華電福新能源股份有限公司
HUADIAN FUXIN ENERGY CORPORATION LIMITED

INTERIM REPORT 2013

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

Stock Code: 00816

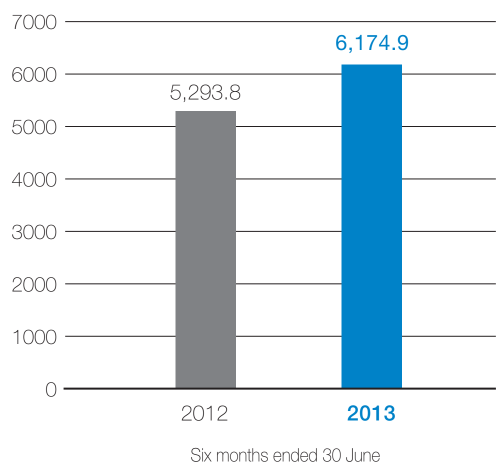
Contents

Interim Results

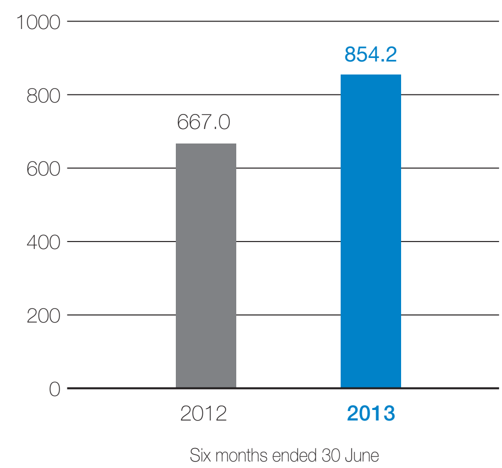
The Board of the Company hereby announces the unaudited operating results of the Group for the six months ended 30 June 2013, together with the operating results for the Corresponding Period of 2012 for comparison. For the six months ended 30 June 2013, the revenue of the Group amounted to RMB6,174.9 million, representing an increase of 16.6% over the Corresponding Period of 2012; profit before taxation amounted to RMB1,280.1 million, representing an increase of 29.2% over the Corresponding Period of 2012; profit attributable to shareholders of the Company amounted to RMB854.2 million, representing an increase of 28.1% over the Corresponding Period of 2012; earnings per share amounted to approximately RMB11.21 cents.

Key Operating and Financial Information

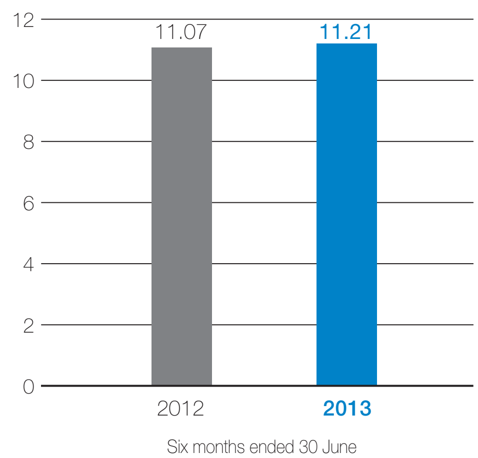
Revenue (RMB in millions)



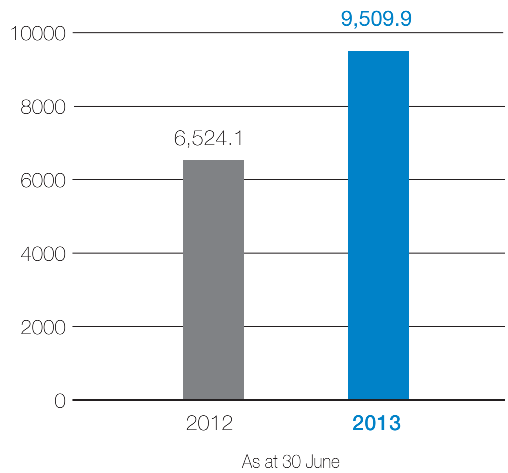
Profit attributable to shareholders of the Company (RMB in millions)



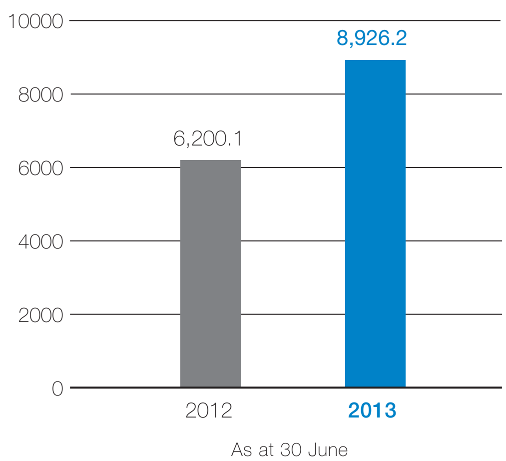
Basic and diluted earnings per share (RMB cents/share)



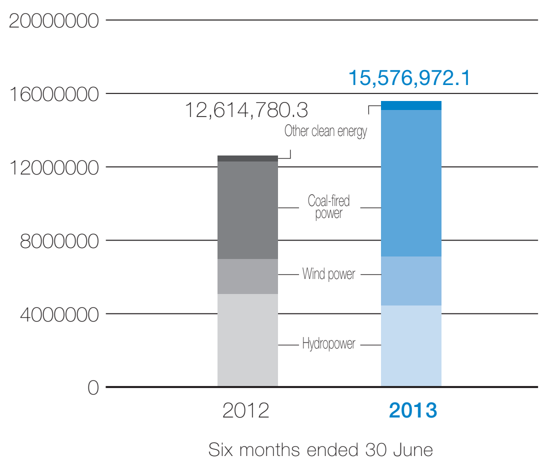
Consolidated installed capacity (MW)



Attributable consolidated installed capacity (MW)



Gross electricity sales (MWh)



Key Operating and Financial Information

	Six months ended 30 June 2013 RMB'000	2012 RMB'000
Revenue	6,174,889	5,293,757
Profit before taxation	1,280,060	990,648
Income tax	(250,627)	(132,457)
Profit and total comprehensive income for the period	1,029,433	858,191
Profit and total comprehensive income attributable to:		
Shareholders of the Company	854,235	666,999
Non-controlling interests	175,198	191,192
Basic and diluted earnings per share (RMB cents)	11.21	11.07

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Total non-current assets	56,573,513	53,728,883
Total current assets	9,904,219	7,611,643
Total assets	66,477,732	61,340,526
Total current liabilities	22,171,190	18,767,130
Total non-current liabilities	31,408,736	29,864,582
Total liabilities	53,579,926	48,631,712
Net assets	12,897,806	12,708,814
Total equity attributable to the shareholders of the Company	10,597,279	10,574,183
Non-controlling interests	2,300,527	2,134,631
Total equity	12,897,806	12,708,814

Management Discussion and Analysis

In the first half of 2013, the power industry of China achieved a supply-demand balance as a whole. The overall electricity consumption in China reached 2.5 trillion kWh, representing an increase of 5.1% over the Corresponding Period of 2012, with the growth rate slightly declining by 0.4 percentage points. On an overall scale, domestic economy is projected to maintain a steady growth in the second half of 2013, and GDP is expected to grow by about 7.6% in the whole year of 2013. The overall electricity consumption in the second half of 2013 is expected to reach 2.7-2.8 trillion kWh, representing an increase of 5.0%-7.0% over the Corresponding Period of 2012; hence, the overall electricity consumption in 2013 is estimated at 5.2-5.3 trillion kWh, representing a 5.0%-6.0% growth year-on-year.

The National Energy Work Conference held in early 2013 prioritized the development of renewable energy and new energy. The National Energy Work Conference stressed that China must realize the coordinated development of energy and eco-environment and gradually get rid of excessive reliance on traditional fossil fuels and shift to new energy and renewable energy so as to build economic growth on energy sustainability and ecological conservation. China will continue to explore renewable energy and actively advance the development of hydropower, wind power, distributed energy and solar energy. This signifies that renewable energy will usher in new development opportunities in China in 2013.

I. BUSINESS REVIEW

In the first half of 2013, the Group recorded satisfactory results for hydropower and coal-fired power businesses and accumulated stamina for wind power and solar energy businesses. With accelerated project development, effective cost and expenditure control and support from favorable policies, the Group's hydropower, wind power, coal-fired power and other clean energy have become profitable and a significant growth was recorded in its overall results as compared with the Corresponding Period of 2012. Moreover, the Group effectively carried out capital operations, successfully handled asset acquisitions, and diversified funding sources, with capital costs reduction significantly and capital risks effectively controlled.

During the six months ended 30 June 2013, profit attributable to shareholders of the Company was RMB854.2 million, representing an increase of 28.1% over the Corresponding Period of 2012; consolidated installed capacity was 9,509.9 MW, representing an increase of 45.8% over the Corresponding Period of 2012; gross generation was 16,293,440.9 MWh, representing an increase of 38.9% over the Corresponding Period of 2012.

The respective consolidated installed capacity of the power generating assets of the Group as at 30 June 2013 and 2012 by type was:

Type	30 June 2013 (MW)	30 June 2012 (MW)	Change ratio
Hydropower	**2,233.4**	2,223.4	0.4%
Wind power	**3,027.8**	2,171.3	39.4%
Coal-fired power	**3,850.0**	2,050.0	87.8%
Other clean energy	**398.7**	79.4	402.1%
Total	**9,509.9**	6,524.1	45.8%

The respective attributable consolidated installed capacity of the power generating assets of the Group as at 30 June 2013 and 2012 by type was:

Type	30 June 2013 (MW)	30 June 2012 (MW)	Change ratio
Hydropower	**1,637.2**	1,627.2	0.6%
Wind power	**2,703.4**	1,955.3	38.3%
Coal-fired power	**3,890.4**	2,090.4	86.1%
Other clean energy	**695.2**	527.2	31.9%
Total	**8,926.2**	6,200.1	44.0%

The respective gross generation of the power generating assets of the Group for the six months ended 30 June 2013 and 2012 by type was:

Type	January to June 2013 (MWh)	January to June 2012 (MWh)	Change ratio
Hydropower	**4,503,353.0**	5,139,161.8	(12.4%)
Wind power	**2,955,191.6**	2,117,712.3	39.5%
Coal-fired power	**8,432,481.2**	4,414,603.3	91.0%
Other clean energy	**402,415.1**	55,114.3	630.1%
Total	**16,293,440.9**	11,726,591.7	38.9%

1. Hydropower business

As at 30 June 2013, the Group had a consolidated hydropower installed capacity of 2,233.4 MW and a capacity under construction (renovation and expansion) of 190.0 MW, of which a renovation and expansion hydropower project of 80.0 MW installed capacity will be completed and commence operation within 2013.

