,000	34.79	Long
CPI Holding[(1)]	Interest of a controlled corporation	1,996,500,000	34.79	Long
	Beneficial owner	1,532,827,927	26.71	Long
CPI Group[(2)]	Interest of a controlled corporation	3,529,327,927	61.50	Long

Notes:

(1) CPDL is the wholly-owned subsidiary of China Power International Holding Limited ("CPI Holding" or "CPIH") and therefore CPI Holding is deemed to be interested in 1,996,500,000 shares owned by CPDL for the purposes of the SFO.

(2) CPI Holding is the wholly-owned subsidiary of China Power Investment Corporation* ("CPI Group") and therefore CPI Group is deemed to be interested in 1,532,827,927 and 1,996,500,000 shares owned by CPI Holding and CPDL respectively for the purposes of the SFO.

(3) CPI Group, CPI Holding and CPDL do not have any interest in the equity derivatives of the Company.

Save as disclosed above, as at 30 June 2013, no person, other than the Directors and the chief executive of the Company whose interests are set out in the section "Directors' Interests in Securities" above, had any interest or short positions in the shares, underlying shares or debentures of the Company which are required to be notified to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

* *For identification purpose only*

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2013.

PUBLIC FLOAT

As at the date of this interim report, based on public information available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, being no less than 25% of the issued share capital of the Company as required under the Listing Rules.

Report on Review of Interim Financial Information from Independent Auditor

pwc

羅兵咸永道

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF
CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 30 to 86, which comprises the condensed consolidated interim balance sheet of China Power International Development Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2013 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 16 August 2013

Condensed Consolidated Interim Income Statement

For the Six Months ended 30 June 2013

		Unaudited	
		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Revenue	6	**9,642,440**	9,101,377
Other income	7	**138,865**	106,985
Fuel costs		**(4,239,510)**	(5,230,819)
Depreciation		**(1,091,503)**	(1,006,943)
Staff costs		**(481,880)**	(414,353)
Repairs and maintenance		**(302,948)**	(225,250)
Consumables		**(113,485)**	(103,060)
Other gains, net	8	**3,496**	61,129
Other operating expenses		**(606,019)**	(482,421)
Operating profit	9	**2,949,456**	1,806,645
Finance income	10	**47,632**	58,160
Finance costs	10	**(757,459)**	(861,699)
Share of profits of associates		**200,420**	32,014
Share of profits/(losses) of joint ventures		**26,161**	(7,593)
Profit before taxation		**2,466,210**	1,027,527
Taxation	11	**(382,773)**	(247,159)
Profit for the period		**2,083,437**	780,368
Attributable to:			
Owners of the Company		**1,401,196**	547,796
Non-controlling interests		**682,241**	232,572
		2,083,437	780,368
Earnings per share for profit attributable to owners of the Company during the period (expressed in RMB per share)			
— Basic	12	**0.25**	0.11
— Diluted	12	**0.21**	0.10

Condensed Consolidated Interim Statement of Comprehensive Income

For the Six Months ended 30 June 2013

		Unaudited	
		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Profit for the period		**2,083,437**	780,368
Other comprehensive (loss)/income that may be reclassified to profit or loss:			
— Fair value (loss)/gain on available-for-sale financial assets, net of tax	19	**(157,350)**	233,002
Total comprehensive income for the period		**1,926,087**	1,013,370
Attributable to:			
Owners of the Company		**1,243,846**	780,798
Non-controlling interests		**682,241**	232,572
Total comprehensive income for the period		**1,926,087**	1,013,370

Condensed Consolidated Interim Balance Sheet

As at 30 June 2013

	Note	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	14	**55,690,687**	55,942,962
Prepayment for construction of power plants	14	**207,906**	1,655,650
Land use rights	14	**436,486**	449,928
Goodwill		**767,453**	767,453
Interests in associates		**1,929,829**	1,529,410
Interests in joint ventures		**568,076**	553,177
Available-for-sale financial assets	15	**1,816,993**	2,026,793
Loan to a fellow subsidiary	27	**300,000**	300,000
Deferred income tax assets		**72,066**	73,965
		61,789,496	63,299,338
Current assets			
Inventories		**549,210**	662,883
Accounts receivable	16	**2,540,955**	2,170,030
Prepayments, deposits and other receivables		**1,155,764**	1,114,429
Derivative financial instruments	23	**—**	38,744
Amounts due from related parties	27	**685,768**	565,756
Tax recoverable		**6,800**	6,800
Pledged bank deposits	24	**100,481**	35,000
Cash and cash equivalents		**2,706,472**	2,016,418
		7,745,450	6,610,060
Assets held for sale	17	**2,775,781**	—
		10,521,231	6,610,060
Total assets		**72,310,727**	69,909,398

		As at	
		30 June	31 December
		2013	2012
		Unaudited	Audited
	Note	***RMB'000***	*RMB'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	18	**5,634,612**	5,483,753
Share premium	18	**4,857,828**	4,685,455
Reserves	19	**5,466,185**	4,773,036
		15,958,625	14,942,244
Non-controlling interests		**4,696,928**	3,987,178
Total equity		**20,655,553**	18,929,422
LIABILITIES			
Non-current liabilities			
Deferred income		**58,447**	64,497
Bank borrowings	21	**25,574,504**	27,929,204
Borrowings from related parties	27	**2,955,911**	3,705,911
Other borrowings	22	**3,894,664**	3,650,021
Obligations under finance leases		**499,887**	555,085
Deferred income tax liabilities		**846,553**	824,201
Other long-term liabilities		**4,429**	5,815
		33,834,395	36,734,734

Condensed Consolidated Interim Balance Sheet

As at 30 June 2013

	Note	As at 30 June 2013 Unaudited RMB'000	31 December 2012 Audited RMB'000
Current liabilities			
Accounts and bills payables	20	**1,103,613**	795,363
Construction cost payable		**1,867,277**	2,296,777
Other payables and accrued charges		**1,184,018**	989,411
Amounts due to related parties	27	**277,018**	155,850
Bank borrowings	21	**7,702,016**	6,981,198
Other borrowings	22	**1,436,399**	2,053,540
Borrowings from related parties	27	**1,470,000**	620,000
Current portion of obligations under finance leases		**107,791**	103,911
Taxation payable		**277,472**	249,192
		15,425,604	14,245,242
Liabilities directly associated with assets held for sale	17	**2,395,175**	—
		17,820,779	14,245,242
Total liabilities		**51,655,174**	50,979,976
Total equity and liabilities		**72,310,727**	69,909,398
Net current liabilities		**7,299,548**	7,635,182
Total assets less current liabilities		**54,489,948**	55,664,156

Condensed Consolidated Interim Statement of Changes in Equity

For the Six Months ended 30 June 2013

	Unaudited					
	Attributable to owners of the Company					
	Share capital	Share premium	Other reserves (Note 19)	Retained earnings	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 1 January 2012	5,121,473	4,303,111	3,482,568	217,840	3,364,510	16,489,502
Profit for the period	–	–	–	547,796	232,572	780,368
Other comprehensive income/(loss):						
Fair value gain on available-for-sale financial assets	–	–	310,669	–	–	310,669
Deferred tax on fair value gain on available-for-sale financial assets	–	–	(77,667)	–	–	(77,667)
Total comprehensive income for the period	–	–	233,002	547,796	232,572	1,013,370
Share-based compensation expense	–	–	320	–	–	320
Lapse of share options	–	–	(899)	899	–	–
Contribution from a non-controlling shareholder of a subsidiary	–	–	–	–	30,000	30,000
2011 final dividend	–	–	–	(229,818)	–	(229,818)
Total transactions with owners	–	–	(579)	(228,919)	30,000	(199,498)
Balance as at 30 June 2012	5,121,473	4,303,111	3,714,991	536,717	3,627,082	17,303,374

