

# Interim Report 2013

Shanghai Electric Group Company Limited

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



CREATE OUR FUTURE TOGETHER





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# CORPORATE INFORMATION

<b>Legal name in Chinese:</b>	上海電氣集團股份有限公司
<b>Legal name in English:</b>	Shanghai Electric Group Company Limited
<b>Registered Office:</b>	30th Floor, Maxdo Center, 8 Xingyi Road, Shanghai, The People's Republic of China
<b>Postal code:</b>	200336
<b>Principal Place of Business in Hong Kong:</b>	Room 2602, 26th Floor, Tower 1, Lippo Centre, 89 Queensway, Hong Kong
<b>Company Secretary:</b>	Leung Ka Lok (FCCA, CPA, MBA) (Resigned with effect from 1 May 2013) Li Chung Kwong Andrew (FCCA,FCPA,ACA,CIA)(Appointed with effect from 1 May 2013)
<b>Authorized Representatives:</b>	Xu Jianguo, Huang Dinan
<b>Alternate Authorized Representatives:</b>	Cheung Wai Bun, Charles, J.P.
<b>Stock Exchange on which H Shares are listed:</b>	The Stock Exchange of Hong Kong Limited
<b>Abbreviation of H Shares:</b>	SH Electric
<b>Stock Code of H Shares:</b>	02727
<b>H Share Registrar and Transfer Office:</b>	Computershare Hong Kong Investor Services Limited
<b>Stock Exchange on which A Shares are listed:</b>	Shanghai Stock Exchange
<b>Abbreviation of A Shares:</b>	上海電氣
<b>Stock Code of A Shares:</b>	601727
<b>A Share Registrar and Transfer Office:</b>	Shanghai Branch of China Securities Depository and Clearing Corporation Limited
<b>Auditors:</b>	Ernst & Young (International auditor) Ernst & Young Hua Ming (PRC auditor)
<b>Legal Advisers as to PRC Law:</b>	Grandall Law Firm(Shanghai)
<b>Legal Advisers as to Hong Kong Law</b>	Clifford Chance
<b>Legal Advisers as to Japanese Law</b>	Anderson Mori & Tomotsune
<b>Website:</b>	<a href="http://www.shanghai-electric.com">http://www.shanghai-electric.com</a>
<b>Website designated for publishing interim report required by the Stock Exchange of Hong Kong Limited</b>	<a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>
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## PERFORMANCE HIGHLIGHTS

- Revenue for the first half of 2013 reached RMB**38,349** million, basically stayed flat compared with that of the corresponding period last year
- Profit attributable to owners of the parent for the first half of 2013 was RMB**1,410** million, representing a decrease of **24.5%** over the corresponding period last year
- Basic earnings per share were RMB**11.00** cents, representing a decrease of **24.5%** over the corresponding period last year



# CHAIRMAN'S STATEMENT (To Be Updated)

In the first half of 2013, the global economic growth showed an unbalanced regional development. Meanwhile, domestic economic climate was not optimistic with many industries experiencing severe overcapacity and inadequate domestic market demand, resulting in a new characteristic of “slower growth but more rapid structural adjustment” in economic growth. Facing such extremely complicated international and domestic economic situations, Shanghai Electric strictly adhered to its principle of “transform amid difficulties and develop in transformation.” During the reporting period, the Company achieved a turnover of RMB 38,349 million, basically stayed flat compared with that of the corresponding period last year. The profit attributable to owners of the parent amounted to RMB 1,410 million, representing a decrease of 24.5% compared with that of the corresponding period last year.

## New Energy Equipment

During the reporting period, we continued to develop steadily the nuclear power nuclear island equipment business. Our nuclear power nuclear island equipment products included all major product models of nuclear power nuclear island equipment such as gen I nuclear power, gen II nuclear power, gen II improved nuclear power, gen III nuclear power AP1000, EPR and CAP1400, and gen IV nuclear power high temperature gas cooled reactor. Our 1,000MW nuclear power nuclear island major equipment had applied to all China's large scale nuclear power plant projects which had commenced their construction. During the reporting period, China's wind power industry, upon the adjustment, would enter a stable development period. Through perfecting our techniques, we continuously strengthened our cooperation with Siemens, intensified our research and development of offshore wind turbines, so as to strive for an advantage in offshore wind turbines market in the future; we actively expanded the market, explored cooperation opportunities with wind field bases and innovated upon the new development model of our wind power equipment business.

## High Efficiency and Clean Energy Equipment

During the reporting period, we owned a stable thermal power equipment market share with new orders amounted to RMB12.7 billion, representing a significant increase as compared with the same period last year; we continuously dedicated to the development of 1000MW ultra-supercritical high efficiency and clean thermal power equipment. We hold a leading position in the 1000MW ultra-supercritical thermal power projects, which reflected the world's highest standard. We were gradually changing from passive manner in product development in satisfying the market need to proactive and innovative manner in research and development to induce products trend to increase market demand. The manufacturing of the first 1000MW double reheat thermal power demonstrating project in mainland China secured by the Company had started. We accelerated the domestication of gas turbine. The advanced techniques introduced and mastered had enabled us to manufacture advanced gas turbines and combined cycle units to reach a production capacity of one gas turbine per month, which was able to respond to and satisfy the rapid growth of the domestic gas turbine market. During the reporting period, on the foundation of full array of power transmission and distribution equipment industrial chain and led by the technology, we capitalized on the advantages of the shareholders of both Shanghai Electric and Shanghai Municipal Electric Power Company, a subsidiary of State Grid, to expand the market proactively, and promoted our power transmission and distribution equipment development toward a trend characterized by high voltage technology, smart grid technology and power electronics technology.