In the first half of 2013, the level of precipitation in Fujian was lower than that of the Corresponding Period of 2012 (high flow year). However, the Group has managed to overcome the adverse effects of decreased precipitation and strengthened comprehensive river dispatch. Such measures have fully tapped the overall hydropower capacity, maximized water efficiency, and reduced the average water consumption of hydropower units in Fujian. In the first half of 2013, the Group recorded gross hydropower generation of 4,503,353.0 MWh, decreased only by 12.4%. The average hydropower utilization hours were 2,021.0 hours, which fell by 12.5% over the 2,311.0 hours in the Corresponding Period of 2012. The average on-grid tariff was RMB323.8/MWh, representing an increase of RMB2.9/MWh over the Corresponding Period of 2012.

2. Wind power business

As at 30 June 2013, the Group had a consolidated wind power installed capacity of 3,027.8 MW, representing an increase of 39.4% comparing with 30 June 2012, and a wind power capacity under construction of 890.0 MW. In the first half of 2013, the Group recorded gross wind power generation of 2,955,191.6 MWh, representing an increase of 39.5% over the Corresponding Period of 2012. The average on-grid tariff was RMB566.2/MWh, representing an increase of RMB2.4/MWh over the Corresponding Period of 2012. In the first half of 2013, the government has increased efforts to promote the consumption of wind power on grids, so the construction of power grids has been accelerated in some areas, and the construction of long-distance wind power transport channels has been partly completed. Coupled with better wind resources than the Corresponding Period of 2012, the average wind power utilization hours of the Group increased by 82.7 hours over the Corresponding Period of 2012 to 1,058.0 hours. Moreover, the availability coefficient of wind turbines was 97.7%, flat with the Corresponding Period of 2012.

In the first half of 2013, the Group focused on efficiency, pushed forward project development actively yet prudently, paid attention to quality of development, and improved the wind resource reserves in central and eastern regions without power rationing. Currently, the Group possesses 974.0 MW of advanced pipeline projects for which we have obtained development approvals from NDRC, 700.0 MW of pipeline ready to be approved within 2013, and approximately 49,855.0 MW of early and intermediate pipeline projects.

3. Coal-fired power business

The Group successfully completed the acquisition of Kemen II in the first half of 2013, thereby enhancing the profitability of coal-fired power.

As at 30 June 2013, the Group had a consolidated installed coal-fired power capacity of 3,850.0 MW, representing an increase of 87.8% comparing with 30 June 2012.

For the six months ended 30 June 2013, the Group recorded gross coal-fired power generation of 8,432,481.2 MWh, representing an increase of 91.0% over the Corresponding Period of 2012. The accumulated standard coal consumption was 308.4 g/kWh, lower than the 325.0 g/kWh energy conservation target defined in China's "Twelfth Five-Year Plan". The average on-grid tariff was RMB452.2/MWh, and standard coal cost was RMB669.0/ton (net of tax), representing a decline of 20.0% over the Corresponding Period of 2012. A total of four generation units of Kemen Power Plant and Kemen II recorded an average utilization hours of 2,668.0 hours, ranking 1st in Fujian province, and the average utilization hours of generation units of Yong'an Company and Zhangping Company were also higher than the average level of similar generation units.

4. Distributed energy and other clean energy projects

As at 30 June 2013, the Group had a consolidated installed capacity of distributed energy projects at 156.0 MW. Wherein, the Guangzhou University Town project invested by the Group is currently the largest distributed energy station in China. As at 30 June 2013, the consolidated installed capacity of the distributed energy projects under construction of the Group amounted to 207.0 MW, which are expected to be completed and commence production within 2013. We have gained large quantities of quality pipeline projects in a number of economically developed coastal regions and a number of inland provincial cities for development in the future. As of 30 June 2013, the Group had an accumulative of 783.0 MW of distributed energy projects that had been approved by the NDRC, with intermediate and early pipeline projects amounting to 7,535.5 MW.

As at 30 June 2013, the Group had a consolidated installed capacity of solar energy projects of 217.4 MW, representing an increase of 173.8% over the 79.4 MW of the Corresponding Period of 2012. The consolidated installed capacity of the solar energy projects under construction of the Group amounted to 59.8 MW, which are expected to be completed and commence production within 2013. The Group had a cumulative capacity of solar energy projects of 160.0 MW approved by NDRC. The promulgation of the *Several Opinions of the State Council on Promoting the Healthy Development of Solar Energy Industry* (Guo Fa No. [2013]24) signifies that the Chinese government will invest more efforts in the development of the solar energy industry and will increase fiscal supports. Accordingly, the Group will accelerate the development and construction of solar energy projects and grasp opportunities to expand production, so as to win greater profit margins.

As at 30 June 2013, we also held 39.0% equity interests in four nuclear power generating units under construction (each with 1,000.0 MW). Currently, the construction of the projects develops smoothly, and the projects are expected to commence operation from 2014 to 2016.

As at 30 June 2013, we also had two biomass energy projects in operation, with a consolidated installed capacity of 25.3 MW.

II. FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited financial statements of the Group together with the accompanying notes.

1. Overview

The Group's profitability was improved substantially for the six months ended 30 June 2013. Profit before taxation for the period increased by 29.2% to RMB1,280.1 million as compared with RMB990.6 million for the Corresponding Period of 2012. Profit attributable to shareholders of the Company for the period amounted to RMB854.2 million, representing an increase of 28.1% as compared with RMB667.0 million for the Corresponding Period of 2012.

2. Revenue

The Group's revenue increased by 16.6% to RMB6,174.9 million for the six months ended 30 June 2013 compared with RMB5,293.8 million in the Corresponding Period of 2012.

The Group's revenue from sales of electricity increased by 14.2% to RMB5,915.3 million for the six months ended 30 June 2013 as compared with RMB5,180.7 million for the Corresponding Period of 2012, primarily due to a 23.5% increase in the Group's electricity sales. The increase in the Group's electricity sales reflected its steady business growth during the period, among which, the cumulative net generation of its coal-fired power business and of its wind power business increased by 45.5% and 36.9% respectively over the Corresponding Period of 2012.

The respective segment revenue of the Group for the six months ended 30 June 2013 and 2012 is as follows:

Table of Segment Revenue

	January to June of 2013 RMB in millions	January to June of 2012 RMB in millions	Change ratio
Hydropower	**1,211.9**	1,378.3	(12.1%)
Wind power	**1,338.9**	966.2	38.6%
Coal-fired power	**3,174.2**	2,657.4	19.4%
Other clean energy	**331.5**	265.5	24.9%

3. Other net income

For the six months ended 30 June 2013, the Group's other net income decreased by 93.6% to RMB16.9 million as compared with RMB262.1 million in the Corresponding Period of 2012, primarily due to: (1) no proceeds from the Group's disposal of the underlying investments for the six months ended 30 June 2013 as compared with a gain of RMB131.8 million from disposal of 28.0% equity interests in Fujian Kemen Port Logistics Co., Ltd. in the Corresponding Period of 2012; and (2) decrease in net income from CDM projects. For the six months ended 30 June 2013, the Group did not recognise net income from CDM projects as compared with RMB111.7 million in the Corresponding Period of 2012.

4. Operating expenses

The Group's operating expenses increased by 7.1% to RMB3,938.2 million for the six months ended 30 June 2013 as compared with RMB3,677.9 million in the Corresponding Period of 2012. This increase was mainly attributable to the increases in (1) depreciation and amortization expenses; (2) labor costs; (3) cost of repairs and maintenance; and (4) administrative expenses as a result of newly operated generation units.

The Group's depreciation and amortization expenses increased by 21.3% to RMB1,063.4 million for the six months ended 30 June 2013 as compared with RMB876.7 million in the Corresponding Period of 2012. This increase was primarily due to the expanded consolidated installed capacity of the Group.

The Group's labor costs increased by 17.1% to RMB415.8 million for the six months ended 30 June 2013 as compared with RMB355.0 million in the Corresponding Period of 2012, primarily due to more employees hired by the Group for managing its expanded business as a result of newly operated generation units and business expansion.

The Group's cost of repair and maintenance increased by 52.0% to RMB131.3 million for the six months ended 30 June 2013 as compared with RMB86.4 million in the Corresponding Period of 2012, primarily due to commencement of production of the two additional coal-fired units and the major repairing in one coal-fired unit of the Group.

The Group's administrative expenses increased by 32.9% to RMB162.0 million for the six months ended 30 June 2013 as compared with RMB121.9 million in the Corresponding Period of 2012, primarily due to business expansion, newly operated generation units, the increased number of projects and the expansion in business scale of the Group.

5. Operating profit

The Group's operating profit increased by 20.0% to RMB2,253.6 million for the six months ended 30 June 2013 as compared with RMB1,878.0 million in the Corresponding Period of 2012, reflecting the Group's steady business growth during the period. The respective segment operating profit of the Group for the six months ended 30 June 2013 and 2012 is as follows:

Table of Segment Operating Profit

	January to June of 2013 RMB in millions	January to June of 2012 RMB in millions	Change ratio
Hydropower	700.5	874.1	(19.9%)
Wind power	766.8	671.9	14.1%
Coal-fired power	763.3	200.8	280.1%
Other clean energy	87.4	73.4	19.1%

6. Finance income

The Group's finance income decreased by 41.1% to RMB19.9 million for the six months ended 30 June 2013 as compared with RMB33.8 million in the Corresponding Period of 2012.

7. Finance expenses

The Group's finance expenses increased by 8.7% to RMB1,036.4 million for the six months ended 30 June 2013 as compared with RMB953.6 million in the Corresponding Period of 2012, primarily due to the increase in the average balance of our loans as a result of the Group's business growth.

8. Share of profits less losses of associates and joint ventures

The Group's share of profits of the associates and joint ventures was RMB42.9 million for the six months ended 30 June 2013 as compared with profits of RMB32.5 million in the Corresponding Period of 2012, primarily due to the increase in earnings of associates that we invested in during this period.

9. Income tax

The Group's income tax increased by 89.1% to RMB250.6 million for the six months ended 30 June 2013 as compared with RMB132.5 million in the Corresponding Period of 2012. This increase was mainly due to the increase in its operating profit.

10. Profit for the period

The Group's profit increased by 19.9% to RMB1,029.4 million for the six months ended 30 June 2013 as compared with RMB858.2 million in the Corresponding Period of 2012. Our profit as a percentage of our total revenue increased to 16.7% for the six months ended 30 June 2013 from 16.2% in the Corresponding Period of 2012, primarily because, on one hand, the Group took advantage of the prosperous opportunity brought by the significant price decrease in coal market this year, strengthened the management of coal purchasing, broadened the sources of coal purchasing, procured more low-price coal and reduced the comprehensive purchasing costs through various methods such as bidding, thereby achieving a 280.1% growth of operating profit from coal-fired power segment for the six months ended 30 June 2013 as compared with the Corresponding Period of 2012, despite of no significant increase in the utilization hours of coal-fired power; on the other hand, the Company upheld the principles of value creation and selected premium sites, postponed additional installed capacity of wind power in the regions where heavy electricity restrictions were imposed and also expanded the installed scale in the places with favorable resources, thereby attaining a 14.1% increase in operating profit from wind power segment for the six months ended 30 June 2013 as compared with the Corresponding Period of 2012.