Condensed Consolidated Interim Statement of Changes in Equity

For the Six Months ended 30 June 2013

	Unaudited					
	Attributable to owners of the Company					
	Share capital	Share premium	Other reserves (Note 19)	Retained earnings	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 1 January 2013	5,483,753	4,685,455	3,664,724	1,108,312	3,987,178	18,929,422
Profit for the period	–	–	–	1,401,196	682,241	2,083,437
Other comprehensive (loss)/income:						
Fair value loss on available-for-sale financial assets	–	–	(209,800)	–	–	(209,800)
Deferred tax on fair value loss on available-for-sale financial assets	–	–	52,450	–	–	52,450
Total comprehensive (loss)/income for the period	–	–	(157,350)	1,401,196	682,241	1,926,087
Contribution from non-controlling shareholders of subsidiaries	–	–	–	–	81,077	81,077
Dividend paid to a non-controlling shareholder of a subsidiary	–	–	–	–	(53,568)	(53,568)
Issue of new shares upon conversion of convertible bonds	150,859	172,373	(39,777)	–	–	283,455
2012 final dividend	–	–	–	(510,920)	–	(510,920)
Total transactions with owners	150,859	172,373	(39,777)	(510,920)	27,509	(199,956)
Balance as at 30 June 2013	5,634,612	4,857,828	3,467,597	1,998,588	4,696,928	20,655,553

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Net cash generated from operating activities	**2,832,611**	1,769,704
Net cash used in investing activities	**(2,321,501)**	(2,444,134)
Net cash generated from financing activities	**179,580**	2,393,440
Net increase in cash and cash equivalents	**690,690**	1,719,010
Cash and cash equivalents at the beginning of period	**2,016,418**	1,179,817
Exchange differences	**(636)**	(236)
Cash and cash equivalents at the end of period	**2,706,472**	2,898,591
Analysis of cash and cash equivalents:		
Cash and bank balances	**2,706,472**	2,898,591

Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

China Power International Development Limited (the "Company") was incorporated in Hong Kong on 24 March 2004 as a limited liability company under the Hong Kong Companies Ordinance. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (together, the "Group") are principally engaged in investment holdings, generation and sale of electricity and the development of power plants in the People's Republic of China (the "PRC").

The condensed consolidated interim financial information is presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and has been approved for issue on 16 August 2013.

The condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

(a) The condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants.

(b) As at 30 June 2013, the Group had net current liabilities of RMB7,300 million (31 December 2012: RMB7,635 million). In preparing the condensed consolidated interim financial information, the Directors have also taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As of 30 June 2013, the Group had undrawn committed banking facilities amounting to approximately RMB9,502 million (31 December 2012: RMB10,348 million) and will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable. Under these circumstances, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and therefore have prepared the condensed consolidated interim financial information on a going concern basis.

3 ACCOUNTING POLICIES

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

(a) Effect of adopting new standards and amendments to standards

The following new standards and amendments to standards are mandatory for accounting periods beginning on or after 1 January 2013. The adoption of these new standards and amendments to standards does not have any significant impact to the results and financial position of the Group.

HKFRS 1 (amendment)	Government Loans
HKFRS 7 (amendment)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, 11 and 12 (amendment)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 1 (amendment)	Presentation of Items of Other Comprehensive Income
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HK (IFRIC)-Int 20 (amendment)	Stripping Costs in the Production Phase of a Surface Mine
HKFRSs (amendment)	Annual Improvements 2009-2011 Cycle

3 ACCOUNTING POLICIES (Continued)

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

HKFRS 7 and 9 (amendment)	Mandatory Effective Date and Transition Disclosures [(2)]
HKFRS 9	Financial Instruments [(2)]
HKFRS 10, 12 and HKAS 27 (2011)	Investment Entities [(1)]
HKAS 32 (amendment)	Offsetting Financial Assets and Financial Liabilities [(1)]
HKAS 36 (amendment)	Recoverable Amount Disclosures for Non-financial Assets [(1)]

(1) Effective for the Group for annual period beginning on 1 January 2014

(2) Effective for the Group for annual period beginning on 1 January 2015

The Group will apply the above new standards and amendments to standards from 1 January 2014 or later periods and has already commenced an assessment of the related impact to the Group. The Group expects there will be no material changes to the Group's significant accounting policies and presentation of the financial information on adoption of the above new standards and amendments to standards.

(c) Non-current assets held-for-sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

4 ESTIMATES

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

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

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

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

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

5.2 Liquidity risk

Compared to year end date, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

As at 30 June 2013, the net current liabilities of the Group amounted to RMB7,300 million (31 December 2012: RMB7,635 million). Management monitors regularly the Group's current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of committed banking facilities to meet its working capital requirements. As of 30 June 2013, the Group had undrawn committed banking facilities amounting to approximately RMB9,502 million (31 December 2012: RMB10,348 million).

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions settled in RMB. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk primarily with respect to Japanese Yen ("JPY") and United States dollars ("USD").

The Group's assets and liabilities, and transactions arising from its operations primarily do not expose to material foreign exchange risk. Other than certain of its bank borrowings, the Group's assets and liabilities are primarily denominated in RMB. The Group generates RMB from sales in the PRC to meet its liabilities denominated in RMB.

As at 30 June 2013, the Group was exposed to foreign exchange risk primarily with respect to certain of its bank borrowings which were denominated in JPY and USD, details of which have been disclosed in Note 21.

All derivative financial instruments that used to manage foreign exchange exposures were terminated during the period, details of which have been disclosed in Note 23. The Group and the Company manage their foreign currency risk by closely monitoring the movement of the foreign currency rates.

RMB experienced certain appreciation against JPY and USD during the period which is the major reason for the exchange differences recognised by the Group for the period. Further appreciation and depreciation of JPY and USD against RMB will affect the Group's financial position and results of operations.

At 30 June 2013, if RMB had weakened/strengthened by 5% against JPY, with all other variables held constant, post-tax profit for the period would have been approximately RMB35,292,000 lower/higher (2012: RMB42,951,000 lower/higher), mainly as a result of foreign exchange losses/gains on translation of JPY-denominated borrowings.

At 30 June 2013, if RMB had weakened/strengthened by 5% against USD, with all other variables held constant, post-tax profit for the period would have been approximately RMB7,488,000 lower/higher (2012: RMB4,558,000 lower/higher), mainly as a result of foreign exchange losses/gains on translation of USD-denominated borrowings.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.4 Fair value estimation

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

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

The following tables present the Group's assets that are measured at fair value.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2013				
Assets				
Available-for-sale financial assets				
— equity securities	**1,662,281**	**—**	**—**	**1,662,281**
Derivative financial instruments	**—**	**—**	**—**	**—**
At 31 December 2012				
Assets				
Available-for-sale financial assets				
— equity securities	1,872,081	—	—	1,872,081
Derivative financial instruments	—	—	38,744	38,744

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.4 Fair value estimation (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in level 2.

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

- Other techniques, such as discounted cash flow analysis and option pricing model, are used to determine the fair value for the remaining financial instruments.

As at 31 December 2012, the derivative financial instruments represented certain net settled derivative financial instruments, with a contract period of 15 years, mainly to sell USD for JPY with an aggregate notional principal amount of JPY2,601,520,000. The derivative financial instruments were terminated during the period.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.4 Fair value estimation (Continued)

The following table presents the changes in these derivative financial instruments for the period ended 30 June 2013.

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Opening balance as at 1 January - Assets/(liabilities)	**38,744**	(32,965)
Fair value gain recognised in the condensed consolidated interim income statement (Note 8)	**—**	47,237
Loss on termination of derivative financial instruments recognised in the condensed consolidated interim income statement (Note 8)	**(26,634)**	—
Proceeds from termination of derivative financial instruments	**(12,110)**	—
Closing balance as at 30 June - Assets	**—**	14,272
Total fair value gain included in the condensed consolidated interim income statement for the period for derivative financial instruments held at the end of the reporting period	**—**	47,237

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

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

The fair values of borrowings are as follows:

	As at	
	30 June	31 December
	2013	2012
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current	**32,814,501**	35,423,819
Current	**10,608,415**	9,654,738
	43,422,916	45,078,557

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Accounts receivable
- Prepayments, deposits and other receivables
- Pledged bank deposits
- Cash and cash equivalents
- Amounts due from/(to) related parties
- Accounts and bills payables
- Construction cost payable
- Other payables and accrued charges

6 REVENUE AND SEGMENT INFORMATION

Revenue, representing turnover, recognised during the period is as follows:

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Sales of electricity to regional and provincial power grid companies (note (a))	**9,425,320**	9,014,592
Provision of power generation and related services (notes (b) and (c))	**217,120**	86,785
	9,642,440	9,101,377

Notes:

(a) Pursuant to the power purchase agreements entered into between the Group and the respective regional and provincial power grid companies, the Group's sales of electric power were made to these power grid companies at the tariff rates agreed with the respective regional and provincial power grid companies as approved by the relevant government authorities.

(b) Provision of power generation and related services represents income from provision of power generation and related services to other power plants and power grid companies which are calculated based on mutually agreed terms.

