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

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

(Stock Code : 0958)

2013 Interim Report

** For identification purpose only*

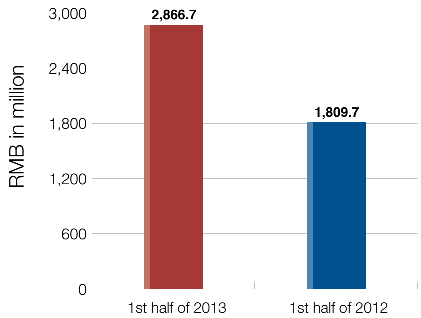
Contents

Interim Results

The board of directors (the "**Board**") of Huaneng Renewables Corporation Limited (the "**Company**") hereby announced the unaudited operating results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2013 and a comparison with the operating results for the corresponding period of 2012. For the six months ended 30 June 2013, the Group recorded a revenue of RMB2,866.7 million, representing an increase of 58.4% over the corresponding period of 2012; the Group's profit for the period amounted to RMB668.9 million, representing an increase of 141.3% over the corresponding period of 2012; profit attributable to equity shareholders of the Company amounted to RMB646.1 million, representing an increase of 162.4% over the corresponding period of 2012; earnings per share amounted to RMB0.0765. As of 30 June 2013, net assets per share of the Group (excluding non-controlling interests) amounted to RMB1.48.

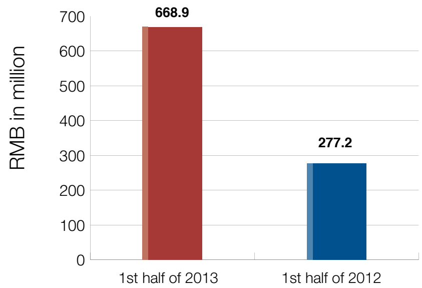
Note: Certain figures in this report have been subject to rounding adjustments. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

1. Revenue



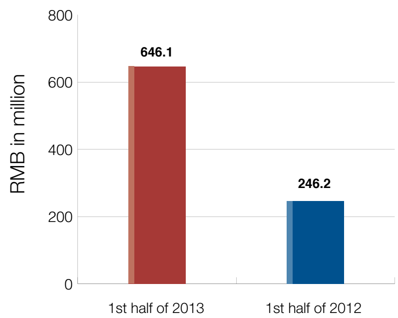
Revenue (RMB in million)

2. Profit for the period



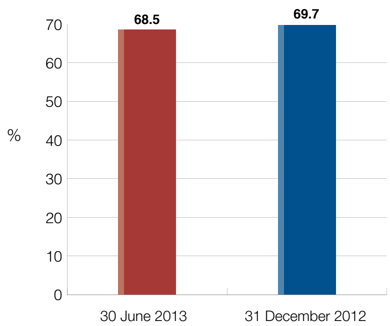
Profit for the period (RMB in million)

3. Profit attributable to equity shareholders of the Company



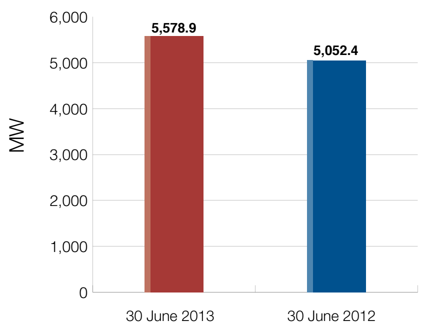
Profit attributable to equity shareholders of the Company (RMB in million)

4. Net gearing ratio[(1)]



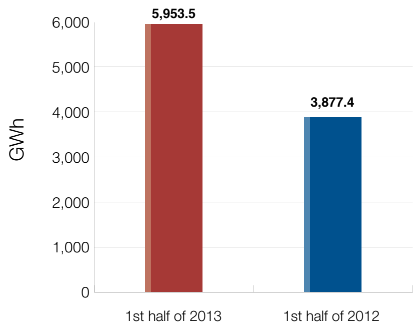
Net gearing ratio (%)

5. Installed capacity



Installed capacity (MW)

6. Gross power generation



Gross power generation (GWh)

Note:

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

Financial Highlights

	For the six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Revenue	**2,866,653**	1,809,744
Profit before taxation	**713,372**	303,022
Income tax	**(44,454)**	(25,798)
Profit for the period	**668,918**	277,224
Attributable to:		
Equity shareholders of the Company	**646,115**	246,228
Non-controlling interests	**22,803**	30,996
Total comprehensive income for the period	**791,910**	231,687
Attributable to:		
Equity shareholders of the Company	**769,107**	200,691
Non-controlling interests	**22,803**	30,996
Basic and diluted earnings per share (RMB cents)	**7.65**	2.92

	As at 30 June 2013 *RMB'000*	As at 31 December 2012 *RMB'000*
Total non-current assets	**44,416,596**	44,152,975
Total current assets	**10,669,925**	9,545,946
TOTAL ASSETS	**55,086,521**	53,698,921
Total current liabilities	**15,890,902**	14,881,944
Total non-current liabilities	**25,870,689**	26,125,678
TOTAL LIABILITIES	**41,761,591**	41,007,622
NET ASSETS	**13,324,930**	12,691,299
Total equity attributable to the equity shareholders of the Company	**12,462,446**	11,820,042
Non-controlling interests	**862,484**	871,257
TOTAL EQUITY	**13,324,930**	12,691,299

Business Review for the First Half of the Year

During the first half of 2013, China's economic growth remained stable and the power curtailment situation improved in certain regions. Adhering to the principle of positive and scientific development as well as the strategy of maintaining effective, prudent and orderly growth, the Company achieved a significant increase in power generation and utilization hours in the first half of 2013, which led to tremendous growth in the Company's operating profit. The Company has made solid improvements in profitability, operational and risk resistance capability as well as competitive edges, which will help the Company successfully reach its full-year targets.

SAFETY PRODUCTION LEVEL STEADILY INCREASED

In the first half of 2013, the Company began an in-depth review and management of potential risks on production. The Company also worked to prevent violations of rules and regulations and carried out safety evaluations, and implemented a corporate culture of scientific and standardized safety production management with great efforts. The Company focused on equipment management and facilitated equipment manufacturers to improve their technologies, which reduced the failure rate of turbines and minimized the need to replace larger parts of the turbines. As a result, equipment performance has improved significantly.

SUBSTANTIAL INCREASE IN POWER GENERATION AND UTILIZATION HOURS

In the first half of 2013, with the power curtailment situation improved in certain regions, the Company achieved a substantial increase in power generation and utilization hours by focusing on its electricity marketing backed by setting scientific, detailed and in-depth power generation plans, adopting innovative electricity sales strategy and enhancing equipment management.