11. Profit attributable to shareholders of the Company

The profit attributable to shareholders of the Company increased by 28.1% to RMB854.2 million for the six months ended 30 June 2013 as compared with RMB667.0 million in the Corresponding Period of 2012.

12. Profit attributable to non-controlling interests

The Group's profit attributable to non-controlling interests decreased by 8.4% to RMB175.2 million for the six months ended 30 June 2013 as compared with RMB191.2 million in the Corresponding Period of 2012.

13. Liquidity and sources of capital

The Group's cash and cash equivalents amounted to RMB2,545.2 million as at 30 June 2013, basically keeping stable as compared with the balance of RMB2,575.7 million as at 31 December 2012. The main sources of the Group's operating capital include: (1) approximately RMB12,622.3 million as at 30 June 2013 of unutilized banking facilities; and (2) approximately RMB2,545.2 million of cash and cash equivalents.

As at 30 June 2013, the Group's borrowings increased by 6.2% to RMB38,817.6 million as compared with RMB36,539.4 million as at 31 December 2012, of which RMB9,906.3 million was short-term borrowings (including current portion of long-term borrowings and short-term financing instruments payable), and RMB28,911.3 million was long-term borrowings (including bonds payable).

On 25 March 2013, the Company issued fixed-rate unsecured corporate bonds of an aggregate amount of RMB2,000,000,000, of which a five-year unsecured corporate bond of RMB1,000,000,000 at par with a coupon rate of 5.0% and a ten-year unsecured corporate bond of RMB1,000,000,000 at par with a coupon rate of 5.3%.

On 22 May 2013, the Company issued the first tranche of 2013 short-term financing instruments of an aggregate amount of RMB1,500,000,000 with a term of 365 days at a coupon rate of 4.07%.

14. Capital expenditure

The Group's capital expenditure increased by 77.6% to RMB3,565.2 million for the six months ended 30 June 2013 as compared with RMB2,007.8 million in the Corresponding Period of 2012. Capital expenditure mainly comprises costs for purchase and construction of property, plant and equipment.

15. Net gearing ratio

As at 30 June 2013, the Group's net gearing ratio (net debt (i.e., total borrowings minus cash and cash equivalents) divided by total equity) was 281.2%, representing an increase of 14.0 percentage points as compared with 267.2% as at 31 December 2012, which was mainly due to the increase in borrowings as a result of the Group's business development.

16. Material acquisitions and disposals

For the six months ended 30 June 2013, the Company acquired 100.0% equity interest in Kemen II held by its parent Huadian Group.

17. Pledge of assets

Some of the Group's loans are secured by property, plant and equipment. As at 30 June 2013, total net carrying value of the pledged assets amounted to RMB11,876.9 million.

18. Contingent liabilities

As at 30 June 2013, the Group provided no external guarantee.

III. RISK FACTORS AND RISK MANAGEMENT

1. Industry risk

The development and profitability of our clean energy projects is dependent on the policies and regulations that support such development in the PRC on one hand, and natural factors that constrain power generation capacity and our management capabilities on the other. The gross generation and revenue of our hydropower projects is dependent upon hydrological conditions prevailing from time to time in the broad geographic regions in which our hydropower projects are located, and the changes in tariff which is in an overall upward trend. In addition, water conservation, environmental protection, and resettlement of relocated residents may cause significant cost increases and/or construction delays of our hydropower projects. Our wind power business and solar energy business rely significantly on China's policies on new energy, power grid construction, and wind/solar energy resources. Although China has promulgated policies to support the development of new energy, the possibility of cutting the tariff of wind power and solar energy cannot be ruled out. Moreover, the total amounts of electricity generated from a wind power project are highly dependent on wind conditions, which vary across seasons and regions. Our coal-fired power plants are fueled by coal and the fluctuation of coal prices could adversely affect the profitability of our coal-fired power business; also, the coal-fired power business features high carbon emission, and China's policies on carbon emissions may limit its development. Meanwhile, our distributed energy projects and other natural gas-fired power projects are fueled by natural gas. As such, the sufficient and timely supply of natural gas is essential to our distributed energy business. However, the Chinese government has recently raised the price of natural gas, which may exert great influence on the development of our distributed energy business. Meanwhile, the Chinese government encourages the development of natural gas distributed energy and the tariff pricing mechanism for distributed energy power is brewing; once a mature natural gas distributed energy pricing system is in place, it would greatly drive the development of natural gas distributed energy.

2. Competition risk

We may encounter competition from utility companies, which are mainly engaging in other clean energy businesses. In particular, other clean energy technologies may become more competitive and attractive. Competition from such companies may increase if the technology used to generate electricity from these other clean energy sources becomes more sophisticated, or if the PRC government decides to bolster its support of such other clean energy sources. Clean energy resources, such as hydropower and wind power, compete with conventional energy resources, including oil and coal.

3. Risk related to power grids

Power grids planning and construction and wind farm construction in certain regions are out of sync, which will hinder the Group's power transmission upon completion of the projects. In addition, power grids with insufficient transmission capacity may not be able to deliver all the potential electricity that the wind farms could generate when operating under full load, which may decrease the gross generation. In view of this, the Group flexibly adjusted construction strategy and rationally deployed new projects according to the power grid connection conditions. Meanwhile, the Group will continue improving technical innovation to reduce such impact.

4. Exchange rate risk

The Group's transactions are mainly denominated in Renminbi, Euros, United States dollars and Hong Kong dollars. Therefore, the Group is exposed to foreign currency exchange rate risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out and the management will consider hedging the foreign exchange exposure if it has material impact on the Group.

IV. OUTLOOK AND PROSPECTS

As Huadian Group's ultimate integrated platform of clean energy business, the Group will continue to develop clean and efficient energy to implement our diversified development approach. We will broaden area of investment, optimize asset layout, strengthen capital operations and integrate internal and external resources. We will benefit from more development opportunities arising in the future to forge a world-class listed clean energy company with strong competitiveness and provide the highest return to our shareholders.

1. Hydropower business

With over 50 years of operation and our leading position in the hydropower sector in Eastern China region, we will further accelerate the development of our hydropower business by external acquisition as well as renovation and expansion of existing projects. By leveraging on the Group's advantage in key reservoirs, strengthening the river dispatch, increasing power generation of existing stations and actively requesting for tariff increase amidst the prevalent low hydropower tariff, the Group can further improve the profitability of our hydropower business.

2. Wind power business

We should closely follow China's power industry restructuring and consider how our wind power business could be benefited from the accelerated development of Ultra-high-voltage power transmission grid and the renewable energy quota policy soon to be introduced; closely watch opportunities and challenges brought by the delegation of approval authorities for wind power projects, actively and orderly promote the development of wind power projects in areas without power rationing, invest more efforts at the early stage, and speed up the construction of key projects. By leveraging on its abundant wind resource reserves, the Group expects to increase its total installed wind power capacity to approximately 3,400.0 MW by the end of 2013.

3. Coal-fired power business

The Group's coal-fired power business provides a significant source of revenue and cash flow to support the development of the Group's clean energy. Leveraging on advantages of the Group's coal-fired power business in Fujian, we will actively develop efficient and clean coal-fired power and port-power integration projects, and appropriately promote large coal-fired projects in coastal areas, to push forward the development of coal-fired business in a steady manner. The Group has completed the acquisition of Kemen II, increasing the total consolidated installed coal-fired power capacity to 3,850.0 MW.

4. Other clean energy business

As economic development further advances, the ratio of natural gas power generation will increase rapidly in economically developed regions. The Group will step up our efforts in the development of distributed energy projects with our first-mover advantages. We will construct distributed energy systems in energy load centers with high return on investment, such as central business district, airports, high-speed rail stations, industrial parks, tourist resorts, large commercial centers, etc. We will prioritize the development of gas-steam combined cycle thermal-electricity generation projects in economically developed eastern regions like Fujian, Shanghai, Guangdong, and Zhejiang. It is expected that the distributed energy projects of the Group of approximately 207.0 MW will be put into operation in 2013. Moreover, we will accelerate the development of solar energy projects by seizing opportunities arising with the government's attention and support to the solar energy industry, and strive to commence the operation of additional solar energy projects of approximately 100.0 MW in 2013. In addition, the Group will place emphasis on the study of industry development, market trends and regulatory policies of nuclear projects, insist on effective investment in nuclear power, and selectively pursue opportunities to expand into other clean energy businesses.

Corporate Governance

The Company has been committed to ever improving the corporate governance and regarded it as an indispensable part to creating values for shareholders. The Company has established a modern corporate governance structure which comprises a number of independently operated and effectively balanced bodies including general meetings, the Board, the board of Supervisors and senior management with reference to the code provisions as set out in the Corporate Governance Code and the requirements as set out in the Articles of Association of the Company. The Company has adopted the Corporate Governance Code as its code of corporate governance practices.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the reporting period, the Company was in compliance with the code provisions of the Corporate Governance Code.

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

The Company has adopted the Model Code as the code of conduct and rules governing dealings by all of our Directors, Supervisors and relevant employees (as defined in the Corporate Governance Code) in the securities of the Company. Having made specific enquiry of the Directors and Supervisors of the Company, all Directors and Supervisors have confirmed that they have strictly complied with the required standards regarding securities transactions by Directors as set out in the Model Code and its code of conduct during the reporting period.

The Board will examine the corporate governance practices and operation of the Company from time to time so as to ensure its compliance with the relevant requirements under the Listing Rules and to protect shareholders' interests.

RESPONSIBILITY STATEMENT BY THE DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS

The Directors confirm that they shall assume the relevant responsibility in relation to the preparation of the financial statements of the Company, ensure that the preparation of the financial statements of the Company complies with the relevant laws and regulations and the applicable accounting standards and also warrant that the financial statements of the Company will be published in a timely manner.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or related financial management expertise in accordance with the requirements of the Listing Rules. The Company appointed a total of three independent non-executive Directors, namely Mr. Zhou Xiaoqian, Mr. Yeung Pak Sing and Mr. Zhang Bai.