(c) Amount included power plant lease income of approximately RMB206,914,000 (2012: RMB51,729,000) from Heimifeng Power Plant ("Heimifeng") for the year 2012 that was agreed with the provincial power grid company in February 2013.

6 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information

The chief operating decision maker of the Group has been identified as the executive Directors and certain senior management (collectively referred to as the "CODM") who make strategic decisions. The CODM reviews the internal reporting of the Company and its subsidiaries in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. Currently, it is determined that the "Generation and sales of coal-fired electricity" and "Generation and sales of hydropower electricity" in the PRC are the reportable segments of the Group.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from available-for-sale financial assets, if any, and effects on items of a non-recurring nature, such as impairments when the impairment is the result of an isolated and non-recurring event. Other information provided to the CODM is measured in a manner consistent with that in the condensed consolidated interim financial information.

Segment assets exclude deferred income tax assets, available-for-sale financial assets, derivative financial instruments and corporate assets which are managed on a central basis.

Segment liabilities exclude taxation payable, deferred income tax liabilities and corporate liabilities which are managed on a central basis.

6 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

	Unaudited Six months ended 30 June 2013				
	Coal-fired electricity *RMB'000*	Hydropower electricity *RMB'000*	Reportable segments total *RMB'000*	Others *RMB'000*	Total *RMB'000*
Revenue					
Sales of electricity	6,956,241	2,469,079	9,425,320	—	9,425,320
Provision of power generation and related services	10,206	206,914	217,120	—	217,120
	6,966,447	2,675,993	9,642,440	—	9,642,440
Results of reportable segments	1,135,222	1,809,315	2,944,537	—	2,944,537
Unallocated income	—	—	—	95,039	95,039
Unallocated expenses	—	—	—	(90,120)	(90,120)
Operating profit	1,135,222	1,809,315	2,944,537	4,919	2,949,456
Finance income	1,636	21,466	23,102	24,530	47,632
Finance costs	(364,449)	(385,462)	(749,911)	(7,548)	(757,459)
Share of profits of associates	200,420	—	200,420	—	200,420
Share of profits/(losses) of joint ventures	32,681	—	32,681	(6,520)	26,161
Profit before taxation	1,005,510	1,445,319	2,450,829	15,381	2,466,210
Taxation	(169,026)	(211,183)	(380,209)	(2,564)	(382,773)
Profit for the period	836,484	1,234,136	2,070,620	12,817	2,083,437
Other segment information:					
Capital expenditure	803,679	1,367,675	2,171,354	2,765	2,174,119
Depreciation on property, plant and equipment	622,636	461,983	1,084,619	6,884	1,091,503
Amortisation of land use rights	1,685	2,952	4,637	—	4,637

6 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

	Unaudited As at 30 June 2013				
	Coal-fired electricity *RMB'000*	Hydropower electricity *RMB'000*	Reportable segments total *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment assets					
Other segment assets	26,344,421	35,246,294	61,590,715	—	61,590,715
Goodwill	—	767,453	767,453	—	767,453
Interests in associates	1,773,722	72,920	1,846,642	83,187	1,929,829
Interests in joint ventures	308,515	—	308,515	259,561	568,076
Assets held for sale	—	2,775,781	2,775,781	—	2,775,781
	28,426,658	38,862,448	67,289,106	342,748	67,631,854
Available-for-sale financial assets					1,816,993
Loan to a fellow subsidiary					300,000
Deferred income tax assets					72,066
Other unallocated assets					2,489,814
Total assets per consolidated balance sheet					72,310,727
Segment liabilities					
Other segment liabilities	(3,410,525)	(1,586,760)	(4,997,285)	—	(4,997,285)
Borrowings	(16,313,331)	(26,028,913)	(42,342,244)	(691,250)	(43,033,494)
Liabilities directly associated with assets held for sale	—	(2,395,175)	(2,395,175)	—	(2,395,175)
	(19,723,856)	(30,010,848)	(49,734,704)	(691,250)	(50,425,954)
Taxation payable					(277,472)
Deferred income tax liabilities					(846,553)
Other unallocated liabilities					(105,195)
Total liabilities per consolidated balance sheet					(51,655,174)

6 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

	Unaudited				
	Six months ended 30 June 2012				
	Coal-fired electricity	Hydropower electricity	Reportable segments total	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
Sales of electricity	7,371,060	1,643,532	9,014,592	—	9,014,592
Provision of power generation and related services	35,056	51,729	86,785	—	86,785
	7,406,116	1,695,261	9,101,377	—	9,101,377
Results of reportable segments	801,615	1,032,006	1,833,621	—	1,833,621
Unallocated income	—	—	—	47,552	47,552
Unallocated expenses	—	—	—	(74,528)	(74,528)
Operating profit/(loss)	801,615	1,032,006	1,833,621	(26,976)	1,806,645
Finance income	2,423	43,331	45,754	12,406	58,160
Finance costs	(368,471)	(482,394)	(850,865)	(10,834)	(861,699)
Share of profits of associates	32,014	—	32,014	—	32,014
Share of losses of joint ventures	(3,610)	—	(3,610)	(3,983)	(7,593)
Profit/(loss) before taxation	463,971	592,943	1,056,914	(29,387)	1,027,527
Taxation	(95,476)	(151,209)	(246,685)	(474)	(247,159)
Profit/(loss) for the period	368,495	441,734	810,229	(29,861)	780,368
Other segment information:					
Capital expenditure	1,633,159	1,669,346	3,302,505	10,342	3,312,847
Depreciation on property, plant and equipment	565,362	437,506	1,002,868	4,075	1,006,943
Amortisation of land use rights	1,285	2,952	4,237	—	4,237

6 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

	Audited				
	As at 31 December 2012				
	Coal-fired electricity	Hydropower electricity	Reportable segments total	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets					
Other segment assets	26,342,991	36,006,976	62,349,967	—	62,349,967
Goodwill	—	767,453	767,453	—	767,453
Interests in associates	1,472,371	23,851	1,496,222	33,188	1,529,410
Interests in joint ventures	275,834	—	275,834	277,343	553,177
	28,091,196	36,798,280	64,889,476	310,531	65,200,007
Available-for-sale financial assets					2,026,793
Loan to a fellow subsidiary					300,000
Deferred income tax assets					73,965
Derivative financial instruments					38,744
Other unallocated assets					2,269,889
Total assets per consolidated balance sheet					69,909,398
Segment liabilities					
Other segment liabilities	(3,277,365)	(1,629,205)	(4,906,570)	—	(4,906,570)
Borrowings	(16,733,093)	(27,702,003)	(44,435,096)	(504,778)	(44,939,874)
	(20,010,458)	(29,331,208)	(49,341,666)	(504,778)	(49,846,444)
Taxation payable					(249,192)
Deferred income tax liabilities					(824,201)
Other unallocated liabilities					(60,139)
Total liabilities per consolidated balance sheet					(50,979,976)

7 OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Rental income	**32,333**	33,136
Hotel operations income	**17,970**	20,890
Dividend income (Note 27(a))	**60,520**	20,173
Clean development mechanism income	**8,815**	16,126
Income from the provision of repairs and maintenance services	**6,061**	14,173
Management fee income	**13,166**	2,487
	138,865	106,985

8 OTHER GAINS, NET

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Amortisation of deferred income	**4,771**	5,337
Fair value gain on derivative financial instruments (Note 23)	**—**	47,237
Government subsidies	**150**	7,479
Desulphurisation tariff deduction	**(10,148)**	—
Loss on termination of derivative financial instruments (Note 23)	**(26,634)**	—
Gain on disposal of property, plant and equipment and land use rights	**25,810**	—
Gain on disposal of a joint venture	**8,326**	—
Others	**1,221**	1,076
	3,496	61,129

9 OPERATING PROFIT

Operating profit is stated after charging the following:

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Amortisation of land use rights (Note 14)	**4,637**	4,237
Depreciation of property, plant and equipment (Note 14)	**1,091,503**	1,006,943
Operating lease rentals in respect of		
— equipment	**2,202**	1,767
— leasehold land and buildings	**20,439**	16,796
Staff costs including Directors' emoluments	**481,880**	414,353
Write-off of pre-operating expenses	**22,445**	8,048
Impairment of inventories	**23,537**	—
Write-off of accounts receivable	**17,570**	—

10 FINANCE INCOME AND FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**27,722**	12,333
Interest income from an associate (Note 27(a))	**10,634**	4,877
Interest income from a fellow subsidiary (Note 27(a))	**9,276**	40,950
	47,632	58,160
Finance costs		
Interest expense on		
— bank borrowings wholly repayable within five years	**138,347**	201,048
— bank borrowings not wholly repayable within five years	**943,674**	904,168
— long-term borrowings from related parties not wholly repayable within five years	**39,035**	38,368
— long-term borrowings from related parties wholly repayable within five years	**57,116**	40,434
— short-term borrowings from related parties	**22,267**	53,452
— long-term other borrowings wholly repayable within five years	**73,415**	49,267
— long-term other borrowings not wholly repayable within five years	**23,128**	22,862
— short-term other borrowings	**53,176**	18,453
— obligations under finance leases	**18,286**	4,927
	1,368,444	1,332,979
Less: amounts capitalised	**(440,035)**	(425,585)
	928,409	907,394
Net foreign exchange gains	**(170,950)**	(45,695)
	757,459	861,699

The weighted average interest rate on capitalised borrowings was approximately 6.15% (2012: 6.5%) per annum.