In the first half of 2013, the gross power generation and utilization hours of the Company reached 5,953.5GWh and 1,096 hours, representing an increase of 53.5% and 27.3% compared to the same period of last year, respectively.

The gross power generation of the Company's wind farms by region in the first half of 2013 and 2012 is set out as follows:

	Gross power generation (MWh)		
Region	**First half of 2013**	First half of 2012	Change *(%)*
Inner Mongolia	**1,445,558.7**	819,033.9	76.5%
Liaoning	**1,164,655.3**	932,314.4	24.9%
Shandong	**938,224.5**	691,388.3	35.7%
Yunnan	**760,062.2**	546,545.2	39.1%
Shanxi	**496,098.6**	220,175.3	125.3%
Guizhou	**318,692.3**	62,244.2	412.0%
Guangdong	**232,427.6**	166,279.8	39.8%
Hebei	**280,922.3**	186,730.4	50.4%
Xinjiang	**186,251.7**	154,861.1	20.3%
Shanghai	**63,402.0**	54,959.9	15.4%
Jilin	**52,821.0**	40,435.0	30.6%
Shaanxi	**14,404.5**	2,389.9	502.7%
Total	**5,953,520.7**	3,877,357.4	53.5%

The utilization hours[(1)] of the Company's wind farms by region in the first half of 2013 and 2012 are set out as follows:

	Utilization hours (hours)		
Region	**First half of 2013**	First half of 2012	Change *(%)*
Inner Mongolia	**836**	490	70.6%
Liaoning	**1,061**	974	8.9%
Shandong	**1,138**	974	16.8%
Yunnan	**1,792**	1,681	6.6%
Shanxi	**1,325**	1,004	32.0%
Guizhou	**1,130**	1,056	7.0%
Guangdong	**1,001**	1,296	-22.8%
Hebei	**1,074**	909	18.2%
Xinjiang	**1,881**	1,564	20.3%
Shanghai	**1,057**	925	14.3%
Jilin	**1,057**	1,227	-13.9%
Shaanxi	**1,418**	—	—
Total	**1,096**	861	27.3%

Note:

(1) Utilization hours represent the gross power generation less the electricity generated during the construction and testing period in a specified period divided by the weighted average installed capacity of operational projects in the same period.

PROGRESSIVE OPTIMIZATION OF BUSINESS DISTRIBUTION WITH EMERGING BENEFITS

Among the third batch of the "12th Five-Year" wind power project pre-approval issued by the National Energy Administration, the Company obtained pre-approval for projects with capacity of approximately 1.6 GW, and projects located in key provinces such as Yunnan, Guizhou, Sichuan and Guangdong account for approximately 67%. In the first half of 2013, the Company achieved a total approved capacity of 89.2 MW.

In the first half of 2013, the Company newly added installed capacity of 121.5 MW. As of 30 June 2013, the Company had a total installed capacity of 5,578.9 MW, representing an increase of 10.4% compared to the installed capacity as of 30 June 2012. In particular, the installed capacities in provinces such as Shaanxi, Guangdong and Guizhou as at 30 June 2013 represented increases of 100%, 57.4% and 54.1% compared to the installed capacities as at 30 June 2012, respectively.

The Company's installed capacity of wind power by region as of 30 June 2013 and 30 June 2012, respectively, is set out as follows:

	Installed capacity (MW)		
Region	**As of 30 June 2013**	As of 30 June 2012	Change *(%)*
Inner Mongolia	**1,716.2**	1,716.2	—
Liaoning	**1,098.0**	1,048.5	4.7%
Shandong	**892.7**	744.2	20.0%
Yunan	**424.5**	375.0	13.2%
Shanxi	**396.0**	346.5	14.3%
Guizhou	**282.0**	183.0	54.1%
Guangdong	**271.6**	172.6	57.4%
Hebei	**271.5**	249.0	9.0%
Xinjiang	**99.0**	99.0	—
Shanghai	**60.0**	60.0	—
Jilin	**49.5**	49.5	—
Shaanxi	**18.0**	9.0	100.0%
Total	**5,578.9**	5,052.4	10.4%

FURTHER OPTIMIZATION OF POWER MIX

In the first half of 2013, while continuing to develop traditional wind farms in strategic areas, the Company made great efforts to promote distributed wind power projects. The Company actively participated in and won the bidding for the 232 MW Guizhou franchise distributed wind power project, which was one of the first national batches of provincial distributed wind power projects approved by the National Energy Administration. Meanwhile, the Company also actively pushed forward the development and construction of photovoltaic projects. This contributes to the further optimization of the Company's power mix as well as the sustainable development of the Company.

COST CONTROL AND CAPITAL MANAGEMENT FURTHER STRENGTHENED

During the first half of 2013, the Company further strengthened its cost control efforts, through means such as monthly budget management. The Company gradually strengthened innovative mechanisms for the centralized management of capital and accelerated cash flow efficiency. While reinforcing bank borrowings as the main financing sources, the Company actively expanded its source of funding and optimized its debt structure. Through trust loans, long-term and short-term loans complementing each other and active adjustment measures, the Company improved the efficiency of the utilization of new borrowings and existing deposits.

Prospect for the Second Half of the Year

Currently, while focusing on the development of low-carbon clean energy, the PRC government has become more stringent on environmental policies and increased its air pollution control efforts, and has imposed more stringent control on pollutant emissions and total coal consumption. This further facilitates the sustainable development of the renewable energy sector including wind power and photovoltaic power.

On the other hand, it is anticipated that the total power consumption growth for the second half of the year will remain moderate. However, since installed capacity growth is higher than the growth rate of power consumption, the tension between power supply and demand will be somewhat eased. This brings new challenges to the Company in terms of increasing power generation and improving profitability.

Faced with opportunities and challenges, the Company will further optimize its business distribution, accelerate development, further strengthen its marketing efforts and overall profitability and further standardize its management processes to fully and comprehensively achieve its annual targets, all with the aim of building a top-notch global renewable energy company.

For the second half of 2013, the Company will focus on the following aspects of work:

1. reinforce the basis of safe production, strengthen the management of facilities and further improve the level of operation and maintenance management;

2. further strengthen power marketing efforts to ensure the Company meets its annual power generation targets;

3. focus on tackling project approval processes and prepare for the proposed application of pre-approval of the next batch of wind power projects;

4. speed up construction process and ensure high construction quality and low unit cost;

5. further strengthen capital management and expenditure controls to lower costs.