AUDIT COMMITTEE

The Company has established the audit committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the audit committee are to make recommendations to engage or replace its external auditing firm; to oversee the internal audit system of the Company and its implementation, to ensure that the internal audit function of the Company is adequately resourced for operation in the Company, and to monitor the effectiveness of the internal audit function; to coordinate the communication between the internal audit and the external audit functions; to review the Company's financial information and respective disclosure, to examine the Company's accounting practices and policies; to review the Company's internal control system, and to provide advises and recommendations on the soundness and completeness of such system; to make comments and proposals on the appraisal and replacement of the head of the internal audit department of the Company. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

The audit committee consists of three Directors: Mr. Zhang Bai (independent non-executive Director), Mr. Yeung Pak Sing (independent non-executive Director) and Mr. Zong Xiaolei (non-executive Director). Mr. Zhang Bai serves as the chairman of the audit committee.

On 25 March 2013, the Company held the second meeting of the audit committee of the first session of the Board, at which the report from the external auditing firm in respect of the auditing of the Company's financial statements for the twelve months ended 31 December 2012 was deliberated, and the following resolutions were considered and approved:

(1) the resolution in relation to the 2012 final accounts of the Company;

(2) the resolution in relation to the 2012 annual report and results announcement of the Company;

(3) the resolution in relation to the 2012 audited financial statements of the Company;

(4) the resolution in relation to the 2012 profit distribution plan of the Company;

(5) the resolution in relation to the engagement of auditing firm for the 2013 financial report.

On 23 August 2013, the audit committee reviewed and confirmed the Group's interim results announcement 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 prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

NOMINATION COMMITTEE

The Company has established the nomination committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the nomination committee are: to review the size, structure and composition of the Board at least annually and make recommendations on any proposed changes to the Board, having regard to the operating activities, asset scale and shareholding structure of the Company; to assess the independence of independent non-executive Directors; to study the criteria and procedures for selecting Directors and senior management of the Company and to make recommendations thereon to the Board; to widely identify qualified candidates for Directors and senior management; and conduct review on candidates of Directors and senior management and to make recommendations to the Board on the appointment, reappointment or succession of Directors and senior management; and to examine the candidates for other senior management members that must be recommended to the Board for appointment, and make suggestions thereon. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

The nomination committee consists of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director), Mr. Yeung Pak Sing (independent non-executive Director) and Mr. Fang Zheng (executive Director). Mr. Zhou Xiaoqian serves as the chairman of the nomination committee.

On 18 April 2013, the Company held the first meeting of the nomination committee of the first session of the Board, at which the following resolutions were considered and approved:

(1) the resolution in relation to the engagement of the president of the Company;

(2) the resolution in relation to change of the Directors of the Company.

On 28 June 2013, the Company held the second meeting of the nomination committee of the first session of the Board, at which the resolution in relation to the addition of the members of the relevant Board committees under the first session of the Board of Huadian Fuxin Energy Corporation Limited.

REMUNERATION AND ASSESSMENT COMMITTEE

The Company has established the remuneration and assessment committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the remuneration and assessment committee are: to determine remuneration plans or packages in accordance with the main scope, duties and importance of the management positions held by Directors and senior management as well as the remuneration packages of comparable positions of comparable enterprises; to review the performance of the Directors (non-independent Directors) and senior management of the Company and to conduct annual performance appraisal thereof; to monitor the implementation of the Company's remuneration system; and to ensure that no Directors or any of their associates determine their own remunerations. The remuneration plans or packages shall mainly include, but are not limited to, performance appraisal criteria and procedures, the main appraisal system, as well as the major proposals and system of incentives and punishment. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

The remuneration and assessment committee consists of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director), Mr. Zhang Bai (independent non-executive Director) and Mr. Jiang Bingsi (executive Director). Mr. Zhou Xiaoqian serves as the chairman of the remuneration and assessment committee.

On 25 March 2013, the Company held the first meeting of the remuneration and assessment committee of the first session of the Board, at which the following resolutions were considered and approved:

(1) the resolution in relation to the 2012 remunerations of the Directors and Supervisors of the Company;

(2) the resolution in relation to the 2012 remunerations of the Senior Management of the Company.

STRATEGIC COMMITTEE

The primary responsibilities of the strategic committee are: to review the long term development strategic planning and approach of the Company and make suggestions thereon; review the material strategic investments and financing proposals which were subject to the approval of the Board in accordance with the requirement of the Articles of Association and make suggestions thereon; review the material capital operation and assets operation projects and make suggestions thereon; and follow up the implementation of the aforesaid matters.

The strategic committee consists of three Directors: Mr. Fang Zheng (executive Director), Mr. Chen Bin (non-executive Director) and Mr. Zhou Xiaoqian (independent non-executive Director). Mr. Fang Zheng serves as the chairman of the strategic committee.

On 25 March 2013, the Company held the first meeting of the strategic committee of the first session of the Board, at which the following resolutions were considered and approved:

(1) the resolution in relation to the 2013 banking facility of the Company;

(2) the resolution in relation to the acquisition of 100% equity interest in Kemen II;

(3) the resolution in relation to the general mandate to issue the debt financing instruments denominated in RMB;

(4) the resolution in relation to the proposed grant of the general mandate to issue new domestic shares and H shares of the Company to the Board at the annual general meeting;

(5) the resolution in relation to the establishment of Beijing Branch, Huadian Fuxin Energy Corporation Limited.

SHARE CAPITAL

As at 30 June 2013, the total share capital of the Company was RMB7,622,616,000.0, divided into 7,622,616,000 shares of RMB1.0 each (among which, 5,837,738,400 shares were domestic shares and 1,784,877,600 shares were H shares).

INTERIM DIVIDEND

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

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

On 30 June 2013, none of the Directors, Supervisors or chief executives of the Company had any interests 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 SFO) which would 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, 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

On 30 June 2013, so far as known to the Directors, the following persons (other than the Directors, chief executives or Supervisors of the Company) held 5% or above interest in the shares or underlying shares of the Company and according to the records in the register required to be kept by the Company pursuant to Section 336 of the SFO had interest or short positions which should be disclosed to the Company:

Name of Shareholder	Class of Share	Capacity	Number of Shares/Underlying Shares Held (Share)	Percentage in the Relevant Class of Share Capital[1] (%)	Percentage in the Total Share Capital[1] (%)
Huadian[2]	Domestic Shares	Beneficial owner/Interest of corporation controlled by the substantial shareholder	5,276,907,638 (Long position)	90.39%	69.23%
FIL Limited	H Shares	Investment manager	188,414,000 (Long position)	10.56%	2.47%
NSSF	H Shares	Beneficial owner	160,361,600 (Long position)	8.98%	2.10%

Name of Shareholder	Class of Share	Capacity	Number of Shares/Underlying Shares Held (Share)	Percentage in the Relevant Class of Share Capital[1] (%)	Percentage in the Total Share Capital[1] (%)
China Huaneng Group[3]	H Shares	Interest of corporation controlled by the substantial shareholder	141,076,000 (Long position)	7.90%	1.85%
Greenwoods Asset Management Holdings Limited[4]	H Shares	Interest of corporation controlled by the substantial shareholder	107,604,000 (Long position)	6.03%	1.41%
CSR Group[5]	H Shares	Interest of corporation controlled by the substantial shareholder	100,744,000 (Long position)	5.64%	1.32%

Notes:

1. Such percentage was calculated at the issued number of relevant class of shares or total shares, as the case may be, of the Company as at 30 June 2013.

2. Huadian had an interest in the domestic shares of the Company, all of which 5,008,785,336 domestic shares (long position) were held in its capacity as beneficial owner. Huadian, through various subsidiaries, had an interest in the domestic shares of the Company, all of which 268,122,302 domestic shares (long position) were held in its capacity as interest of corporation controlled by the substantial shareholder.

3. China Huaneng Group, through various subsidiaries, had an interest in the H shares of the Company, all of which 141,076,000 H shares (long position) were held in its capacity as interest of corporation controlled by the substantial shareholder.

4. Greenwoods Asset Management Holdings Limited, through its subsidiary, Greenwoods Asset Management Limited, had an interest in the Company, all of which 107,604,000 H shares (long position) were held in its capacity as interest of corporation controlled by the substantial shareholder.

5. CSR Group, through various subsidiaries, had an interest in the H shares of the Company, all of which 100,744,000 H shares (long position) were held in its capacity as interest of corporation controlled by the substantial shareholder.

Other Information

CHANGE OF DIRECTORS, SUPERVISORS AND MEMBERS OF THE BOARD COMMITTEE

At the annual general meeting of the Company held on 28 June 2013, a resolution was passed to appoint Mr. Jiang Bingsi as an executive Director of the Company from 28 June 2013 until the expiration of the term of the first session of the Board. He was also appointed by the Board as a member of the remuneration and assessment committee.

At the annual general meeting of the Company held on 28 June 2013, a resolution was passed to appoint Mr. Li Lixin as an executive Director of the Company from 28 June 2013 until the expiration of the term of the first session of the Board.

At the annual general meeting of the Company held on 28 June 2013, a resolution was passed to appoint Mr. Tao Yunpeng as a non-executive Director of the Company from 28 June 2013 until the expiration of the term of the first session of the Board.

At the annual general meeting of the Company held on 28 June 2013, a resolution was passed to appoint Mr. Chen Bin as a non-executive Director of the Company from 28 June 2013 until the expiration of the term of the first session of the Board. He was also appointed by the Board as a member of the strategic committee.

At the annual general meeting of the Company held on 28 June 2013, a resolution was passed to appoint Mr. Xie Chunwang as a Supervisor of the Company from 28 June 2013 until the expiration of the term of the first session of the board of Supervisors.

At the annual general meeting of the Company held on 28 June 2013, a resolution was passed to appoint Mr. Wang Kun as a Supervisor of the Company from 28 June 2013 until the expiration of the term of the first session of the board of Supervisors.

On 28 June 2013, Mr. Fang Zheng was appointed by the Board as a member of the nomination committee.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2013, the Group had a total of 8,122 employees. The employee remuneration of the Group comprises basic salary and bonus payment, which is made with reference to the operating results of the Group and results of performance assessment on the employees.

For the six months ended 30 June 2013, staff costs of the Group amounted to RMB415.8 million, representing an increase of 17.1% over the Corresponding Period of 2012, during which, the staff costs of the Group was RMB355.0 million. The increase in staff costs was primarily due to more employees hired by the Group for managing its expanded business as a result of newly operated generation units and business expansion.

MATERIAL LITIGATION

As at 30 June 2013, the Company was not involved in any material litigation or arbitration. So far as the Directors are aware of, no material litigation or claims are pending or threatened against the Company.