11 TAXATION

No Hong Kong profits tax has been provided for as the Group did not have any estimated assessable profit in Hong Kong for the period (2012: Nil).

The provision for PRC current income tax is calculated based on the statutory tax rate of 25% (2012: 25%) on the estimated assessable income for the period except as disclosed below.

The amount of taxation charged to the condensed consolidated interim income statement represents:

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
PRC current income tax	**306,072**	179,286
Deferred income tax charge	**76,701**	67,873
	382,773	247,159

Share of taxation charge attributable to associates and joint ventures for the period in the amount of RMB36,756,000 (2012: RMB11,662,000) and RMB8,778,000 (2012: share of taxation credit of RMB2,274,000) respectively are included in the Group's share of results of associates/joint ventures for the period.

Certain subsidiaries of the Group, which started operations in the years 2007 and 2008, are entitled to a two year exemption from income tax starting from the year in operation followed by a 50% reduction in income tax rate in the ensuing three years. These companies completed their tax holiday in 2012 and are subject to a tax rate of 25% for the year 2013 (2012: 12.5%). A subsidiary of the Group started operations in 2011 is entitled to a two-year exemption and three-year 50% reduction in income tax commencing from year 2012. It is also entitled to the preferential income tax rate of 15% until 2020.

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of shares in issue during the period.

	Unaudited Six months ended 30 June	
	2013	2012
Profit attributable to owners of the Company (RMB'000)	**1,401,196**	547,796
Weighted average number of shares in issue (shares in thousands)	**5,614,680**	5,107,061
Basic earnings per share (RMB)	**0.25**	0.11

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares arising from the Company's share options and convertible bonds. For the six months ended 30 June 2013, the Company has share options and convertible bonds (2012: convertible bonds) that have dilutive potential ordinary shares. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect.

12 EARNINGS PER SHARE (Continued)

(b) Diluted (Continued)

	Unaudited Six months ended 30 June 2013	2012
Profit attributable to owners of the Company (RMB'000)	**1,401,196**	547,796
Adjustment for finance costs on convertible bonds (after tax) (RMB'000)	**40,399**	18,161
Profit used to determine diluted earnings per share (RMB'000)	**1,441,595**	565,957
Weighted average number of shares in issue (shares in thousands)	**5,614,680**	5,107,061
Adjustment for convertible bonds and share options (shares in thousands)	**1,128,771**	583,551
Weighted average number of shares for the purpose of calculating diluted earnings per share (shares in thousands)	**6,743,451**	5,690,612
Diluted earnings per share (RMB)	**0.21**	0.10

13 DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2013 (2012: Nil).

14 CAPITAL EXPENDITURE

	Unaudited		
	Property, plant and equipment *RMB'000*	Prepayment for construction of power plants *RMB'000*	Land use rights *RMB'000*
Opening net book amount as at 1 January 2012	49,350,730	2,385,556	457,764
Acquisition of subsidiaries (Note 25)	135,166	—	—
Additions	2,549,422	750,961	12,464
Disposals	(55)	—	—
Depreciation and amortisation	(1,006,943)	—	(4,237)
Transfer	1,445,375	(1,445,375)	—
Closing net book amount as at 30 June 2012	52,473,695	1,691,142	465,991
Opening net book amount as at 1 January 2013	**55,942,962**	**1,655,650**	**449,928**
Additions	**2,036,737**	**136,706**	**676**
Disposals	**(8,488)**	**—**	**(9,481)**
Depreciation and amortisation	**(1,091,503)**	**—**	**(4,637)**
Transfer	**1,584,450**	**(1,584,450)**	**—**
Reclassification to assets held for sale (Note 17)	**(2,773,471)**	**—**	**—**
Closing net book amount as at 30 June 2013	**55,690,687**	**207,906**	**436,486**

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
Unlisted equity investments outside Hong Kong		
— at cost (note (a))	**154,712**	154,712
Equity securities listed outside Hong Kong		
— at fair value (note (b))	**1,662,281**	1,872,081
	1,816,993	2,026,793
Market value of equity securities listed outside Hong Kong	**1,662,281**	1,872,081

Notes:

(a) Unlisted equity investments principally represent interests in certain unlisted companies which do not have a quoted market price in an active market and for which the range of other methods of reasonably estimating fair value is significant and the probabilities of the various estimates cannot be reasonably assessed. Accordingly, these investments are carried at cost less accumulated impairment losses.

(b) Details of the equity securities listed outside Hong Kong as at 30 June 2013 are as follows:

Name of company	Place of establishment and operation	Registered and paid up capital	Equity interest attributable to the Group	Type of legal entity	Principal activity
Shanghai Electric Power Co., Ltd ("Shanghai Power")	The PRC	RMB2,139,739,000	18.86%	Joint stock company with limited liability with its A-shares listed on the Shanghai Stock Exchange	Investment holdings and the generation and sale of electricity

16 ACCOUNTS RECEIVABLE

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	RMB'000	*RMB'000*
Accounts receivable from regional and provincial power grid companies (note (a))	**2,208,365**	1,984,628
Accounts receivable from other companies (note (a))	**71,730**	7,749
	2,280,095	1,992,377
Notes receivable (note (b))	**260,860**	177,653
	2,540,955	2,170,030

The carrying amounts of accounts and notes receivables approximate their fair values due to their short maturity. All accounts and notes receivables are denominated in RMB.

As at 30 June 2013, certain bank borrowings were secured by the rights on accounts receivable of certain subsidiaries of the Group (Note 21(d)). The accounts receivable secured under these facilities as at 30 June 2013 amounted to RMB1,874,273,000 (2012: RMB1,575,920,000) (Note 24).

Notes:

(a) The Group normally grants 15 to 60 days credit period to customers from the end of the month in which the sales are made. The ageing analysis of the accounts receivable is as follows:

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	RMB'000	*RMB'000*
1 to 3 months	**2,273,345**	1,992,377
4 to 6 months	**5,668**	—
7 to 9 months	**1,082**	—
	2,280,095	1,992,377

(b) The notes receivable are normally with maturity period of 180 days (2012: 180 days).

17 ASSETS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

In June 2013, the assets and liabilities related to Heimifeng have been classified as held for sale upon the approval of the disposal by the Board.

	As at 30 June 2013 Unaudited *RMB'000*
Non-current assets	
Property, plant and equipment	2,773,471
Current assets	
Inventories	1,876
Prepayments, deposits and other receivables	434
	2,310
Total assets held for sale	2,775,781
Non-current liabilities	
Bank borrowings (note)	2,120,000
Current liabilities	
Construction cost payable	164,649
Other payables and accrued charges	526
Bank borrowings (note)	110,000
	275,175
Total liabilities directly associated with assets held for sale	2,395,175

17 ASSETS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE (Continued)

Subsequent to the period end, on 26 July 2013, the Group entered into an agreement with State Grid Xinyuan Company Limited and Hunan Heimifeng Pumped Storage Power Company Ltd. (collectively, the "Purchaser") pursuant to which the Group agreed to sell and the Purchaser agreed to purchase assets and assume liabilities of Heimifeng at a consideration of approximately RMB1,104,878,000. The disposal is expected to complete on or before 31 December 2013.

As a result of the disposal, the Group is expected to recognise an estimated and unaudited pre-tax gain of approximately RMB771,000,000. This has been calculated on the basis of (i) the consideration and (ii) the net asset value of Heimifeng as at 31 December 2012. The net proceeds generated from the disposal will be applied as general working capital of the Group.