Management Discussion and Analysis

OVERVIEW

In the first half of 2013, profit of the Group increased significantly and amounted to RMB668.9 million, representing an increase of RMB391.7 million or 141.3% as compared with RMB277.2 million for the corresponding period of 2012. Profit attributable to equity shareholders of the Company amounted to RMB646.1 million, representing an increase of RMB399.9 million or 162.4% as compared with RMB246.2 million for the corresponding period of 2012.

REVENUE

In the first half of 2013, revenue of the Group amounted to RMB2,866.7 million, representing an increase of RMB1,057.0 million or 58.4% as compared with RMB1,809.7 million for the corresponding period of 2012. The increase was primarily due to the increase in sales of wind power electricity. For the first half of 2013, the revenue from sales of wind power electricity amounted to RMB2,865.4 million, representing an increase of RMB1,058.0 million or 58.5% as compared with RMB1,807.4 million for the corresponding period of 2012. The increase was primarily due to the increase in installed capacity of operational projects and the increase in utilization hours, which led to an increase in net power generation.

OTHER NET INCOME

In the first half of 2013, other net income of the Group amounted to RMB44.4 million, representing a decrease of RMB62.8 million or 58.6% as compared with RMB107.2 million for the corresponding period of 2012. This was primarily because no new CERs income was recognised in the first half of 2013.

OPERATING EXPENSES

In the first half of 2013, operating expenses of the Group amounted to RMB1,251.6 million, representing an increase of RMB359.8 million or 40.3% from RMB891.8 million over the corresponding period of 2012. This was primarily due to the increase in depreciation and amortisation expenses arising from the newly-added installed capacity of operational projects.

Depreciation and amortisation expenses: In the first half of 2013, depreciation and amortisation expenses of the Group amounted to RMB962.0 million, representing an increase of RMB220.0 million or 29.6% as compared with RMB742.0 million for the corresponding period of 2012. The increase was primarily due to an increase in the depreciation and amortisation expenses arising from the expansion in the installed capacity of operational projects.

Personnel costs: In the first half of 2013, personnel costs of the Group amounted to RMB73.0 million, representing an increase of RMB19.2 million or 35.8% as compared with RMB53.8 million for the corresponding period of 2012. The increase was primarily due to the increase of headcount resulting from operational expansion, as well as commencement of operations of more projects, which resulted in part of the personnel costs being recorded in profit or loss.

Administration expenses and other operating expenses: In the first half of 2013, administration expenses and other operating expenses of the Group amounted to RMB198.1 million, representing an increase of RMB111.9 million or 129.7% as compared with RMB86.2 million for the corresponding period of 2012. The increase was primarily due to the increased costs incurred from insurance premiums for properties, operational taxes and related expenses as a result of commencement of operations of more projects, and the impairment provided for certain postponed projects under construction.

OPERATING PROFIT

In the first half of 2013, operating profit of the Group amounted to RMB1,659.5 million, representing an increase of RMB634.3 million or 61.9% as compared with RMB1,025.2 million for the corresponding period of 2012.

NET FINANCE EXPENSES

In the first half of 2013, net finance expenses of the Group amounted to RMB946.1 million, representing an increase of RMB224.0 million or 31.0% as compared with RMB722.1 million for the corresponding period of 2012. The increase was primarily due to certain newly-operated projects that ceased capitalization of interest expenses and the increase of total borrowings, which led to the increase in interest expenses.

INCOME TAX

In the first half of 2013, income tax of the Group amounted to RMB44.5 million, representing an increase of RMB18.7 million or 72.3% as compared with RMB25.8 million for the corresponding period of 2012. The increase was mainly due to the increase in profit before taxation.

LIQUIDITY AND SOURCE OF FUNDING

As of 30 June 2013, the current assets of the Group amounted to RMB10,669.9 million, including cash at banks and on hand and restricted deposits of RMB7,358.9 million, trade debts and bill receivables of RMB2,830.9 million (of which trade debts included trade debtors in respect of sales of electricity amounted to RMB2,702.8 million and receivables from sales of CERs amounted to RMB91.8 million), prepayments and other current assets of RMB476.2 million (mainly consisting of CERs receivables). Current liabilities of the Group amounted to RMB15,890.9 million, of which RMB9,147.6 million was short-term borrowings (including long-term borrowings due within one year), including other payables of RMB6,337.4 million (primarily consisting of payables for equipment purchased from suppliers, construction payables and retention payables). As of 30 June 2013, the current ratio (the current assets to current liabilities ratio) of the Group was 0.67, representing an increase of 0.03 as compared with 0.64 as of 31 December 2012.

As of 30 June 2013, the Group's outstanding borrowings amounted to RMB31,628.1 million, representing an increase of RMB1,347.0 million compared with RMB30,281.1 million as of 31 December 2012. As of 30 June 2013, the Group was yet to repay short-term borrowings (including long-term borrowings due within one year) of RMB9,147.6 million and long-term borrowings (including bonds) of RMB22,480.5 million, which are principally denominated in RMB.

CAPITAL EXPENDITURE

In the first half of 2013, the capital expenditure of the Group amounted to approximately RMB1,726 million, representing a decrease of RMB476.0 million or 21.6% compared with RMB2,202 million for the corresponding period of 2012. Capital expenditures incurred from construction of wind power projects were approximately RMB1,716 million, and other capital expenditures amounted to approximately RMB10 million. The capital expenditure was mainly funded by internal resources and bank borrowings.

NET GEARING RATIO

As of 30 June 2013, the net gearing ratio of the Group, which was calculated by dividing net debt (total borrowings and obligations under finance lease minus cash and cash equivalents) by the sum of net debt and total equity, was 68.5%, representing a decrease of 1.2 percentage point as compared with 69.7% as of 31 December 2012.

MATERIAL INVESTMENTS

The Group did not make any material investments in the first half of 2013.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals in the first half of 2013.

PLEDGE OF ASSETS

The Group did not pledge any assets in the first half of 2013.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as of 30 June 2013.

Corporate Governance and Other Information

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2013, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") except for the following deviation. Under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. CAO Peixi (non-executive director, chairman of the Board and chairman of the nomination committee) was unable to attend the annual general meeting of the Company held on 21 June 2013 due to other business engagements.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules to govern securities transactions by its directors and supervisors. Having made specific enquiry of all directors and supervisors of the Company, all directors and supervisors have confirmed that they strictly complied with the required standard set out in the Model Code for the six months ended 30 June 2013.