KPMG

To the board of directors of
Huadian Fuxin Energy Corporation Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 25 to 60 which comprises the consolidated balance sheet of Huadian Fuxin Energy 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 period 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 Engagement 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

23 August 2013

Consolidated Statement of Comprehensive Income

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

	Note	Six months ended 30 June 2013 RMB'000	2012 RMB'000 (restated – note 26)
Revenue	4	6,174,889	5,293,757
Other net income	5	16,877	262,100
Operating expenses			
Cost of fuel		(1,904,618)	(1,918,316)
Cost of substituted electricity		–	(138,577)
Depreciation and amortization		(1,063,363)	(876,670)
Service concession construction costs		(118,350)	(23,734)
Personnel costs		(415,778)	(355,030)
Repairs and maintenance		(131,313)	(86,377)
Administration expenses		(161,997)	(121,915)
Other operating expenses		(142,732)	(157,238)
		(3,938,151)	(3,677,857)
Operating profit		2,253,615	1,878,000
Finance income		19,925	33,758
Finance expenses		(1,036,395)	(953,570)
Net finance expenses	6	(1,016,470)	(919,812)
Share of profits less losses of associates and joint ventures		42,915	32,460
Profit before taxation	7	1,280,060	990,648
Income tax	8	(250,627)	(132,457)
Profit and total comprehensive income for the period		1,029,433	858,191
Attributable to:			
Shareholders of the Company		854,235	666,999
Non-controlling interests		175,198	191,192
Profit and total comprehensive income for the period		1,029,433	858,191
Basic and diluted earnings per share *(RMB cents)*	9	11.21	11.07

The notes on pages 31 to 60 form part of this interim financial report.

Consolidated Balance Sheet

At 30 June 2013 – unaudited
(Expressed in Renminbi)

	Note	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Non-current assets			
Property, plant and equipment	11	48,739,632	46,639,234
Lease prepayments		788,402	761,847
Intangible assets	12	1,082,030	970,471
Investment in associates		3,124,056	2,667,863
Other investments		512,300	512,300
Other non-current assets	13	2,017,608	1,854,595
Deferred tax assets		309,485	322,573
Total non-current assets		56,573,513	53,728,883
Current assets			
Inventories		340,052	342,485
Trade debtors and bills receivable	14	5,322,771	2,866,451
Prepayments and other current assets	15	1,465,824	1,577,635
Tax recoverable		21,370	22,655
Restricted deposits		209,026	226,717
Cash and cash equivalents	16	2,545,176	2,575,700
Total current assets		9,904,219	7,611,643
Current liabilities			
Borrowings	17(b)	9,906,292	9,378,973
Obligations under finance leases	18	183,042	329,753
Trade creditors and bills payable	19	3,494,232	1,171,581
Other payables	20	8,434,357	7,793,341
Deferred income		13,420	13,420
Tax payable		139,847	80,062
Total current liabilities		22,171,190	18,767,130
Net current liabilities		(12,266,971)	(11,155,487)
Total assets less current liabilities		44,306,542	42,573,396
Non-current liabilities			
Borrowings	17(a)	28,911,314	27,160,405
Obligations under finance leases	18	1,635,231	1,881,489
Deferred income		234,326	239,810
Deferred tax liabilities		627,865	582,878
Total non-current liabilities		31,408,736	29,864,582
NET ASSETS		12,897,806	12,708,814

The notes on pages 31 to 60 form part of this interim financial report.

Consolidated Balance Sheet

At 30 June 2013 – unaudited
(Expressed in Renminbi)

	Note	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
CAPITAL AND RESERVES			
Share capital		**7,622,616**	7,622,616
Reserves		**2,974,663**	2,951,567
Total equity attributable to the shareholders of the Company		**10,597,279**	10,574,183
Non-controlling interests		**2,300,527**	2,134,631
TOTAL EQUITY		**12,897,806**	12,708,814

The notes on pages 31 to 60 form part of this interim financial report.

Consolidated Statement of Changes in Equity

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

	Attributable to equity shareholders of the Company						
	Share capital RMB'000	Capital reserve RMB'000	Reserve fund RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2012	6,000,000	152,490	18,745	1,290,958	7,462,193	1,647,662	9,109,855
Impact of consolidation under common control in year 2012 (note 26(b))	–	37,763	–	4,285	42,048	157,679	199,727
Impact of consolidation under common control in year 2013 (note 26(a))	–	206,500	–	(147,160)	59,340	–	59,340
Restated balance at 1 January 2012	6,000,000	396,753	18,745	1,148,083	7,563,581	1,805,341	9,368,922
Changes in equity for the six months ended 30 June 2012:							
Profit and total comprehensive income for the period (restated)	–	–	–	666,999	666,999	191,192	858,191
Capital contributions	–	–	–	–	–	53,782	53,782
Dividends (restated)	–	–	–	(3,600)	(3,600)	(31,253)	(34,853)
Issuance of shares upon public offering, net of issuing expenses	1,500,000	399,018	–	–	1,899,018	–	1,899,018
Restated balance at 30 June 2012 and 1 July 2012	7,500,000	795,771	18,745	1,811,482	10,125,998	2,019,062	12,145,060
Changes in equity for the six months ended 31 December 2012:							
Profit and total comprehensive income for the period (restated)	–	–	–	426,112	426,112	71,294	497,406
Capital contributions (restated)	–	150,000	–	–	150,000	88,813	238,813
Dividends	–	–	–	(261,411)	(261,411)	(44,438)	(305,849)
Issuance of shares upon public offering, net of issuing expenses	122,616	38,433	–	–	161,049	–	161,049
Consolidation under common control (note 26(b))	–	(41,158)	–	–	(41,158)	–	(41,158)
Transfer to reserve fund	–	–	24,456	(24,456)	–	–	–
Others	–	13,593	–	–	13,593	(100)	13,493
Restated balance at 31 December 2012	7,622,616	956,639	43,201	1,951,727	10,574,183	2,134,631	12,708,814

The notes on pages 31 to 60 form part of this interim financial report.

Consolidated Statement of Changes in Equity

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

	Attributable to equity shareholders of the Company						
	Share capital RMB'000	Capital reserve RMB'000	Reserve fund RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2013	7,622,616	600,139	43,201	2,046,260	10,312,216	2,134,631	12,446,847
Impact of consolidation under common control (note 26(b))	–	356,500	–	(94,533)	261,967	–	261,967
Restated balance at 1 January 2013	7,622,616	956,639	43,201	1,951,727	10,574,183	2,134,631	12,708,814
Changes in equity for the six months ended 30 June 2013:							
Profit and total comprehensive income for the period	–	–	–	854,235	854,235	175,198	1,029,433
Capital contributions	–	–	–	–	–	59,500	59,500
Dividends	–	–	–	(220,294)	(220,294)	(68,802)	(289,096)
Consolidation under common control (note 26(a))	–	(610,845)	–	–	(610,845)	–	(610,845)
Transfer to reserve fund	–	–	5,047	(5,047)	–	–	–
Balance at 30 June 2013	7,622,616	345,794	48,248	2,580,621	10,597,279	2,300,527	12,897,806

The notes on pages 31 to 60 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

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

	Note	Six months ended 30 June 2013 RMB'000	2012 RMB'000 (restated – note 26)
Cash generated from operations		3,636,945	1,761,239
Income tax paid		(131,480)	(36,987)
Net cash generated from operating activities		3,505,465	1,724,252
Net cash used in investing activities		(4,217,422)	(2,844,711)
Net cash generated from financing activities		695,327	3,967,812
Net (decrease)/increase in cash and cash equivalents		(16,630)	2,847,353
Cash and cash equivalents at 1 January	16	2,575,700	1,755,446
Effect of foreign exchanges rates changes		(13,894)	(862)
Cash and cash equivalents at 30 June	16	2,545,176	4,601,937

The notes on pages 31 to 60 form part of this interim financial report.

1 PRINCIPAL ACTIVITIES AND ORGANISATION

Huadian Fuxin Energy Corporation Limited (the "Company") was established in the People's Republic of China (the "PRC") on 19 August 2011 as a joint stock limited company. The Company and its subsidiaries (together the "Group") are mainly engaged in power generation and sale in the PRC.

On 28 June 2012, the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKSE").

2 BASIS OF PRESENTATION

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 issuance on 23 August 2013.

The interim financial report has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group at 30 June 2013 amounting to RMB12,266,971,000. The directors of the Company are of the opinion that, based on a review of the forecasted cash flows, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements.

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 thereto do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

2 BASIS OF PRESENTATION (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 preformed 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 on page 24.

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 and has been restated for a business combination under common control as disclosed in note 26. 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 26 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 financial statements:

- 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 IFRS 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)

(a) 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. 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.

(b) 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. The Group has reclassified the investment from jointly controlled entity to joint venture.

(c) 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.

3 CHANGES IN ACCOUNTING POLICIES (continued)

(d) 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.

(e) 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. In respect of this amendment, the Group has continued to disclose segment assets and segment liabilities in note 10.

(f) 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 REVENUE

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

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
		(restated – note 26)
Sales of electricity		
– Self generation	5,915,349	5,005,767
– Substituted generation (note (i))	–	174,923
	5,915,349	5,180,690
Service concession construction revenue (note (ii))	118,350	23,734
Others	141,190	89,333
	6,174,889	5,293,757

Note:

(i) The substituted generation arrangement allows a coal-fired power plant to purchase the surplus generation of other coal-fired power plants and sell such generation to the local power grid based on the buyer's approved on-grid tariff.

(ii) The Group entered into several service concession agreements with local government (the "Grantor") to construct and operate wind power plants during the concession period. The Group is responsible for construction and maintenance of the wind power plants during the concession period. At the end of the concession period, the Group needs to either dismantle the wind power plants or transfer the ownership of the plants at request of Grantor. Service concession construction revenue recorded during the year represents the revenue recognised during the construction stage of the service concession period. The same amount of cost is recorded since substantially all construction activities are sub-constructed.

The Group has recognised intangible assets related to the service concession arrangement representing the right the Group receives to charge a fee for sales of electricity during the concession period. The Group has not recognised service concession receivables as the Grantor will not provide the Group any guaranteed minimum payment for the operating period of the wind power plants.

5 OTHER NET INCOME

	Six months ended 30 June 2013 RMB'000	2012 RMB'000 (restated – note 26)
Government grants	8,208	14,521
Net CERs income	–	111,729
Net gain/(loss) on disposal of plant, property and equipment	2,809	(150)
Rental income from investment property	–	400
Gain on disposal of investment in an associate (note (i))	–	131,822
Others	5,860	3,778
	16,877	262,100

Note:

(i) On 28 March 2012, the Company disposed its 28% equity interest in an associate, Fujian Kemen Port Logistics Co., Ltd., to an independent third party, with a cash consideration of RMB256,000,000. This disposal resulted in a net gain of RMB131,822,000.