Note:

As at 30 June 2013, the bank borrowings of Heimifeng were secured as follows:

	As at 30 June 2013 Unaudited *RMB'000*
Secured against the rights on accounts receivable of certain subsidiaries of the Group	**500,000**
Guaranteed by the ultimate holding company	**680,000**
Guaranteed by Hunan Xiangtou International Investment Limited ("Xiangtou"), the non-controlling shareholder of a subsidiary	**320,000**
	1,500,000

18 SHARE CAPITAL AND SHARE PREMIUM

(a) Authorised and issued capital

	Number of shares	Nominal amount
	(of HK$1 each)	*RMB'000*
Authorised:		
As at 1 January 2012, 31 December 2012 and 30 June 2013	10,000,000,000	10,600,000
Issued and fully paid:		
As at 1 January 2012	5,107,060,777	5,121,473
Issue of new shares (note (i))	443,248,000	362,280
At 31 December 2012	5,550,308,777	5,483,753
Issue of new shares upon conversion of convertible bonds (note (ii))	188,488,507	150,859
At 30 June 2013	5,738,797,284	5,634,612

Notes:

(i) On 21 August 2012, the Company completed a placing of 443,248,000 shares at a subscription price of HK$2.10 per share for aggregate consideration of approximately HK$931 million (equivalent to approximately RMB761 million) and 443,248,000 shares of HK$1 each were issued at a premium of HK$1.10 each. The premium on issue of shares of approximately HK$488 million (equivalent to approximately RMB399 million) net of expenses of approximately HK$20 million (equivalent to approximately RMB16 million) was credited to the share premium account. These new shares rank pari passu in all respects with the then existing shares.

(ii) During the period, the Company received conversion notices from certain bondholders in respect of the exercise of the conversion rights attached to the 2011 convertible bonds (Note 22(c)(i)). 188,488,507 new ordinary shares of HK$1 each were issued upon the conversion of convertible bonds of RMB283,455,000, resulting in a share premium of approximately RMB172,373,000. These new shares rank pari passu in all respects with the then existing shares.

18 SHARE CAPITAL AND SHARE PREMIUM (Continued)

(b) Share premium

	RMB'000
At 1 January 2012	4,303,111
Issue of new shares (Note 18(a)(i))	382,344
At 31 December 2012	4,685,455
Issue of new shares upon conversion of convertible bonds (Note 18(a)(ii))	172,373
At 30 June 2013	4,857,828

(c) Share option schemes

Pursuant to the written resolutions passed by the shareholders of the Company on 24 August 2004, two share option schemes, namely, Share Option Scheme (the "Option Scheme"), and Pre-IPO Share Option Scheme (the "Pre-IPO Scheme") were approved and adopted by the Company.

(i) Option Scheme

Details of the options granted under the Option Scheme outstanding as at 30 June 2013 are as follows:

			Number of shares subject to the options	
Date of grant	**Expiry date**	**Exercise price**	**As at 30 June 2013 Unaudited**	As at 31 December 2012 Audited
Directors				
4 April 2007	3 April 2017	HK$4.07	**4,086,000**	4,086,000
2 July 2008	1 July 2018	HK$2.326	**2,620,000**	2,620,000
Senior management and other employees				
4 April 2007	3 April 2017	HK$4.07	**5,958,000**	5,958,000
2 July 2008	1 July 2018	HK$2.326	**19,410,000**	19,410,000
			32,074,000	32,074,000

18 SHARE CAPITAL AND SHARE PREMIUM (Continued)

(c) Share option schemes (Continued)

(i) Option Scheme (Continued)

Movements in the number of options outstanding and their related weighted average exercise price are as follows:

	Unaudited			
	Six months ended 30 June			
	2013		2012	
	Average exercise price per share	**Number of options**	Average exercise price per share	Number of options
As at 1 January	**HK$2.872**	**32,074,000**	HK$2.881	33,464,000
Lapsed	**–**	**–**	HK$4.07	(600,000)
Lapsed	**–**	**–**	HK$2.326	(790,000)
As at 30 June		**32,074,000**		32,074,000

Options granted are exercisable within a period of ten years within which there is a total vesting period of four years. Commencing from the first, second, third and fourth anniversaries of the offer date of an option, the relevant grantee may exercise up to 25%, 50%, 75% and 100% respectively of the shares comprised in his or her option (less any number of shares in respect of which the option has been previously exercised).

No other options granted under the Option Scheme were cancelled or exercised during the period (2012: Nil). The Group has no legal or constructive obligation to repurchase or settle the options in cash.

18 SHARE CAPITAL AND SHARE PREMIUM (Continued)

(c) Share option schemes (Continued)

(ii) Pre-IPO Scheme

Details of the options granted under the Pre-IPO Scheme outstanding as at 30 June 2013 are as follows:

	Date of grant	Expiry date	Exercise price	Number of shares subject to the options As at 30 June 2013 Unaudited	 As at 31 December 2012 Audited
Directors	18 September 2004	17 September 2014	HK$2.53	**3,073,800**	3,073,800
Senior management and other employees	18 September 2004	17 September 2014	HK$2.53	**2,284,600**	2,284,600
Senior management and other employees	11 October 2004	10 October 2014	HK$2.53	**498,500**	498,500
				5,856,900	5,856,900

Options granted are exercisable within a period of ten years within which there is a total vesting period of four years. Commencing from the first, second, third and fourth anniversaries of the offer date of an option, the relevant grantee may exercise up to 25%, 50%, 75% and 100% respectively of the shares comprised in his or her option (less any number of shares in respect of which the option has been previously exercised).

No options granted under the Pre-IPO Scheme were cancelled or exercised during the period (2012: Nil). The Group has no legal or constructive obligation to repurchase or settle the options in cash.

19 RESERVES

	Unaudited									
	Merger reserve RMB'000	Capital reserve RMB'000	Available-for-sale financial assets reserve RMB'000	Statutory reserves RMB'000	Share-based compensation reserve RMB'000	Convertible option reserve RMB'000	Other reserves RMB'000	Sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2012	306,548	2,262,848	229,674	271,825	28,810	124,995	257,868	3,482,568	217,840	3,700,408
Fair value gain on available-for-sale financial assets	–	–	310,669	–	–	–	–	310,669	–	310,669
Deferred tax on fair value gain on available-for-sale financial assets	–	–	(77,667)	–	–	–	–	(77,667)	–	(77,667)
Share-based compensation expense	–	–	–	–	320	–	–	320	–	320
Lapse of share options	–	–	–	–	(899)	–	–	(899)	899	–
Profit for the period	–	–	–	–	–	–	–	–	547,796	547,796
2011 final dividend	–	–	–	–	–	–	–	–	(229,818)	(229,818)
As at 30 June 2012	306,548	2,262,848	462,676	271,825	28,231	124,995	257,868	3,714,991	536,717	4,251,708

	Unaudited									
	Merger reserve RMB'000	Capital reserve RMB'000	Available-for-sale financial assets reserve RMB'000	Statutory reserves RMB'000	Share-based compensation reserve RMB'000	Convertible option reserve RMB'000	Other reserves RMB'000	Sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2013	**306,548**	**2,262,848**	**202,440**	**333,660**	**28,128**	**273,232**	**257,868**	**3,664,724**	**1,108,312**	**4,773,036**
Fair value loss on available-for-sale financial assets	**–**	**–**	**(209,800)**	**–**	**–**	**–**	**–**	**(209,800)**	**–**	**(209,800)**
Deferred tax on fair value loss on available-for-sale financial assets	**–**	**–**	**52,450**	**–**	**–**	**–**	**–**	**52,450**	**–**	**52,450**
Issue of new shares upon conversion of convertible bonds	**–**	**–**	**–**	**–**	**–**	**(39,777)**	**–**	**(39,777)**	**–**	**(39,777)**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,401,196**	**1,401,196**
2012 final dividend	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(510,920)**	**(510,920)**
As at 30 June 2013	**306,548**	**2,262,848**	**45,090**	**333,660**	**28,128**	**233,455**	**257,868**	**3,467,597**	**1,998,588**	**5,466,185**

20 ACCOUNTS AND BILLS PAYABLES

	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
Accounts payable (note (a))	**918,942**	739,455
Amount due to a non-controlling shareholder (note (a))	**78,910**	3,417
	997,852	742,872
Bills payable (note (b))	**105,761**	52,491
	1,103,613	795,363

The carrying amounts of accounts and bills payables approximate their fair values due to their short maturity. All accounts and bills payables are denominated in RMB.