AUDIT COMMITTEE

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

The audit committee comprises three members, namely, Mr. ZHOU Shaopeng (independent non-executive director), Mr. ZHAO Keyu (non-executive director) and Mr. WAN Kam To (independent non-executive director). Mr. ZHOU Shaopeng is the chairman of the audit committee.

The audit committee has reviewed, discussed with senior management members of the Company and confirmed the announcement of interim results of the Group for the six months ended 30 June 2013, the 2013 interim report and the unaudited interim financial statements for the six months ended 30 June 2013. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

BOARD DIVERSITY POLICY

The Company fully understands the benefits of diversification of Board members to its development, and it further enriched the composition of the Board members at the re-election of a new session of the Board. The current composition of the Board members reflects differentiation and diversification in many aspects such as expertise, industry experience, age, gender, qualification and background. In the future, the Company will continue to explore and perfect the composition of the Board based on its business characteristics, and will formulate and adopt policies in relation to diversity.

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

As of 30 June 2013, none of the directors, supervisors or chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong (the "**SFO**")) which would have to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which have to be recorded in the register under Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As of 30 June 2013, to the best knowledge of the directors of the Company, the followings are the persons (other than the directors, supervisors or chief executive of the Company), who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Class of Shares	Capacity/ Nature of interests	Number of shares held *(Shares)*	Approximate Percentage in the relevant class of shares *(%)*[4]	Approximate Percentage in the total share capital *(%)*[5]
Controlling shareholder					
China Huaneng Group[1]	Domestic Shares	Beneficial owner/Interest of controlled corporation	5,535,311,200 (Long position)	100%	65.53%
Other substantial shareholders					
FIL Limited	H shares	Investment manager	350,122,000 (Long position)	12.03%	4.15%
National Council for Social Security Fund (全國社會保障基金理事會)[2]	H shares	Beneficial owner	264,688,000 (Long position)	9.09%	3.13%
Temasek Holdings (Private) Limited[3]	H shares	Interests of controlled corporation	155,542,000 (Long position)	5.34%	1.84%
State Grid International Development Limited (國家電網國際發展有限公司)	H shares	Beneficial owner	155,542,000 (Long position)	5.34%	1.84%
Invesco Hong Kong Limited	H shares	Investment manager	150,096,000 (Long position)	5.16%	1.78%

Notes:

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

(2) National Council for Social Security Fund holds 248,570,000 H shares according to the disclosure on the website of the Hong Kong Stock Exchange.

(3) According to the disclosure on the website of the Hong Kong Stock Exchange, as of 30 June 2013, Temasek Holdings (Private) Limited held 155,542,000 H shares through its wholly-owned subsidiaries, namely, Temasek Capital (Private) Limited, Seletar Investments Pte Ltd, Dunearn Investments (Mauritius) Pte Ltd and Sennett Investments (Mauritius) Pte Ltd. On 18 July 2013, Temasek Holdings (Private) Limited filed a notice stating that its interest had decreased to 0.00%.

(4) It is calculated on the basis that the Company has issued 5,535,311,200 domestic shares or 2,911,586,800 H shares as of 30 June 2013.

(5) It is calculated on the basis that the Company has issued 8,446,898,000 shares as of 30 June 2013.

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

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

MATERIAL LITIGATION

As of 30 June 2013, the Company was not involved in any material litigation or arbitration. Nor were the directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2013.

Review Report

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

INTRODUCTION

We have reviewed the interim financial report set out on pages 18 to 48 which comprises the consolidated balance sheet of Huaneng Renewables Corporation Limited (the "Company") as at 30 June 2013 and the related consolidated statement of comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

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

20 August 2013

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

(Expressed in Renminbi)

		Six months ended 30 June	
		2013	2012
	Note	RMB'000	RMB'000
Revenue	5	2,866,653	1,809,744
Other net income	6	44,386	107,233
Operating expenses			
Depreciation and amortisation		(961,989)	(742,019)
Personnel costs		(73,015)	(53,752)
Repairs and maintenance		(18,497)	(9,826)
Administration expenses		(58,654)	(45,582)
Other operating expenses	8	(139,416)	(40,642)
		(1,251,571)	(891,821)
Operating profit		1,659,468	1,025,156
Finance income		49,565	87,647
Finance expenses		(995,661)	(809,781)
Net finance expenses	7	(946,096)	(722,134)
Profit before taxation	8	713,372	303,022
Income tax	9	(44,454)	(25,798)
Profit for the period		668,918	277,224
Other comprehensive income for the period, net of tax	10		
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of an overseas subsidiary		(3,754)	624
Available-for-sale securities: net movement in fair value reserve		126,746	(46,161)
		122,992	(45,537)
Total comprehensive income for the period		791,910	231,687

The notes on pages 25 to 48 form part of this interim financial report.

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

(Expressed in Renminbi)

	Note	Six months ended 30 June 2013 *RMB'000*	 2012 *RMB'000*
Profit attributable to:			
Equity shareholders of the Company		**646,115**	246,228
Non-controlling interests		**22,803**	30,996
Profit for the period		**668,918**	277,224
Total comprehensive income attributable to:			
Equity shareholders of the Company		**769,107**	200,691
Non-controlling interests		**22,803**	30,996
Total comprehensive income for the period		**791,910**	231,687
Basic and diluted earnings per share *(RMB cents)*	11	**7.65**	2.92

The notes on pages 25 to 48 form part of this interim financial report.

Unaudited Consolidated Balance Sheet

At 30 June 2013

(Expressed in Renminbi)

	Note	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Non-current assets			
Property, plant and equipment	12	**40,481,174**	39,859,069
Lease prepayments		**135,993**	121,625
Intangible assets	13	**355,439**	363,511
Investment in a joint venture		**85,100**	85,100
Other non-current assets	14	**3,352,891**	3,717,288
Deferred tax assets		**5,999**	6,382
Total non-current assets		**44,416,596**	44,152,975
Current assets			
Inventories		**3,941**	4,070
Trade debtors and bills receivable	15	**2,830,895**	3,302,640
Prepayments and other current assets	16	**476,225**	561,532
Restricted deposits		**376,090**	208,979
Cash at bank and on hand	17	**6,982,774**	5,468,725
Total current assets		**10,669,925**	9,545,946
Current liabilities			
Borrowings	18	**9,147,630**	8,276,387
Obligations under finance leases	19	**365,151**	361,407
Other payables	20	**6,337,422**	6,213,566
Tax payable		**40,699**	30,584
Total current liabilities		**15,890,902**	14,881,944
Net current liabilities		**(5,220,977)**	(5,335,998)
Total assets less current liabilities		**39,195,619**	38,816,977
Non-current liabilities			
Borrowings	18	**22,480,478**	22,004,758
Obligations under finance leases	19	**2,078,337**	2,256,964
Retention payables		**1,036,654**	1,572,369
Deferred income		**256,672**	273,297
Deferred tax liabilities		**18,548**	18,290
Total non-current liabilities		**25,870,689**	26,125,678

The notes on pages 25 to 48 form part of this interim financial report.