6 FINANCE INCOME AND EXPENSES

	Six months ended 30 June 2013 RMB'000	2012 RMB'000 (restated – note 26)
Interest income on financial assets	11,411	20,289
Dividend income from other investments	8,514	13,469
Finance income	19,925	33,758
Interest on bank and other borrowings wholly repayable within five years	326,387	377,639
Interest on other loans	820,710	803,382
Interest expense on financial liabilities measured at amortized cost	41,003	25,477
Less: interest expenses capitalized into property, plant and equipment and intangible assets	172,134	258,765
	1,015,966	947,733
Bank charges and others	6,535	4,975
Foreign exchange losses	13,894	862
Finance expenses	1,036,395	953,570
Net finance expenses recognised in profit or loss	(1,016,470)	(919,812)

The borrowing costs have been capitalized at rates of 5.50% to 7.86% per annum for the six months ended 30 June 2013 (six months ended 30 June 2012: 5.53% to 8.46%).

7 PROFITS BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Personnel costs

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
		(restated – note 26)
Salaries, wages and other benefits	361,167	307,984
Contributions to defined contribution retirement plans	54,611	47,046
	415,778	355,030

(b) Other items

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
		(restated – note 26)
Amortization		
– lease prepayments	5,939	4,695
– intangible assets	7,857	8,032
Depreciation		
– investment property	–	448
– property, plant and equipment	1,049,567	863,495
Operating lease charges		
– hire of machinery	3,051	870
– hire of properties	10,106	10,324
Cost of inventories	1,904,618	1,918,316

8 INCOME TAX

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

	Six months ended 30 June 2013 RMB'000	2012 RMB'000 (restated – note 26)
Current tax		
Provision for the period	189,781	155,839
Under/(over) provision in respect of prior years	2,770	(2,739)
Deferred tax		
Origination and reversal of temporary differences	58,076	(20,643)
Total income tax	250,627	132,457

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

	Six months ended 30 June 2013 RMB'000	2012 RMB'000 (restated – note 26)
Profit before taxation	1,280,060	990,648
Applicable tax rate (note (i))	25%	25%
Notional tax on profit before taxation	320,015	247,662
Tax effect of non-deductible expenses	701	3,380
Tax effect of non-taxable income	(13,006)	(12,409)
Tax effect of PRC tax concessions (note (ii))	(65,221)	(80,735)
Tax effect of unused tax losses not recognised	9,081	13,252
Tax effect of utilization of previously unrecognised tax losses	(597)	(476)
Tax credits for purchase of environmental protection equipment	(3,116)	(35,478)
Under/(over) provision in respect of prior years	2,770	(2,739)
Income tax	250,627	132,457

8 INCOME TAX (continued)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates (continued)

Note:

(i) Provision for income tax represents PRC income tax. On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which took effect on 1 January 2008. The statutory income tax rate under the New Tax Law is 25%. Accordingly, the Group's PRC entities are subject to income tax at 25% unless otherwise specified.

(ii) Prior to 1 January 2008, based on the then effective tax regulations, certain subsidiaries of the Group, being enterprises located in Xiamen Special Economic Zones, were taxed at a preferential income tax rate of 15%. The New Tax Law and its relevant regulations allow transitional rates of 18%, 20%, 22%, 24% and 25% for 2008, 2009, 2010, 2011 and 2012 onwards, respectively.

In addition, pursuant to CaiShui [2011] No.58, the Group's subsidiaries located in the Western Region are entitled to the preferential income tax rate of 15% from 2011 to 2020.

Certain subsidiaries of the Group, being enterprises engaged in public infrastructure projects, under the New Tax Law and its relevant regulations, are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes were derived.

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the shareholders of the Company for the six months ended 30 June 2013 of RMB854,235,000 (six months ended 30 June 2012: RMB666,999,000 (restated)) and the weighted average number of shares in issue during the six months ended 30 June 2013 of 7,622,616,000 (six months ended 30 June 2012: 6,024,725,000).

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

10 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by types of business. Consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

– Hydropower: this segment constructs, manages and operates hydropower plants and generates electric power for sale to power grid companies.

– Wind power: this segment constructs, manages and operates wind power plants and generates electric power for sale to power grid companies.

– Coal-fired power: this segment constructs, manages and operates coal-fired power plants and generates electric power for sale to power grid companies.

– Other clean energy business: this segment mainly constructs, manages and operates other power and heat plants and generates electric power for sale to power grid companies or heat for sale to the customers.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investments in associates and joint ventures, investments in financial assets, tax recoverable, deferred tax assets and other corporate assets. Segment liabilities include trade and bills payable, other payables and borrowings managed directly by the segments. Segment liabilities do not include tax payable, deferred tax liabilities and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments. Segment revenue and expenses do not include share of profits less losses of associates and joint ventures, net finance expenses, service concession construction revenue and cost, gain or loss on disposal of subsidiaries and investments in associates and joint ventures, and unallocated head office and corporate revenue and expenses.

10 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2013 and 2012 is set out below:

Six months ended 30 June 2013

	Hydro power RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Other clean energy business RMB'000	Total RMB'000
Revenue from external customers					
– Sales of electricity	1,210,121	1,327,902	3,080,597	296,729	5,915,349
– Sales of others	1,745	11,038	93,621	34,786	141,190
Reportable segment revenue	1,211,866	1,338,940	3,174,218	331,515	6,056,539
Reportable segment profit (operating profit)	700,456	766,759	763,278	87,388	2,317,881
Depreciation and amortization	(191,145)	(469,504)	(337,293)	(63,702)	(1,061,644)
Interest income	2,627	2,637	3,748	900	9,912
Interest expenses	(119,716)	(478,781)	(261,208)	(37,739)	(897,444)
Expenditures for reportable segment non-current assets during the period	161,593	2,076,273	199,112	1,127,515	3,564,493
Reportable segment assets	9,533,405	30,389,000	13,332,569	7,592,075	60,847,049
Reportable segment liabilities	4,592,279	25,453,121	10,312,240	6,836,404	47,194,044

10 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

Six months ended 30 June 2012 (restated – note 26)

	Hydro power RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Other clean energy business RMB'000	Total RMB'000
Revenue from external customers					
– Sales of electricity	1,371,299	964,368	2,597,543	247,480	5,180,690
– Sales of others	7,046	1,784	59,893	18,045	86,768
Reportable segment revenue	1,378,345	966,152	2,657,436	265,525	5,267,458
Reportable segment profit (operating profit)	874,148	671,934	200,820	73,369	1,820,271
Depreciation and amortization	(200,509)	(344,768)	(289,128)	(40,326)	(874,731)
Interest income	1,966	14,319	2,295	256	18,836
Interest expenses	(144,935)	(354,650)	(287,296)	(21,058)	(807,939)
Expenditures for reportable segment non-current assets during the period	121,667	1,386,374	191,615	307,268	2,006,924

At 31 December 2012 (restated – note 26)

	Hydro power RMB'000	Wind power RMB'000	Coal-fired power RMB'000	Other clean energy business RMB'000	Total RMB'000
Reportable segment assets	9,072,559	29,119,109	13,558,623	4,285,918	56,036,209
Reportable segment liabilities	4,443,548	24,792,382	11,015,119	3,562,551	43,813,600

10 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenue, profit, assets and liabilities

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
		(restated – note 26)
Revenue		
Reportable segment revenue	6,056,539	5,267,458
Service concession construction revenue	118,350	23,734
Unallocated head office and corporate revenue	–	2,565
Consolidated revenue	6,174,889	5,293,757
Profit		
Reportable segment profit	2,317,881	1,820,271
Unallocated head office and corporate revenue	–	2,565
Share of profits less loss of associates and joint ventures	42,915	32,460
Net finance expenses	(1,016,470)	(919,812)
Unallocated head office and corporate expenses	(64,266)	(76,658)
Gain on disposal of investment in an associate	–	131,822
Consolidated profit before taxation	1,280,060	990,648

10 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenues, profit, assets and liabilities (continued)

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Assets		
Reportable segment assets	60,847,049	56,036,209
Inter-segment elimination	(3,852,102)	(3,005,837)
	56,994,947	53,030,372
Investments in associates and joint ventures	3,124,056	2,667,863
Other investments	512,300	512,300
Deferred tax assets	309,485	322,573
Tax recoverable	21,370	22,655
Unallocated head office and corporate assets	5,515,574	4,784,763
Consolidated total assets	66,477,732	61,340,526
Liabilities		
Reportable segment liabilities	47,194,044	43,813,600
Inter-segment elimination	(3,852,102)	(3,005,837)
	43,341,942	40,807,763
Tax payable	139,847	80,062
Deferred tax liabilities	627,865	582,878
Unallocated head office and corporate liabilities	9,470,272	7,161,009
Consolidated total liabilities	53,579,926	48,631,712

(c) Geographical information

All of the Group's operations are located in the PRC, and therefore no geographic segment information is presented.

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired items of property, plant and equipment with a cost of RMB3,287,589,000 (six months ended 30 June 2012: RMB1,942,499,000 (restated)). Items of property, plant and equipment with net book value of approximately RMB138,650,000 were disposed of during the six months ended 30 June 2013 (six months ended 30 June 2012: RMB481,000 (restated)), resulting in a gain on disposal of RMB2,809,000 (six months ended 30 June 2012: a loss of RMB150,000).

12 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of approximately RMB610,532,000 (31 December 2012: approximately RMB498,194,000), goodwill of approximately RMB449,433,000 (31 December 2012: approximately RMB449,433,000), software and others assets of approximately RMB22,065,000 (31 December 2012: approximately RMB22,844,000 (restated)).

During the six months ended 30 June 2013, the additions of intangible assets mainly represent service concession assets of approximately RMB118,350,000 (six months ended 30 June 2012: approximately RMB23,734,000).

13 OTHER NON-CURRENT ASSETS

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Deductible Value Added Tax ("VAT") (note (i))	**1,423,700**	1,390,222
Deferred differences arising from sales and leaseback resulting in a finance lease	**292,664**	301,930
Loan to an associate (note(ii)	**28,179**	28,179
Others	**273,065**	134,264
	2,017,608	1,854,595

Note:

(i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment and inventory, which is deductible from output VAT. The input VAT expected to be deducted within one year is recorded in prepayments and other current assets (see note 15).

(ii) Loan to an associate is unsecured, interest bearing at a rate of 6.60% per annum and has no fixed repayment terms.

14 TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2013 RMB'000	At 31December 2012 RMB'000 (restated – note 26)
Amounts due from third parties	5,322,909	2,866,589
Less: allowance for doubtful accounts	138	138
	5,322,771	2,866,451

The ageing analysis of trade debtors and bills receivable of the Group based on the due date is as follows:

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Current	5,322,909	2,866,589
Less: allowance for doubtful accounts	138	138
	5,322,771	2,866,451

The Group's trade debtors are mainly electricity sales receivable from local grid companies for whom there was no recent history of default. Generally the debtors are due within 15-30 days from the date of invoice, except for the tariff premium of renewable energy, representing approximately 15% to 75% of total electricity sales, collected by certain renewable energy projects, such as wind power projects and solar power projects. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid companies, which consequently takes a relatively long time for settlement.