Notes:

(a) The normal credit period for accounts payable generally ranges from 60 to 180 days. Ageing analysis of the accounts payable is as follows:

	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
1 to 6 months	**985,209**	522,247
7 to 12 months	**7,389**	213,454
Over 1 year	**5,254**	7,171
	997,852	742,872

Amount due to a non-controlling shareholder is mainly related to purchase of fuels made by the Group and is included under accounts payable. The balance is unsecured, interest free and shall be settled in accordance with the respective trading terms.

(b) Bills payable are bills of exchange with average maturity period of 6 months (2012: 3 to 6 months). As at 30 June 2013, bank deposits of RMB59,481,000 (2012: Nil) were pledged against these bills payable as security.

21 BANK BORROWINGS

Bank borrowings are analysed as follows:

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	RMB'000	*RMB'000*
Non-current		
Long-term bank borrowings		
— secured (note (d))	**20,243,481**	22,279,420
— unsecured	**8,736,180**	9,628,181
	28,979,661	31,907,601
Less:		
— current portion of long-term bank borrowings	**(3,405,157)**	(3,978,397)
	25,574,504	27,929,204
Current		
Short-term bank borrowings		
— secured (note (d))	**550,000**	—
— unsecured	**3,746,859**	3,002,801
	4,296,859	3,002,801
Current portion of long-term bank borrowings	**3,405,157**	3,978,397
	7,702,016	6,981,198
Total bank borrowings	**33,276,520**	34,910,402

21 BANK BORROWINGS (Continued)

Notes:

(a) The carrying amounts of the Group's bank borrowings approximate their fair values and are denominated in the following currencies:

	As at 30 June 2013 Unaudited *RMB'000*	As at 31 December 2012 Audited *RMB'000*
RMB	**32,123,930**	33,641,662
USD	**211,474**	123,373
JPY	**941,116**	1,145,367
	33,276,520	34,910,402

(b) The repayment terms of the long-term bank borrowings are analysed as follows:

	As at 30 June 2013 Unaudited *RMB'000*	As at 31 December 2012 Audited *RMB'000*
Wholly repayable within five years	**3,321,430**	4,776,430
Not wholly repayable within five years	**25,658,231**	27,131,171
	28,979,661	31,907,601

The Group's long-term bank borrowings were repayable as follows:

	As at 30 June 2013 Unaudited *RMB'000*	As at 31 December 2012 Audited *RMB'000*
Within one year	**3,405,157**	3,978,397
In the second year	**3,509,467**	3,563,797
In the third to fifth year	**9,428,664**	10,610,223
After the fifth year	**12,636,373**	13,755,184
	28,979,661	31,907,601

21 BANK BORROWINGS (Continued)

Notes: (Continued)

(c) The effective interest rates of the Group's bank borrowings are as follows:

	As at 30 June 2013 Unaudited	31 December 2012 Audited
Current bank borrowings	**4.82%**	5.63%
Non-current bank borrowings	**6.33%**	6.47%

(d) As at 30 June 2013, the bank borrowings of the Group were secured as follows:

	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
Secured against the rights on accounts receivable of certain subsidiaries of the Group (Notes 16 and 17)	**18,214,645**	18,649,083
Secured against bank deposits of a subsidiary of the Group	**150,000**	—
Secured against property, plant and equipment of subsidiaries of the Group	**355,570**	261,820
Guaranteed by the ultimate holding company	**—**	680,000
Guaranteed by Xiangtou	**—**	320,000
Guaranteed by Hunan Provincial Finance Bureau	**463,617**	551,549
Guaranteed by Hunan Provincial Power Company	**1,132,150**	1,223,150
Guaranteed by CPI Financial Company Limited ("CPIF")	**477,499**	593,818
	20,793,481	22,279,420

(e) As at 30 June 2013, the Group had the following undrawn committed borrowing facilities:

	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
Bank borrowings, at floating rates	**9,501,960**	10,347,800

22 OTHER BORROWINGS

	As at 30 June 2013 Unaudited *RMB'000*	As at 31 December 2012 Audited *RMB'000*
Non-current		
Corporate bonds issued by:		
— the Company (note (a))	**800,000**	800,000
— a subsidiary (note (b))	**1,494,836**	994,836
	2,294,836	1,794,836
Convertible bonds issued by the Company (note (c))	**1,599,828**	1,855,185
	3,894,664	3,650,021
Long-term other borrowings (note (d))	**96,399**	283,540
Less: current portion of long-term other borrowings (note (d))	**(96,399)**	(283,540)
	—	—
	3,894,664	3,650,021
Current		
Short-term other borrowings		
— corporate bonds issued by a subsidiary (note (b))	**1,000,000**	1,500,000
— others (note (e))	**340,000**	270,000
	1,340,000	1,770,000
Current portion of long-term other borrowings (note (d))	**96,399**	283,540
	1,436,399	2,053,540

The carrying amounts of short-term other borrowings approximate their fair values.

22 OTHER BORROWINGS (Continued)

Notes:

(a) Unsecured RMB denominated corporate bonds were issued by the Company in December 2010 for a term of 5 years from December 2010 at an interest rate of 3.20% (2012: 3.20%) per annum.

(b) Long-term corporate bonds issued by a subsidiary include certain bonds of RMB994,836,000 (2012: RMB994,836,000) issued by Wu Ling Power Corporation ("Wu Ling") and are bearing interest at 4.60% per annum for a term of 10 years from April 2009. These bonds are guaranteed by the ultimate holding company of the Company.

During the six months ended 30 June 2013, Wu Ling has issued corporate bonds of RMB500,000,000 which bear interest at 5.50% per annum for a term of 2 years from June 2013.

Short-term corporate bonds issued by a subsidiary represent unsecured bonds issued by Wu Ling and are bearing interest ranging from 4.86% to 5.30% (2012: 4.91% to 5.30%) per annum for a term of one year.

(c) Convertible bonds

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	RMB'000	*RMB'000*
2011 Convertible Bonds (note (c)(i))	**609,480**	880,138
2012 Convertible Bonds (note (c)(ii))	**990,348**	975,047
	1,599,828	1,855,185

The fair values of the liability components of the 2011 Convertible Bonds and the 2012 Convertible Bonds at 30 June 2013 amounted to RMB834,468,000 (2012: RMB1,017,994,000) and RMB1,180,039,000 (2012: RMB1,087,616,000) respectively. The fair values are calculated using the market prices of the convertible bonds on the balance sheet date (or the nearest day of trading).

22 OTHER BORROWINGS (Continued)

Notes: (Continued)

(c) Convertible bonds (Continued)

(i) In May 2011, the Company issued RMB denominated USD settled 2.25% convertible bonds (the "2011 Convertible Bonds") of an initial principal amount of RMB982,000,000 (equivalent to USD150,000,000). The value of the liability component of RMB837,351,000 and the equity component of RMB124,995,000 were determined at issuance of the 2011 Convertible Bonds, after netting off transaction cost of RMB19,654,000.

At the option of bondholders, the aggregate amount of RMB982,000,000 will be convertible into fully paid shares with a par value of HK$1 each of the Company. The 2011 Convertible Bonds will, subject to other terms and conditions, mature in five years from the issue date at 100% of the nominal value or can be converted into ordinary shares of the Company on or after 27 June 2011 at an initial conversion price of HK$2.15 per share (as adjusted to HK$1.91 per share with effect from 10 June 2013 pursuant to the terms and conditions as stipulated in the offering memorandum of the 2011 Convertible Bonds) at a fixed exchange rate of RMB0.8414 to HK$1.00.

The 2011 Convertible Bonds are listed on The Stock Exchange of Hong Kong Limited.

The fair value of the liability component included in long-term other borrowings was calculated using a market interest rate for an equivalent non-convertible bond. The liability component is subsequently stated at amortised cost until extinguished on conversion or maturity of the bonds. The residual amount, representing the value of the equity component, is accounted for as a convertible option reserve included in reserves.

The 2011 Convertible Bonds recognised in the balance sheet is calculated as follows:

	RMB'000
Nominal value of the 2011 Convertible Bonds at the date of issuance	982,000
Issue costs	(19,654)
Equity component	(124,995)
Liability component at the date of issuance	837,351
Accrued interest	42,787
Carrying amount as at 31 December 2012	880,138
Conversion (Note 18(a)(ii))	(283,455)
Accrued interest	12,797
Carrying amount as at 30 June 2013	609,480

22 OTHER BORROWINGS (Continued)

Notes: (Continued)

(c) Convertible bonds (Continued)

(i) (Continued)

Interest expenses on the liability component of the 2011 Convertible Bonds are calculated using the effective interest method, applying the effective interest rate of 5.67% (2012: 5.67%) per annum to the liability component.