At 30 June 2013
(Expressed in Renminbi)

	Note	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
NET ASSETS		**13,324,930**	12,691,299
CAPITAL AND RESERVES	21		
Share capital		**8,446,898**	8,446,898
Reserves		**4,015,548**	3,373,144
Total equity attributable to the equity shareholders of the Company		**12,462,446**	11,820,042
Non-controlling interests		**862,484**	871,257
TOTAL EQUITY		**13,324,930**	12,691,299

Approved and authorised for issue by the board of directors on 20 August 2013.

Name: **Cao Peixi**
Position: *Chairman*

Name: **Yang Qing**
Position: *Director*

The notes on pages 25 to 48 form part of this interim financial report.

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

(Expressed in Renminbi)

		Attributable to the equity shareholders of the Company								
	Note	Share capital RMB'000 (note 21(b))	Capital reserve RMB'000 (note 21(c)(i))	Statutory surplus reserve RMB'000 (note 21(c)(ii))	Exchange reserve RMB'000 (note 21(c)(iii))	Fair value reserve RMB'000 (note 21(c)(iv))	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2013		8,446,898	1,366,477	24,078	(213)	(69,989)	2,052,791	11,820,042	871,257	12,691,299
Changes in equity for the six months ended 30 June 2013:										
Profit for the period		–	–	–	–	–	646,115	646,115	22,803	668,918
Other comprehensive income		–	–	–	(3,754)	126,746	–	122,992	–	122,992
Total comprehensive income		–	–	–	(3,754)	126,746	646,115	769,107	22,803	791,910
Dividends by subsidiaries to non-controlling equity interests		–	–	–	–	–	–	–	(31,576)	(31,576)
Dividends to equity shareholders of the Company	21(a)(ii)	–	–	–	–	–	(126,703)	(126,703)	–	(126,703)
Balance at 30 June 2013		8,446,898	1,366,477	24,078	(3,967)	56,757	2,572,203	12,462,446	862,484	13,324,930

The notes on pages 25 to 48 form part of this interim financial report.

For the six months ended 30 June 2013
(Expressed in Renminbi)

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

The notes on pages 25 to 48 form part of this interim financial report.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

(Expressed in Renminbi)

		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Cash generated from operations		**3,535,928**	1,769,261
Income tax paid		**(33,698)**	(19,112)
Net cash generated from operating activities		**3,502,230**	1,750,149
Net cash used in investing activities		**(2,373,110)**	(5,308,129)
Net cash generated from financing activities		**204,022**	3,191,769
Net increase/(decrease) in cash and cash equivalents		**1,333,142**	(366,211)
Cash and cash equivalents at 1 January	17	**3,768,371**	7,506,226
Effect of foreign exchanges rates changes		**(41,744)**	24,707
Cash and cash equivalents at 30 June	17	**5,059,769**	7,164,722

The notes on pages 25 to 48 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

1 PRINCIPAL ACTIVITIES AND ORGANISATION

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

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 20 August 2013.

As at and for the six months ended 30 June 2013, a portion of the Group's funding requirements for capital expenditures were partially satisfied by short-term financing. Consequently, as at 30 June 2013, the Group has net current liabilities of approximately RMB5.2 billion. Taking into consideration of the expected operating cash flows of the Group and the undrawn available banking facilities, the Group are expected to refinance and/or restructure certain short-term borrowings into long-term borrowings and also consider alternative sources of financing, where applicable and when needed. Therefore, the directors of the Company 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 have prepared the consolidated financial statements on a going concern basis.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2012 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

(Expressed in Renminbi)

2 BASIS OF PREPARATION (CONTINUED)

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included in the interim financial report.

The financial information relating to the financial year ended 31 December 2012 that is included in the interim financial report as being previously reported information does not constitute the Company's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2012 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 19 March 2013.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's consolidated financial statements:

- Amendments to IAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- IFRS 10, *Consolidated financial statements*
- IFRS 11, *Joint arrangements*
- IFRS 12, *Disclosure of interests in other entities*
- IFRS 13, *Fair value measurement*
- Annual Improvements to *IFRSs 2009-2011 Cycle*
- Amendments to IFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

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

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments to IAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and SIC 12 *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

IFRS 11, Joint arrangements

IFRS 11, which replaces IAS 31, *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under IFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under IFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of IFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The adoption does not change any classification of the joint arrangements and does not have any material impact on the financial position and the financial result of the Group.

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

IFRS 12, Disclosure of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by IFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in this interim financial report as a result of adopting IFRS 12.

IFRS 13, Fair value measurement

IFRS 13 replaces existing guidance in individual IFRSs with a single source of fair value measurement guidance. IFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim financial report. The Group has provided those disclosures in note 22. The adoption of IFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Annual Improvements to IFRSs 2009-2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, IAS 34 has been amended to clarify that total assets for a particular reportable segment are required to be disclosed only if the amounts are regularly provided to the chief operating decision maker (CODM) and only if there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements. The amendment also requires the disclosure of segment liabilities if the amounts are regularly provided to the CODM and there has been a material change in the amounts compared with the last annual financial statements. The amendment does not have any impact on the disclosure of the Group as the Group has a single reportable segment.

Amendments to IFRS 7 – Disclosures – Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with IAS 32.

The adoption of the amendments does not have an impact on the Group's interim financial report because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of IFRS 7.