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 new standardized procedures for the settlement of the aforementioned renewable energy 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 our related projects have been approved for the tariff premium of renewable energy 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 these trade and bills receivable from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government.

Trade debtors and bills receivable that were neither past due nor impaired mainly represented the electricity sales receivables from local grid companies for whom there was no recent history of default. All trade debtors and bills receivable are expected to be recovered within one year.

15 PREPAYMENTS AND OTHER CURRENT ASSETS

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
CERs receivable	243,556	264,707
Staff advance	22,792	8,063
Deposits	27,365	13,326
Amounts due from fellow subsidiaries	6,515	6,515
Amounts due from China Huadian Corporation ("Huadian")	–	28,000
Loan to a third party (note(i))	218,430	238,639
Deductible VAT (note13(i))	757,710	855,840
Receivable for disposal of joint venture	–	24,175
Prepayment for acquisition of a subsidiary	10,000	10,000
Prepayment for the coal and spare parts supply	38,323	19,257
Prepayment for others	40,930	41,057
Other debtors	157,767	129,048
	1,523,388	1,638,627
Less: allowance for doubtful debts	57,564	60,992
	1,465,824	1,577,635

Note:

(i) Loan to a third party was unsecured and interest bearing at a rate of 6.00% per annum as at 30 June 2013 (31 December 2012: 15.00%).

16 CASH AND CASH EQUIVALENTS

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Cash on hand	765	833
Deposits with fellow subsidiary (note (i))	1,586,507	282,906
Cash at bank and other financial institutions	957,904	2,291,961
	2,545,176	2,575,700

Note:

(i) Deposits with fellow subsidiary represent the deposits in China Huadian Finance Corporation Limited ("Huadian Finance").

17 BORROWINGS

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Bank loans and loans from financial institutions		
– Secured	12,110,393	12,088,456
– Unsecured (note (i))	15,998,854	15,549,978
Loans from Huadian		
– Unsecured	2,246,447	2,246,447
Other borrowing (note (e)(i))		
– Unsecured	1,988,931	–
	32,344,625	29,884,881
Less: Current portion of long-term borrowings		
– Bank loans and loans from financial institutions	3,433,311	2,724,476
	28,911,314	27,160,405

Note:

All of the long-term interest-bearing borrowings are carried at amortised cost. None of the long-term interest-bearing borrowings is expected to be settled within one year.

(i) Certain unsecured borrowings were guaranteed by the below entities:

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Guarantor		
– Huadian	1,000,000	1,000,000
– Non-controlling interests shareholders	273,000	273,000
	1,273,000	1,273,000

17 BORROWINGS (continued)

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Bank loans and loans from financial institutions		
– Secured	265,000	299,000
– Unsecured	4,302,981	5,775,497
Loans from Huadian Finance		
– Unsecured	410,000	580,000
Other borrowing (note(e)(ii))		
– Unsecured	1,495,000	–
	6,472,981	6,654,497
Add: Current portion of long-term borrowings		
– Bank loans and loans from financial institutions	3,433,311	2,724,476
	9,906,292	9,378,973

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

	At 30 June 2013	At 31 December 2012 (restated – note 26)
Long-term		
Bank loans and loans from financial institutions	5.04% – 7.86%	5.23% – 7.86%
Loans from Huadian	4.15% – 6.40%	4.15% – 6.40%
Other borrowing	5.13% – 5.38%	–
Short-term		
Bank loans and loans from financial institutions	5.04% – 7.86%	5.32%-7.86%
Loans from Huadian Finance	5.60% – 6.00%	5.90%
Other borrowing	4.49%	–

17 BORROWINGS (continued)

(d) The borrowings are repayable as follows:

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Within 1 year or on demand	9,906,292	9,378,973
After 1 year but within 2 years	3,414,711	4,106,052
After 2 years but within 5 years	7,370,846	7,544,067
After 5 years	18,125,757	15,510,286
	28,911,314	27,160,405
	38,817,606	36,539,378

(e) Significant terms of other borrowings

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Long-term		
Corporate bonds (note(i))	1,988,931	–
Short-term		
Financing instruments (note(ii))	1,495,000	–

Note:

(i) On 25 March 2013, the Company issued a five-year unsecured corporate bond of RMB1 billion at par with a coupon rate of 5.00% per annum and a ten-year unsecured corporate bond of RMB1 billion at par with a coupon rate of 5.30% per annum. The effective interest rates of above bonds are 5.13% and 5.38%, respectively.

(ii) On 22 May 2013, the Company issued a one-year unsecured short-term financing instruments of RMB1.5 billion at par with a coupon rate of 4.07% per annum in the PRC inter-bank debenture market. The effective interest rate of the financing instruments is 4.49%.

18 OBLIGATIONS UNDER FINANCE LEASES

The Group had obligations under finance leases repayable as follows:

	At 30 June 2013		At 31 December 2012	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000 (restated – note 26)	Total minimum lease payments RMB'000 (restated – note 26)
Within 1 year	183,042	291,817	329,753	413,224
After 1 year but within 2 years	123,990	226,705	205,435	266,491
After 2 years but within 5 years	814,418	1,031,970	1,122,520	1,515,478
After 5 years	696,823	857,224	553,534	672,015
	1,635,231	2,115,899	1,881,489	2,453,984
	1,818,273	2,407,716	2,211,242	2,867,208
Less: total future interest expenses		589,443		655,966
Present value of finance lease obligations		1,818,273		2,211,242

At inception, the lease periods of the finance lease obligation are approximately 2-20 years. The principal obligations and interest expenses are to be paid at least by month within the lease period.

19 TRADE CREDITORS AND BILLS PAYABLE

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Trade creditors to third parties	2,936,149	715,336
Bills payable to third parties	457,765	338,925
Amounts due to fellow subsidiaries	96,478	76,544
Bills payable to fellow subsidiaries	3,840	40,776
	3,494,232	1,171,581

As at 30 June 2013 and 31 December 2012, all trade creditors and bills payable are payable and expected to be settled within one year.

20 OTHER PAYABLES

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000 (restated – note 26)
Payables for acquisition of property, plant and equipment and intangible assets	6,116,585	6,029,152
Provision for Mianhuatan resettlement compensation (note (i))	40,000	40,000
Retention payable (note (ii))	648,451	611,088
Dividends payable	265,897	13,463
Consideration payables for acquisition of subsidiaries in previous years	23,583	23,583
Consideration payables for business combination under common control (note 26 (a))	197,744	–
Consideration payables for business combination under non-common control	12,600	–
Payables for staff related costs	106,949	118,894
Payables for other taxes	164,086	128,642
Interest payable	110,675	89,665
Amounts due to fellow subsidiaries (note (iii))	497,279	505,604
Amounts due to Huadian (note (iii))	12,000	12,000
Other accruals and payables	238,508	221,250
	8,434,357	7,793,341

Note:

(i) Fujian Mianhuatan Hydropower Development Company Limited (the "Mianhuatan Hydropower"), one of the Company's subsidiaries, owns and operates a hydropower plant (the "Mianhuatan Project") in Longyan, Fujian. The relevant local government authority disputed the amount of resettlement compensation required and requested Mianhuatan Hydropower to increase the compensation to cover the rising costs associated with the relocation and resettlement of additional residents, the construction of roads and bridges, environmental protection and the preservation of historical relics. In response to this request, Mianhuatan Hydropower engaged the original independent design institute for this hydropower project, Shanghai Investigation, Design & Research Institute (the "Shanghai Institute"), to assess the need to pay any additional resettlement compensation. To support the local government's relocation and resettlement efforts, Mianhuatan Hydropower agreed in principal and prepaid to the local government additional compensation of RMB15 million, RMB15 million, and RMB360 million in 2009, 2010 and 2011, respectively, totaling RMB390 million in advance payments. In addition, the management of Mianhuatan Hydropower has recognised an additional provision of RMB40 million for this dispute as at 31 December 2011. The advance payments of RMB390 million and the provision of RMB40 million have been capitalised in the property, plant and equipment of the financial statements. After reviewing the assessment report from the Shanghai Institute, Fujian Development and Reform Commission (the "Fujian DRC") and National Development and Reform Commission of the PRC (the "NDRC") will determine the adjusted resettlement compensation for which Mianhuatan Hydropower will be responsible.

20 OTHER PAYABLES (continued)

Note:

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

(iii) These amounts 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.

21 DIVIDENDS

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

A final dividend for the year ended 31 December 2012 of RMB0.0289 per share, amounting to RMB220,294,000 was declared and approved by the shareholders on June 2013, and was unpaid as at 30 June 2013.

22 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

At 30 June 2013 and 31 December 2012, the Group has no financial instruments measured at fair value.

(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 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 these investments.

23 CAPITAL COMMITMENTS

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Contracted for	4,221,126	6,411,540
Authorized but not contracted for	7,520,068	8,879,379
	11,741,194	15,290,919

24 CONTINGENT LIABILITIES

(a) Financial guarantees issued

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Financial guarantees to banks for:		
– Associates and a joint venture	–	17,780
– A third party	–	93,300
	–	111,080

(b) Contingent liability in respect of taxes on CDM revenue

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

24 CONTINGENT LIABILITIES (continued)

(c) Contingent liability in respect of the resettlement compensation for Mianhuatan Hydropower

As set out in note 20(i), Mianhuatan Hydropower has been requested by the relevant local government authority to further increase the compensation to cover the rising costs associated with the relocation and resettlement of additional residents, the construction of roads and bridges, environmental protection and the preservation of historical relics. The final resettlement compensation has yet to be determined by the Fujian DRC and the NDRC. Mianhuantan Hydropower has prepaid aggregated amount of RMB390 million during the years ended 31 December 2009, 2010 and 2011 in relation to this dispute and has recognised a provision of RMB40 million during the year ended 31 December 2011 based on the assessment of the circumstances.

Huadian has undertaken to indemnify the Group against its losses, claims, charges and expenses arising from the relocation and resettlement of local residents in relation to Mianhuatan Project if the additional compensation the NDRC requires the Group to pay is to exceed the RMB40 million.

25 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group is part of a large group of companies under Huadian and has significant transactions and relationships with the subsidiaries of Huadian.