During the period, the aggregate amount of RMB283,455,000 (2012: Nil) was converted into 188,488,507 (2012: Nil) new shares of HK$1 each.

(ii) In September 2012, the Company issued RMB denominated USD settled 2.75% convertible bonds (the "2012 Convertible Bonds") of an initial principal amount of RMB1,140,000,000 (equivalent to USD180,000,000). The value of the liability component of RMB966,279,000 and the equity component of RMB148,237,000 were determined at issuance of the 2012 Convertible Bonds, after netting off transaction cost of RMB25,484,000.

At the option of bondholders, the aggregate amount of RMB1,140,000,000 will be convertible into fully paid shares with a par value of HK$1 each of the Company. The 2012 Convertible Bonds will, subject to other terms and conditions, mature in five years from the issue date at 100% of the nominal value or can be converted into ordinary shares of the Company on or after 28 October 2012 at an initial conversion price of HK$2.52 per share (as adjusted to HK$2.409 per share with effect from 10 June 2013 pursuant to the terms and conditions as stipulated in the offering memorandum of the 2012 Convertible Bonds) at a fixed exchange rate of RMB0.8185 to HK$1.00.

The 2012 Convertible Bonds are listed on The Stock Exchange of Hong Kong Limited.

The fair value of the liability component included in long-term other borrowings was calculated using a market interest rate for an equivalent non-convertible bond. The liability component is subsequently stated at amortised cost until extinguished on conversion or maturity of the bonds. The residual amount, representing the value of the equity component, is accounted for as a convertible option reserve included in reserves.

22 OTHER BORROWINGS (Continued)

Notes: (Continued)

(c) Convertible bonds (Continued)

(ii) (Continued)

The 2012 Convertible Bonds recognised in the balance sheet is calculated as follows:

	RMB'000
Nominal value of the 2012 Convertible Bonds at the date of issuance	1,140,000
Issue costs	(25,484)
Equity component	(148,237)
Liability component at the date of issuance	966,279
Accrued interest	8,768
Carrying amount as at 31 December 2012	975,047
Accrued interest	15,301
Carrying amount as at 30 June 2013	990,348

Interest expenses on the liability component of the 2012 Convertible Bonds are calculated using the effective interest method, applying the effective interest rate of 6.36% (2012: 6.36%) per annum to the liability component.

Up to 30 June 2013, there was no conversion or redemption of the 2012 Convertible Bonds (2012: Nil).

(d) Long-term other borrowings represent a loan from a local financial institution which is unsecured, bearing interest at 6.32% (2012: 6.32%) per annum and is repayable by 10 October 2013.

(e) Short-term other borrowings represent loans from local financial institutions which are unsecured, bearing interest at 5.58% to 5.70% (2012: 5.58% to 5.70%) per annum and are repayable within one year.

23 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
Derivative financial instruments - assets	**—**	38,744

As at 31 December 2012, the derivative financial instruments represented certain net settled derivative financial instruments, with a contract period of 15 years, mainly to sell USD for JPY with an aggregate notional principal amount of JPY2,601,520,000. The derivative financial instruments were terminated and a loss on termination of RMB26,634,000 was recorded during the period.

During the period ended 30 June 2012, the Group recorded fair value gain of RMB47,237,000 on the above derivative financial instruments (Note 8).

24 PLEDGE OF ASSETS

Certain of the Group's assets have been pledged as securities under bank and other borrowings and the carrying amounts of the pledged assets as at 30 June 2013 are as follows:

	As at 30 June 2013 Unaudited *RMB'000*	31 December 2012 Audited *RMB'000*
Property, plant and equipment secured against bank borrowings	**672,862**	534,547
Accounts receivable secured against bank borrowings (Note 16)	**1,874,273**	1,575,920
Bank deposits secured against		
— bills payables (Note 20(b))	**59,481**	—
— finance lease	**35,000**	35,000
— short-term bank borrowings of a subsidiary	**6,000**	—
	100,481	35,000

25 BUSINESS COMBINATIONS

On 1 January 2012, the Group acquired 100% equity interests in 茶陵縣聯冠水電開發有限公司 (Chalingxian Lianguan Hydropower Development Limited) ("Lianguan") from an independent third party (the "Lianguan Acquisition"). The revenue and net results contributed by Lianguan during the period from 1 January 2012 to 30 June 2012 were not significant to the Group.

Details of net assets acquired and goodwill are as follows:

	RMB'000
Purchase considerations:	
— Paid in cash	22,577
— Payable	2,508
	25,085
Fair value of net identifiable assets acquired (see below)	(24,997)
Goodwill	88

The assets and liabilities arising from the Lianguan Acquisition are as follows:

	Fair value *RMB'000*	**Acquiree's carrying amount** *RMB'000*
Property, plant and equipment (Note 14)	135,166	127,072
Land use rights	—	109
Cash and cash equivalents	32	32
Other assets	989	989
Net deferred income tax liabilities	(1,996)	—
Long-term bank borrowings	(22,400)	(22,400)
Short-term other borrowings	(72,000)	(72,000)
Other liabilities	(14,794)	(14,794)
Net identifiable assets acquired	24,997	19,008
Purchase considerations - Paid in cash	(22,577)	
Cash and cash equivalents in subsidiary acquired	32	
Net cash outflow on acquisition	(22,545)	

26 CAPITAL COMMITMENTS

(i) Capital commitments outstanding at the balance sheet date not provided for were as follows:

	As at 30 June 2013 Unaudited *RMB'000*	As at 31 December 2012 Audited *RMB'000*
Authorised but not contracted for in respect of		
— property, plant and equipment	**2,153,681**	975,753
Contracted but not provided for in respect of		
— property, plant and equipment	**2,854,836**	6,096,408
— capital contribution to associates	**777,425**	187,425
— capital contribution to joint ventures	**10,584**	10,584
	5,796,526	7,270,170

(ii) Share of capital commitments of joint ventures outstanding at the balance sheet date not provided for were as follows:

	As at 30 June 2013 Unaudited *RMB'000*	As at 31 December 2012 Audited *RMB'000*
Contracted but not provided for in respect of property, plant and equipment	**211,389**	110,637

There are no contingent liabilities relating to the Group's interests in the joint ventures and the joint ventures did not have any material contingent liabilities as at 30 June 2013 (2012: Nil).

27 RELATED PARTY TRANSACTIONS

The Group is controlled by CPIH, an intermediate holding company which directly holds approximately 26.71% (2012: 27.62%) of the Company's shares, and indirectly holds approximately 34.79% (2012: 35.97%) of the Company's shares through China Power Development Limited ("CPDL"). As at 30 June 2013, CPIH owned approximately 61.50% (2012: 63.59%) equity interest of the Company in aggregate and the remaining interests were widely held. The Directors regard CPI Group, a company incorporated in the PRC which is the beneficial owner of CPIH, as the ultimate holding company.

27 RELATED PARTY TRANSACTIONS (Continued)

CPI Group is a state-owned enterprise established in the PRC and is controlled by the PRC government which also owns a significant portion of the productive assets in the PRC. In accordance with HKAS 24 (Revised), government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include CPI Group, its subsidiaries, joint ventures and associates (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and CPI Group as well as their close family members.

For the purpose of the related party transactions disclosures, the Directors believe that it is also meaningful to disclose the related party transactions with CPI Group companies for the interests of financial statements users. The Directors believe that the information of related party transactions has been adequately disclosed in the condensed consolidated interim financial information.