4 SEASONALITY OF OPERATIONS

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

5 REVENUE

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Sales of electricity	**2,865,384**	1,807,393
Others	**1,269**	2,351
	2,866,653	1,809,744

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

6 OTHER NET INCOME

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Certified Emission Reductions ("CERs") income	**—**	64,888
Government grants	**43,665**	41,886
Others	**721**	459
	44,386	107,233

(Expressed in Renminbi)

7 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Interest income on financial assets	**22,385**	63,564
Foreign exchange gains	**390**	24,083
Gain on disposal of available-for-sale equity securities *(note (i))*	**26,790**	—
Finance income	**49,565**	87,647
Interest on borrowings and other financial liabilities	**1,001,921**	1,076,799
Less: interest expenses capitalised into property, plant and equipment *(note (ii))*	**64,145**	286,403
	937,776	790,396
Foreign exchange losses	**56,546**	17,325
Bank charges and others	**1,339**	2,060
Finance expenses	**995,661**	809,781
Net finance expenses recognised in profit or loss	**(946,096)**	(722,134)

Notes:

(i) On 21 February 2013, the Group disposed of its available-for-sale equity securities in Guodian Technology & Environment Group Corporation Limited with gross proceeds of HKD275,527,500. The fair value reserve of approximately RMB32,005,000 (note10) has been reclassified to profit or loss and net gain on disposal of approximately RMB26,790,000 has been recognized accordingly after deducting relevant trading expenses of approximately RMB5,215,000.

(ii) The borrowing costs have been capitalised at rates of 5.40% to 6.37% per annum for the six months ended 30 June 2013 (six months ended 30 June 2012: 6.15% to 7.06% per annum).

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Amortisation		
— lease prepayments	**1,624**	1,137
— intangible assets	**9,272**	9,044
Depreciation		
— property, plant and equipment	**951,093**	731,838
Impairment losses		
— property, plant and equipment *(note 12(b))*	**73,990**	—
Operating lease charges		
— hire of properties	**9,640**	7,822
Cost of inventories	**7,598**	2,949

9 INCOME TAX

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**49,911**	25,126
Over-provision in respect of prior periods	**(6,098)**	—
	43,813	25,126
Deferred tax		
Origination and reversal of temporary differences	**641**	672
	44,454	25,798

(Expressed in Renminbi)

9 INCOME TAX (CONTINUED)

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Profit before taxation	**713,372**	303,022
Applicable tax rate	**25%**	25%
Notional tax on profit before taxation	**178,343**	75,756
Tax effect of non-deductible expenses	**5,625**	561
Tax effect of non-taxable income	**(4,420)**	—
Effect of differential tax rate of certain subsidiaries of the Group *(note(i))*	**(172,516)**	(40,719)
Tax effect of unused tax losses not recognised	**46,268**	—
Tax losses utilised while not recognised in prior periods	**(2,757)**	(9,734)
Over-provision in respect of prior periods	**(6,098)**	—
Others	**9**	(66)
Income tax	**44,454**	25,798

Note:

(i) The provision for income tax of the Group is calculated based on a statutory rate of 25% of the assessable profit of the Group, except for certain subsidiaries of the Group, which are tax exempted or taxed at preferential rates as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2013 and the six months ended 30 June 2012, and except for a subsidiary incorporated in Hong Kong which is subject to Hong Kong Profits Tax calculated at 16.5% (six months ended 30 June 2012: 16.5%) of its estimated assessable profit for the period.

10 OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale equity securities:		
Change in fair value recognised during the period	**158,751**	(46,161)
Reclassification to profit or loss arising from the disposal *(note 7)*	**(32,005)**	—
Tax expense	**—**	—
Net movement in the fair value reserve during the period	**126,746**	(46,161)
Exchange difference on translation of financial statements of an overseas subsidiary — Before and net of tax amount	**(3,754)**	624
Other comprehensive income	**122,992**	(45,537)

11 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the six months ended 30 June 2013 of RMB646,115,000 (six months ended 30 June 2012: RMB246,228,000) and the number of shares in issue during the six months ended 30 June 2013 of 8,446,898,000 (six months ended 30 June 2012: 8,446,898,000).

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

12 PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions and disposals

During the six months ended 30 June 2013, the Group acquired items of property, plant and equipment of approximately RMB1,702,246,000 (six months ended 30 June 2012: approximately RMB1,882,764,000). No material items of property, plant and equipment were disposed of during the six months ended 30 June 2013 and 2012.

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Impairment losses

In view of the delay in construction of electricity transmission facilities in certain regions by the local grid companies in the PRC, the Group reviewed the construction and development plans of its wind power projects under construction in those areas. As a result, the carrying amounts of certain projects have been written down by RMB73,990,000 (six months ended 30 June 2012: nil) in total. The recoverable amounts of these projects have been estimated based on their value in use. The impairment losses have been included in other operating expenses.

13 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of approximately RMB353,407,000 (31 December 2012: approximately RMB361,497,000), software and other intangible assets of approximately RMB2,032,000 (31 December 2012: approximately RMB2,014,000).

14 OTHER NON-CURRENT ASSETS

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Deductible Value-Added Tax ("VAT") *(note (i))*	**2,774,787**	3,084,427
Unquoted equity investments in non-listed companies, at cost	**231,067**	221,067
Available-for-sale equity securities, measured at fair value		
— Listed in Hong Kong	**248,347**	312,716
Deposits and advances to third parties *(note (ii))*	**98,690**	99,078
	3,352,891	3,717,288

Notes:

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

(ii) The deposits and advances to third parties are unsecured and interest free. The balance as at 30 June 2013 mainly represents deposits with third parties in connection with the finance lease arrangement in the amount of RMB37,444,000 (31 December 2012: RMB37,444,000), which are expected to be repaid at the end of the lease period, and funding support amounting to RMB46,250,000 (31 December 2012: RMB46,250,000), to local grid companies in order to facilitate the construction of the grid network, which the directors of the Company expect it will be recovered in two years.

15 TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Amounts due from third parties	**2,830,495**	3,301,840
Amounts due from fellow subsidiaries	**400**	800
	2,830,895	3,302,640
Less: allowance for doubtful debts	**—**	—
	2,830,895	3,302,640

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

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Current	**2,830,895**	3,302,640
Past due	**—**	—
	2,830,895	3,302,640
Less: allowance for doubtful debts	**—**	—
	2,830,895	3,302,640

The Group's trade receivables are mainly wind power electricity sales receivables from local grid companies. Generally, the receivables are due within 15–30 days from the date of billing, except for the tariff premium, representing 30% to 60% of total electricity sales, collected by certain power projects. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid companies, which therefore takes a relatively longer time for settlement.

15 TRADE DEBTORS AND BILLS RECEIVABLE (CONTINUED)

Pursuant to CaiJian [2012] No.102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, a set of standardised procedures for the settlement of the tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies. As at 30 June 2013, most of the operating projects have obtained the approval for the tariff premium and certain projects are in the process of applying for the approval. The directors are of the opinion that the approvals will be obtained in due course and the tariff premium receivables are fully recoverable considering that there are no bad debt experiences with the grid companies in the past and the tariff premium is funded by the PRC government.