The principal related party transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
		(restated – note 26)
Purchase of coal shipping service from		
Fellow subsidiaries (note(i))	**29,157**	21,701
Purchase of construction service and construction materials from		
Fellow subsidiaries	**459,837**	85,328
Office rental and property management service provided by		
Fellow subsidiaries	**8,038**	7,000
Providing CDM management service to		
Fellow subsidiaries	**–**	2,550

25 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

	Six months ended 30 June	
	2013 RMB'000	2012 RMB'000 (restated – note 26)
Purchases of coal from		
Fellow subsidiaries (note (i))	448,977	94,734
Working capital got back from		
Huadian (note (i))	28,000	2,067
Associates (note (i))	–	1,113
Loan guarantees released from		
Associates and a joint venture	17,780	7,000
Loan guarantees revoked by		
Huadian	–	4,515,900
Loans repayment to		
Huadian (note (i))	–	1,250,000
Huadian Finance	170,000	320,000
Deposits place with/(withdrawn from)		
Huadian Finance (note (i))	1,303,601	(87,510)
Interest expenses		
Huadian (note (i))	60,040	103,992
Huadian Finance	8,998	2,139
Interest income		
Huadian Finance (note (i))	3,386	811
Acquisition of business from		
Huadian	610,845	–

Note:

(i) As the Company acquired 100% equity interests in Fujian Huadian Kemen II Power Generation Co., Ltd. ("Kemen II") in June 2013 (see note 26), the amount involved in the transactions between Kemen II and other subsidiaries of the Company were eliminated in the restated consolidated financial statements of the Group. The transactions of coal purchasing and shipping service between Kemen II and the fellow subsidiaries of the Company was disclosed as related party transactions in the restated consolidated financial statements, which have been restated as if the acquisition had occurred prior to the start of the earliest period presented.

25 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 15, 16, 17, 19, and 20.

(c) Transactions with other state-controlled 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;

– Purchase of materials and receiving construction work services; and

– Service concession arrangements.

The tariff of electricity is regulated by relevant government authorities. 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, revenue from the sales of electricity are mainly made to the provincial power grid companies which are government-related entities. As at 30 June 2013, the trade debtors and bills receivable due from these power grid companies accounted for 51.18% of total trade and bills receivable (31 December 2012: 86.82% (restated)).

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

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

25 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(d) Key management personnel remuneration

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Salaries and other emoluments	1,276	688
Discretionary bonus	1,640	1,187
Retirement scheme contributions	278	248
Deferred compensation plan	65	169
	3,259	2,292

(e) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and Huadian for its staff. As at 30 June 2013 and 31 December 2012, there was no material outstanding contribution to post-employment benefit plans.

(f) Commitment with related parties

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Capital commitment	465,948	1,311,625
Commitment for office rental and property management fee	146,118	146,964
Commitment for the investment in associates	465,788	–

26 MAJOR ACQUISITION OF SUBSIDIARIES

(a) Business combination under common control – acquisition of Kemen II

In June 2013, the Company acquired 100% equity interests in Kemen II from Huadian, at a cash consideration of approximately RMB610,845,000.

As the Company and Kemen II are under common control of Huadian, the above acquisition has been recorded as a business combination under common control. The assets and liabilities of Kemen II have been recognised at the carrying amounts recognised previously in Huadian's consolidated financial statements. The consolidated financial statements of the Group have been restated as if the combination had occurred prior to the start of the earliest period presented.

The consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	At the acquisition date RMB'000
Consideration	
– Cash paid in 2013	385,101
– Consideration payable (note 20)	197,744
– Net off receivable from the prior equity owner	28,000
Total consideration	610,845
Recognised amounts of carrying value of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	2,704,587
Lease prepayment	168,209
Other non-current assets	14,834
Trade debtors and bills receivable	139,039
Prepayments and other current assets	54,984
Inventory	44,923
Cash and cash equivalents	318,032
Trade creditors	(204,333)
Other payables	(42,631)
Tax payable	(24,521)
Borrowings	(2,170,000)
Obligation under finance leases	(500,000)
Deferred tax liabilities	(43,412)
Total identifiable net assets	459,711

26 MAJOR ACQUISITION OF SUBSIDIARIES (continued)

(b) Business combination under common control – acquisition of Guangzhou University Town Huadian New Energy Company Limited ("Guangzhou New Energy")

Huadian New Energy Development Company Limited, the Company's subsidiary, acquired 12% equity interests in Guangzhou New Energy from Huadian, at a cash consideration of RMB41,158,000 on 28 December 2012. After the acquisition, the Group held 55% equity interests in Guangzhou New Energy with the gain of control.

As the Company and Guangzhou New Energy are under common control of Huadian, the above acquisition has been recorded as a business combination under common control. The assets and liabilities of Guangzhou New Energy have been recognised at the carrying amounts recognised previously in Huadian's consolidated financial statements. The consolidated financial statements of the Group have been restated as if the combination had occurred prior to the start of the earliest period presented.

(c) Details of the restatement of the Group's consolidated financial statements due to the above business acquisitions under common control are as follows:

	The Group (as previously reported)	Guangzhou New Energy	Kemen II	Elimination	The Group (as restated)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Results of operations for the six months ended 30 June 2012:					
Operating profit/(loss)	1,904,253	32,459	(58,712)	–	1,878,000
Profit/(loss) for the period	967,811	20,907	(121,537)	(8,990)	858,191
Profit/(loss) attributable to:					
– Shareholders of the Company	786,027	20,907	(121,537)	(18,398)	666,999
– Non-controlling interests	181,784	–	–	9,408	191,192
Basic and diluted earnings per share (RMB cents)	13.05	0.35	(2.02)	(0.31)	11.07
Balance sheet as at 31 December 2012(note (i)):					
Non-current assets	50,782,214	–	2,946,669	–	53,728,883
Current assets	6,918,194	–	700,266	(6,817)	7,611,643
Current liabilities	(18,461,270)	–	(312,677)	6,817	(18,767,130)
Non-current liabilities	(26,792,291)	–	(3,072,291)	–	(29,864,582)
Total equity attributable to the shareholders of the Company	(10,312,216)	–	(261,967)	–	(10,574,183)
Non-controlling interests	(2,134,631)	–	–	–	(2,134,631)

Note:

(i) The assets and liabilities of Guangzhou New Energy have been recognised in the Group's consolidated financial statements as at 31 December 2012 as previously reported.

Definition and Glossary of Technical Terms

"Articles of Association"	the articles of association of the Company
"attributable consolidated installed capacity"	calculated by multiplying our equity interest (whether or not such interest is a controlling interest) in the power generating projects by their installed capacity, usually denominated in MW
"availability coefficient"	the amount of time that a power generator is able to produce electricity over a certain period, divided by the amount of time in such period
"average utilization hours"	the gross generation in a specified period divided by the average installed capacity in such period
"biomass"	plant material, vegetation or agricultural waste used as a fuel or energy source
"Board"	the board of directors of the Company
"CDM"	the Clean Development Mechanism, an arrangement under the Kyoto Protocol allowing industrialized countries to invest in projects that reduce greenhouse gas emissions in developing countries in order to earn emission credits
"Company", "We", or "us"	Huadian Fuxin Energy Corporation Limited
"consolidated installed capacity"	the aggregate amount of installed capacity of our operating power generating projects that we fully consolidate in our consolidated financial statements. For wind power projects, consolidated installed capacity refers to the aggregate amount of installed capacity of our grid-connected wind power projects. As of 30 June 2013, all of our operating wind power projects were connected to local power grids
"Corporate Governance Code"	the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"Corresponding Period of 2012"	six months ended 30 June 2012
"Director(s)"	the director(s) of the Company
"electricity sales"	the actual amount of electricity sold by a power plant in a particular period which equals gross power generation less consolidated auxiliary electricity
"GDP"	Gross Domestic Product
"gross generation"	for a specified period, the total amount of electricity produced by a power generating project during that period
"Group"	Huadian Fuxin Energy Corporation Limited and its subsidiaries
"GW"	gigawatt, a unit of power. 1 GW = 1,000 MW

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huadian"	China Huadian Corporation
"Huadian Group"	China Huadian Corporation and its subsidiaries
"Kemen II"	Fujian Huadian Kemen II Power Generation Co., Ltd.
"Kemen Power Plant"	Fujian Huadian Kemen Power Generation Co., Ltd. a company incorporated in the PRC and a wholly-owned subsidiary of our Company
"kW"	kilowatt, a unit of power. 1 kW = 1,000 watts
"kWh"	kilowatt-hour, a unit of energy. 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 power generator producing one thousand watts for one hour
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"MW"	megawatt, a unit of power. 1 MW = 1,000 kW. The capacity of a power project is generally expressed in MW
"MWh"	megawatt-hour, a unit of energy. 1 MWh = 1,000 kWh
"NDRC"	National Development and Reform Commission of the PRC
"NSSF"	National Council for Social Security Fund of the People's Republic of China
"on-grid tariff"	the selling price of electricity for which a power generating project could sell the electricity it generated to the power grid companies, usually denominated in RMB per kWh (such on-grid tariff includes value-added tax)
"pipeline projects"	power generating projects that we reserved for future development after entering into development agreements with local PRC governments
"PRC" or "China"	the People's Republic of China
"Reporting Period"	the period from 1 January 2013 to 30 June 2013
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Supervisor(s)"	the supervisor(s) of the Company

Corporate Information

LEGAL NAME OF THE COMPANY

華電福新能源股份有限公司

ENGLISH NAME OF THE COMPANY

Huadian Fuxin Energy Corporation Limited

REGISTERED OFFICE

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MEMBERS OF THE BOARD

Executive Directors

Mr. Fang Zheng *(Chairman of the Board)*
Mr. Jiang Bingsi *(President)*
Mr. Li Lixin

Non-executive Directors

Mr. Chen Bin
Mr. Tao Yunpeng
Mr. Zong Xiaolei

Independent Non-executive Directors

Mr. Zhou Xiaoqian
Mr. Yeung Pak Sing
Mr. Zhang Bai

COMMITTEES OF THE BOARD

Audit Committee

Mr. Zhang Bai *(Independent Non-executive Director) (Chairman)*
Mr. Yeung Pak Sing *(Independent Non-executive Director)*
Mr. Zong Xiaolei *(Non-executive Director)*

Nomination Committee

Mr. Zhou Xiaoqian *(Independent Non-executive Director) (Chairman)*
Mr. Fang Zheng *(Executive Director and Chairman of the Board)*
Mr. Yeung Pak Sing *(Independent Non-executive Director)*

Remuneration and Assessment Committee

Mr. Zhou Xiaoqian *(Independent Non-executive Director) (Chairman)*
Mr. Zhang Bai *(Independent Non-executive Director)*
Mr. Jiang Bingsi *(Executive Director)*

Strategic Committee

Mr. Fang Zheng *(Executive Director and Chairman of the Board) (Chairman)*
Mr. Chen Bin *(Non-executive Director)*
Mr. Zhou Xiaoqian *(Independent Non-executive Director)*

SUPERVISORS

Mr. Li Changxu
Mr. Wang Kun
Mr. Huang Chunqi
Mr. Xie Chunwang
Ms. Hu Xiaohong
Mr. Xu Jin

Corporate Information

JOINT COMPANY SECRETARIES

Mr. Liu Lei
Ms. Mok Ming Wai

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Fang Zheng

AUTHORIZED REPRESENTATIVES

Mr. Fang Zheng
Ms. Mok Ming Wai

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STOCK CODE

00816