Major related parties that had transactions with the Group were as follows:

Related parties	**Relationship with the Company**
CPI Group (中國電力投資集團公司)	Ultimate holding company
CPIH	Intermediate holding company
CPDL	Immediate holding company
CPIF (中電投財務有限公司)	A company controlled by CPI Group
Shanxi Shentou Power Industry Company Limited (山西神頭電力實業有限責任公司)	Fellow subsidiary
Shanxi Shentou Engineering Company Limited (山西神頭電力檢修有限責任公司)	Fellow subsidiary
Anhui Huainan Pingwei Electric Power Industry Company Limited (安徽淮南平圩電力實業有限責任公司)	Fellow subsidiary
Anhui Huainan Pingwei Power Engineering Maintenance Company Limited (安徽淮南平圩電力檢修工程有限責任公司)	Fellow subsidiary
Pingdingshan Yaomeng Power Engineering Co., Ltd (平頂山姚孟電力工程有限責任公司)	Fellow subsidiary

27 RELATED PARTY TRANSACTIONS (Continued)

Related parties	Relationship with the Company
Pingdingshan Yaomeng Power Industrial Co., Ltd (平頂山姚孟電力實業有限責任公司)	Fellow subsidiary
Guizhou Qian Dong Power Corporation (貴州黔東電力有限公司)	Fellow subsidiary
Sichuan Yibin China Power Environmental Engineering Company Limited (四川宜賓中電環境工程有限公司)	Fellow subsidiary
China Power Maintenance Engineering Company Limited (中電電力檢修工程有限公司)	Fellow subsidiary
Beijing China Power Environmental Engineering Company Limited (北京中電環境工程有限公司)	Fellow subsidiary
CPI Yuanda Environmental-Protection Engineering Co., Ltd (中電投遠達環境工程有限公司)	Fellow subsidiary
CPI Wuhu Power Generating Company Limited (中電國際(蕪湖)發電有限責任公司)	Fellow subsidiary
Liaoning Qinghe Electric Power Company Limited (遼寧清河發電有限責任公司)	Fellow subsidiary
Jiangsu Changshu Electric Power Generating Company Limited (江蘇常熟發電有限公司)	Associate
Henan Zhongping Coal & Electricity Co., Ltd (河南中平煤電有限責任公司)	Joint venture
Hunan Xiangtou International Investment Limited ("Xiangtou")(湖南湘投國際投資有限公司)	A non-controlling shareholder of a subsidiary
Huainan Mining Industry (Group) Company Limited (淮南礦業(集團)有限責任公司)	A non-controlling shareholder of a subsidiary

27 RELATED PARTY TRANSACTIONS (Continued)

The following is a summary of significant related party transactions which, in the opinion of the Directors, are entered into in the ordinary course of the Group's business in addition to the related party information shown elsewhere in the condensed consolidated interim financial information. Management of the Group are of the opinion that meaningful information relating to related party transactions has been adequately disclosed.

(a) Income

		Unaudited Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Interest income from a fellow subsidiary	(i)	**9,276**	40,950
Interest income from an associate	(ii)	**10,634**	4,877
Rental income from a fellow subsidiary	(iii)	**27,040**	27,055
Management fee from CPIH	(iv)	**9,402**	2,487
Service income from provision of IT services to:			
— CPIH	(v)	**19**	—
— an associate	(v)	**594**	—
— fellow subsidiaries	(v)	**3,151**	—
Sales of fuel to an associate	(vi)	**27,424**	—
Dividend income from Shanghai Power	(vii)	**60,520**	20,173

Notes:

(i) Interest income from a fellow subsidiary was charged at a fixed interest rate of 6.15% (2012: 5.40%) per annum.

(ii) Interest income from an associate was charged at rates ranging from 5.40% to 6.00% (2012: 6.10% to 6.56%) per annum.

(iii) Rental income from a fellow subsidiary was charged in accordance with the terms of the relevant agreements.

(iv) Management fee from CPIH was charged for the Group's services rendered for the management of certain power plants on behalf of CPIH. This was charged in accordance with the terms of the relevant agreements.

(v) Income from the provision of IT services to CPIH, an associate and fellow subsidiaries was charged in accordance with the terms of the relevant agreements.

(vi) Sales of goods were charged in accordance with the terms of the relevant agreements.

(vii) Dividend income was received from Shanghai Power based on the dividends declared by the board of Shanghai Power in proportion to the Group's interest in Shanghai Power.

27 RELATED PARTY TRANSACTIONS (Continued)

(b) Expenses

	Note	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Purchases of fuel, raw materials and spare parts from:			
— a non-controlling shareholder of a subsidiary	(i)	**3,073,939**	3,082,755
— fellow subsidiaries	(i)	**61,822**	36,353
— a joint venture	(i)	**136,088**	61,946
Service fees to fellow subsidiaries	(ii)	**172,458**	146,916
Interest expenses to:			
— CPIF	(iii)	**13,297**	28,080
— CPI Group	(iii)	**105,121**	104,174
Construction costs to fellow subsidiaries	(iv)	**89,402**	34,752
Labour costs charged by fellow subsidiaries	(v)	**483**	559
Operating lease rental expenses in respect of:			
— land to CPI Group	(vi)	**8,533**	8,533
— buildings to CPIH	(vi)	**8,617**	4,625

Notes:

(i) Purchases of goods were charged in accordance with the terms of the relevant agreements.

(ii) Service fees were largely related to repairs and maintenance services and transportation services which were charged based on mutually agreed prices.

(iii) Interest expenses to CPIF and CPI Group were charged based on outstanding loan balances at 5.60% to 6.00% (2012: 6.50% to 7.22%) per annum and at 3.90% to 6.40% (2012: 3.80% to 7.22%) per annum respectively.

(iv) Construction costs were charged in accordance with the terms of contracts.

(v) Labour costs were charged on a cost reimbursement basis.

(vi) Rental expenses in respect of certain land and buildings leased from CPI Group and CPIH were charged in accordance with the terms of the relevant agreements.

27 RELATED PARTY TRANSACTIONS (Continued)

(c) Period-end/year-end balances with related parties

		As at	
		30 June 2013	31 December 2012
		Unaudited	Audited
	Note	***RMB'000***	*RMB'000*
Borrowings from CPIF	(i)	**(411,800)**	(311,800)
Borrowings from CPI Group	(ii)	**(4,014,111)**	(4,014,111)
Loan to a fellow subsidiary	(iii)	**300,000**	300,000
Amounts due from:			
— non-controlling shareholders	(iv)	**1,053**	378
— associates	(v)	**629,950**	479,539
— fellow subsidiaries	(iv)	**46,360**	74,192
— CPI Group	(iv)	**188**	189
— CPIH	(iv)	**2,849**	3,392
— CPIF	(iv)	**5,267**	7,976
— CPDL	(iv)	**101**	90
Amounts due to:			
— non-controlling shareholders	(iv)	**(632)**	(4,051)
— a joint venture	(iv)	**(1,908)**	—
— fellow subsidiaries	(iv)	**(85,271)**	(21,524)
— CPI Group	(iv)	**(171,889)**	(111,999)
— CPIH	(iv)	**(15,954)**	(16,706)
— CPIF	(iv)	**(1,353)**	(1,570)
— CPDL	(iv)	**(11)**	—
Dividend payable to a non-controlling shareholder	(iv)	**(53,568)**	(17,890)

Notes:

(i) Borrowings from CPIF are unsecured, carrying interest at rates ranging from 5.90% to 6.00% (2012: 5.60% to 6.35%) per annum and are repayable by year 2030.

(ii) Borrowings from CPI Group are unsecured, carrying interest at rates ranging from 3.90% to 6.40% (2012: 3.51% to 6.40%) per annum and are repayable by year 2018.

(iii) Loan to a fellow subsidiary is unsecured, carrying interest at a fixed interest rate of 6.15% (2012: 6.15%) per annum and is repayable before the end of year 2015.

(iv) The balances with these related parties are unsecured, interest free and are repayable on demand.

(v) Except for amounts due from an associate of RMB450,000,000 (2012: RMB300,000,000) which carry interest at rates ranging from 5.40% to 6.00% (2012: 6.00%) and are repayable within twelve months, the remaining amounts due from associates are unsecured, interest free and repayable on demand.

27 RELATED PARTY TRANSACTIONS (Continued)

(d) For the six months ended 30 June 2013 and 2012, the Group's significant transactions and balances with entities that are controlled, jointly-controlled or significantly influenced by the PRC government mainly include:

(i) bank deposits in state-owned banks and the related interest income

(ii) bank borrowings from the state-owned banks and the related interest expenses

(iii) sales of electricity to provincial power grid companies owned by the PRC government and the related receivables

(iv) purchases of coal from state-owned enterprises and the related payables

(v) reservoir maintenance and usage fees to the PRC government

(vi) service fees to state-owned enterprises

The prices and terms of such transactions are set out in the relevant agreements governing these transactions or as mutually agreed.

(e) Key management compensation

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Basic salaries, housing allowance, other allowances, discretionary bonus and other benefits	**4,583**	4,421
Share-based compensation expense	**—**	78
	4,583	4,499