Trade receivables that are neither past due nor impaired mainly represent the electricity sales receivable from local grid companies for whom there is no recent history of default.

All trade debtors and bills receivable are expected to be recovered within one year.

16 PREPAYMENTS AND OTHER CURRENT ASSETS

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
CERs receivable	405,436	507,508
Government grant receivable	5,578	5,827
Amounts due from fellow subsidiaries	9,931	4,005
Interest receivable	1,842	5,439
Staff advance	8,472	3,680
Deposits	25,843	17,083
Prepayments	1,749	1,550
Other debtors	18,192	17,258
	477,043	562,350
Less: allowance for doubtful debts	818	818
	476,225	561,532

17 CASH AT BANK AND ON HAND

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Cash on hand	**1,202**	693
Cash at bank and other financial institutions	**6,981,572**	5,468,032
	6,982,774	5,468,725
Representing:		
— Cash and cash equivalents	**5,059,769**	3,768,371
— Time deposits with original maturity over three months	**1,923,005**	1,700,354
	6,982,774	5,468,725

18 BORROWINGS

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Bank and other loans		
— Secured	**1,959,826**	1,883,810
— Unsecured	**20,903,579**	21,034,998
Corporate bonds		
— Unsecured	**1,984,703**	1,982,337
	24,848,108	24,901,145
Less: Current portion of long-term borrowings — Bank and other loans	**2,367,630**	2,896,387
	22,480,478	22,004,758

As at 30 June 2013, loans guaranteed by China Huaneng Group ("Huaneng Group") amount to RMB21,763,000 (31 December 2012: RMB22,810,000) (see note 18(c)(i)).

(Expressed in Renminbi)

18 BORROWINGS (CONTINUED)

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Bank and other loans (unsecured)	**6,780,000**	5,380,000
Current portion of long-term borrowings		
— Bank and other loans	**2,367,630**	2,896,387
	9,147,630	8,276,387

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Long-term (including current portion)		
Bank and other loans	**1% (note (i)), 5.54%~6.80%**	1% (note (i)), 5.54%~7.40%
Corporate bonds	**5.14%, 5.31%**	5.14%, 5.31%
Short-term (excluding current portion of long term borrowings)		
Bank and other loans	**5.34%~5.40%**	5.40%~6.56%

Note:

(i) A subsidiary of the Company, Huaneng Shantou Nan'ao Wind Power Company Limited ("Nan'ao Power"), obtained a loan from Spanish government through China Construction Bank Guangdong Branch on 29 November 1999. According to the terms of the loan, Nan'ao Power is obligated to use the loan proceeds to purchase goods and services only from entities in Spain. The total loan amount is US$8,586,809, of which US$4,317,319 was settled in 2008. The remaining loan of US$4,269,490 has an annual interest rate of 1% and is repayable semi-annually starting from 15 June 2010. The final installment is to be settled by 15 December 2029. The loan is unsecured and is guaranteed by Huaneng Group.

18 BORROWINGS (CONTINUED)

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

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Within 1 year or on demand	**2,367,630**	2,896,387
After 1 year but within 2 years	**3,733,951**	1,905,071
After 2 years but within 5 years	**8,127,770**	9,788,548
After 5 years	**10,618,757**	10,311,139
	24,848,108	24,901,145

(e) Significant terms of corporate bonds:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Long-term		
Corporate bonds *(note (i))*	**1,984,703**	1,982,337

Note:

(i) On 29 October 2012, the Company issued a three-year unsecured corporate bond of RMB1,140 million at par with a coupon rate of 4.80% per annum and a five-year unsecured corporate bond of RMB860 million at par with a coupon rate of 5.09%. The effective interest rate of above bonds are 5.14% and 5.31% respectively.

19 OBLIGATIONS UNDER FINANCE LEASES

The Group had obligations under finance leases repayable as follows:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Present value of the minimum lease payments		
Within 1 year	**365,151**	361,407
After 1 year but within 2 years	**395,460**	379,947
After 2 years but within 5 years	**1,026,436**	1,096,230
After 5 years	**656,441**	780,787
	2,078,337	2,256,964
Present value of finance lease obligations	**2,443,488**	2,618,371
Total minimum lease payments		
Within 1 year	**497,735**	504,969
After 1 year but within 2 years	**515,516**	512,444
After 2 years but within 5 years	**1,245,741**	1,352,614
After 5 years	**718,113**	871,167
	2,479,370	2,736,225
	2,977,105	3,241,194
Less: total future interest expenses	**533,617**	622,823
Present value of finance lease obligations	**2,443,488**	2,618,371

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

20 OTHER PAYABLES

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Payables for acquisition of property, plant and equipment	**2,808,958**	3,833,923
Retention payable *(note (i))*	**1,912,748**	1,467,686
Bills payable	**1,178,270**	635,730
Dividends payable	**172,612**	43,951
Amounts due to *(note (ii))*		
— fellow subsidiaries	**21,598**	15,065
— joint venture	**30,000**	30,000
Payables for staff related costs	**29,196**	29,809
Payables for other taxes	**23,747**	34,734
Interest payable	**126,499**	80,526
Other accruals and payables	**33,794**	42,142
	6,337,422	6,213,566

Notes:

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

(ii) Amounts due to fellow subsidiaries and joint venture are all unsecured, interest-free and have no fixed terms of repayment.

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

(Expressed in Renminbi)

21 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

On 21 June 2013, upon the approval at the annual general meeting, the Company declared final dividend in respect of the financial year ended 31 December 2012 of RMB0.015 per share, with total amount of approximately RMB126,703,470 (2011: nil). The Company did not make any dividend payments during the six months ended 30 June 2013 (six months ended 30 June 2012: nil).

(b) Share capital

	At 30 June 2013	At 31 December 2012
	RMB'000	*RMB'000*
Issued and fully Paid		
5,535,311,200 domestic state-owned ordinary shares of RMB1.00 each	**5,535,311**	5,535,311
2,911,586,800 H shares of RMB1.00 each	**2,911,587**	2,911,587
	8,446,898	8,446,898

21 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Nature and purpose of reserves

(i) Capital reserve

Capital reserve includes share premium and other capital reserve.

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

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

(ii) Statutory surplus reserve

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

(iii) Exchange reserve

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

(iv) Fair value reserve

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

(Expressed in Renminbi)

22 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

The IFRS 13, *Fair value measurement* requires to disclose the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety. The 3-Level fair value hierarchy is based on the inputs to valuation techniques used to measure fair value. The inputs are categorised as follows:

- Level 1 inputs: Quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs: Unobservable inputs for the asset or liability.

At 30 June 2013 and 31 December 2012, the financial instruments of the Group carried at fair value are investments in available-for-sale equity securities (see note 14), which fall into Level 1 of the fair value hierarchy described above. During the six months ended 30 June 2013, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2012: nil).

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost primarily including receivables, payables and borrowings are not materially different from their fair values as at 30 June 2013 and 31 December 2012, which are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The investments in unquoted equity securities (see note 14) are measured at cost which fair value cannot be measured reliably as these investments in non-listed companies do not have quoted market price in an active market. The Group has no intention to dispose of these investments.

23 CAPITAL COMMITMENTS

Capital commitments outstanding not provided for in the interim financial report were as follows:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Contracted for	**7,253,551**	4,973,284
Authorised but not contracted for	**9,536,598**	11,982,424
	16,790,149	16,955,708

24 CONTINGENT LIABILITIES

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

25 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Service provided to		
Fellow subsidiaries	**1,232**	400
Service provided by		
Fellow subsidiaries	**33,444**	39,366
Net deposit in		
China Huaneng Finance Corporation Ltd. ("Huaneng Finance")	**138,060**	657,407
Proportionate increase of investment in		
Fellow subsidiary	**10,000**	—
Interest income		
Huaneng Finance	**9,280**	942

(b) Outstanding balances with related parties

The deposits as at 30 June 2013 placed with a fellow subsidiary, Huaneng Finance, amount to RMB1,742,009,000 (31 December 2012: RMB1,603,949,000). Details of the other outstanding balances with related parties are set out in notes 15, 16, 18 and 20.

25 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

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

— Sales of electricity;

— Depositing and borrowing money; and

— Purchase of materials and receiving construction work services.

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

For the six months ended 30 June 2013 and 2012, all revenue from the sales of electricity is made to the provincial power grid companies which are government-related entities. As at 30 June 2013 and 31 December 2012, substantially all the trade and bills receivable are due from these power grid companies.

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

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

(Expressed in Renminbi)

25 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Commitments with related parties

Commitments with related parties outstanding not provided for in the interim financial report were as follows:

	At 30 June 2013 ***RMB'000***	At 31 December 2012 *RMB'000*
Services to be provided by related parties	**16,004**	28,776

(e) Key management personnel remuneration

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2013 ***RMB'000***	2012 *RMB'000*
Salaries and other emoluments	**3,258**	2,564
Discretionary bonus	**—**	1,458
Retirement scheme contributions	**348**	259
	3,606	4,281

Corporate Information

REGISTERED OFFICE

10–11th Floor
No. 23A Fuxing Road
Haidian District, Beijing, the PRC

HEAD OFFICE IN THE PRC

10–11th Floor
No. 23A Fuxing Road
Haidian District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

COMPANY'S WEBSITE

www.hnr.com.cn

JOINT COMPANY SECRETARIES

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

AUTHORIZED REPRESENTATIVES

Mr. LIN Gang
Ms. MOK Ming Wai *(FCIS, FCS)*

NON-EXECUTIVE DIRECTORS

Mr. CAO Peixi *(Chairman)*
Mr. ZHANG Tingke *(Vice Chairman)*
Mr. ZHAO Keyu

EXECUTIVE DIRECTORS

Mr. LIN Gang *(President)*
Mr. XIAO Jun
(appointed with effect from 21 June 2013)
Mr. YU Chunping
(appointed with effect from 21 June 2013)
Ms. YANG Qing
Mr. NIU Dongchun *(resigned on 19 March 2013)*
Mr. HE Yan *(retired on 21 June 2013)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. QIN Haiyan
Ms. DAI Huizhu
Mr. ZHOU Shaopeng
Mr. WAN Kam To

SUPERVISORS

Mr. HUANG Jian
Mr. WANG Huanliang
Mr. YU Zewei

AUDIT COMMITTEE

Mr. ZHOU Shaopeng *(Chairman)*
Mr. ZHAO Keyu
Mr. WAN Kam To

NOMINATION COMMITTEE

Mr. CAO Peixi *(Chairman)*
Mr. ZHOU Shaopeng
Mr. QIN Haiyan

REMUNERATION COMMITTEE

Mr. QIN Haiyan *(Chairman)*
Ms. DAI Huizhu
Mr. LIN Gang
(appointed with effect from 19 March 2013)
Mr. NIU Dongchun *(resigned on 19 March 2013)*

HONG KONG LEGAL ADVISERS

Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower
15 Queen's Road Central
Hong Kong

PRC LEGAL ADVISERS

DeHeng Law Offices
12/F Tower B, Focus Place
19 Finance Street
Beijing 100033
the PRC

AUDITORS

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

H SHARE REGISTRAR

Computershare Hong Kong
Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

China Development Bank Corporation
No. 29 Fuchengmenwai Street
Xicheng District
Beijing
the PRC

China Construction Bank Corporation
No. 25 Finance Street
Beijing
the PRC

Industrial and Commercial Bank of China Limited
No. 55 Fuxingmennei Street
Xicheng District
Beijing
the PRC

Glossary of Technical Terms

"CERs"	Certified Emission Reductions, which are carbon credits issued by the executive board of the clean development mechanism (CDM EB) for emission reductions achieved by registered clean development mechanism (CDM) projects and verified by a designated operational entity (DOE) under the Kyoto Protocol
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including auxiliary electricity and electricity generated during the construction and testing period
"GW"	unit of power, gigawatt. 1 GW = 1,000 MW
"GWh"	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh. GWh is typically used as a measure for the annual energy production of large power plants
"installed capacity"	the capacity of power generation units or wind turbines that have been completely assembled or erected in the case of wind power. For wind power, installed capacity includes the capacity of wind turbines in testing period
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"MW"	unit of power, megawatt. 1 MW = 1,000 kW, MW is typically used to measure installed capacity of power plants
"MWh"	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh

"net power generation"	for a specified period, the total amount of electricity sold to the relevant local grid company by a power plant in that period, which equals to gross power generation less (i) auxiliary electricity and (ii) the electricity generated during the construction and testing period. Sales of electricity generated during the construction and testing period are not included in the revenue of electricity sales, but are offset against the cost of property, plant and equipment
"renewable energy"	energy generated from sustainable energy sources that are regenerative or, for all practical purposes, cannot be depleted
"Utilization hours"	the gross power generation less the electricity generated during the construction and testing period in a specified period divided by the weighted average installed capacity of operational projects in the same period

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