## Industrial Equipment

During the reporting period, our elevator business stuck to a technological strategy of introduction and self-development in respect of technology being conducted simultaneously, a market strategy highlighting the high-end and high-speed products but with a consideration given to affordable houses, and a management strategy with a focus on quality and safety, with an effort to the transformation in a mode from production operation to operation service and from market expansion to quality and efficiency, so as to further strengthen our leading position in the industry. We have successively obtained orders such as 35 elevator products of Wuhan Center, the tallest building in Wuhan, PRC and 137 elevator products of Shizimen Central Business District, the tallest building in Zhuhai, PRC. During the reporting period, we have been proceeding in full swing to develop extra-large, extra-heavy and special electrical motors, as well as affiliated electrical motors for new energy, and extend the associated businesses, so as to establish the business of frequency converter and full array of control devices to provide the users with integrated services and overall solutions. We won the tender for frequency converter of plunger pump test bench and control system project in Shandong Kerui Holding Group Co., Ltd., and made a breakthrough in the solution business of full array of high voltage frequency converter system.

## Modern Services

After years of diligent operation, our power plant EPC has tapped into overseas markets in countries and regions such as India, Indonesia, Vietnam, Iraq, Thailand, UAE and Africa, keeping pace with our equipment business in terms of business scale, for which we will achieve steady development according to our own strengths and the market situation in the future. During the reporting period, again we have achieved great success in our overseas market for transmission and distribution engineering by undertaking a power transmission and distribution project from a power company in Sri Lanka. During the reporting period, leveraging on financing lease, we succeeded in expanding markets for power plant EPC, and the financial service business of the Group would continue to support and facilitate the development of its core businesses.

## Outlook

2013 is a critical year for us to “transform amid difficulties and develop in transformation”. We need to be in a push to transform by tackling difficulties ahead, and spare no efforts to register a stable growth, speed up research and development on science and technology, enhance core competitiveness, actively explore market, increase its market share, focus on the quality of economic operation and continue with organic growth, promote the development of emerging businesses and nurture new growth drivers, in an attempt to achieve sustainable development for Shanghai Electric.

Let's brace difficulties and go hand in hand in a vigorous and concerted effort.

**Xu Jianguo**

Chairman

Shanghai, the PRC,

30 August 2013

# MAJOR FINANCIAL DATA AND INDICATORS

## Major accounting data and financial indicators (in accordance with the HK Reporting Standards)

Unit:'000 Currency:RMB

	As at the end of current reporting period	As at the end of last year	Increase/decrease as at the end of the current reporting period as compared to the end of last year (%)
Total assets	123,126,578	118,699,530	3.73
Equity attributable to owners of the parent	30,970,921	30,506,562	1.52
Net assets per share attributable to shareholders of the listed company (RMB/share)	2.42	2.38	1.68

	The reporting period (January to June)	The corresponding period of the last year (Restated)	Increase/decrease for the current reporting period as compared to the corresponding period of the last year (%)
Operating profit	2,531,305	2,956,913	(14.39)
Total profit	2,746,755	3,179,651	(13.61)
Net profit attributable to shareholders of the listed company	1,410,077	1,866,827	(24.47)
Basic earnings per share (RMB)	0.1100	0.1456	(24.45)
Weighted average net assets return rate (%)	4.53	6.14	-1.61 percentage points
Net cash flow generated from operating activities	1,033,268	(819,307)	N/A
Net cash flow per share generated from operating activities (RMB)	0.08	(0.06)	N/A



## Review of Operating Results

During the reporting period, turnover of the Group amounted to RMB38,349 million, basically stayed flat compared with that of the corresponding period last year, and its profit attributable to owners of the parent amounted to RMB1,410 million, representing a decrease of 24.5% over the corresponding period last year.

### New Energy Equipment

During the reporting period, the new energy equipment recorded sales revenue of RMB2,115 million, representing a decrease of 34.5% over the corresponding period of last year. Both gross profit margin and operating profit margin of this segment had different levels of decrease, which were mainly due to the drop of revenue during the reporting period caused by adjustments and intensified competition in the wind power equipment industry and a weak market demand for the forging components, resulting in a decline in profit.

### High Efficiency and Clean Energy Equipment

During the reporting period, the high efficiency and clean energy equipment recorded sales revenue of RMB16,025 million, which was 14.8% lower than that of the corresponding period of last year. Gross profit margin of this segment was 19.1% which was close to that of the corresponding period of last year while the operating profit margin of this segment was 6.5%, representing a decrease of 2.4 percentage points over the corresponding period of last year. The decrease was primarily attributable to a decrease in operating profit resulted from the lower sales of thermal power equipment and heavy machinery equipment due to the impacts of macroeconomic environment during the reporting period.

### Industrial Equipment

During the reporting period, the industrial equipment achieved sales revenue of RMB12,052 million, representing an increase of 5.1% over the corresponding period of last year. Gross profit margin of this segment was 19.7%, representing a year-on-year increase of 0.5 percentage point, mainly due to more orders because of the increase in the market demand of elevator business. During the reporting period, the revenue of our elevator business increased by 23.5% year-on-year while the operating profit increased by 35.0% year-on-year, our profitability kept staying ahead in the industry. The operating profit margin of this segment was 6.6%, representing a decrease of 1.2 percentage points over the corresponding period of last year, mainly due to the business consolidation of subsidiaries within this segment during the reporting period.

### Modern Services

During the reporting period, the modern services recorded sales revenue of RMB9,763 million, representing a growth of 5.2% over the corresponding period of last year, which was primarily boosted by the rise in revenue from our power plant engineering projects and the power plant services during the reporting period. Gross profit margin of this segment was 10.4%, which was close to that of the corresponding period of last year. The operating profit margin of this segment was 9.8%, representing an increase of 4.7 percentage points over the corresponding period of last year, mainly due to the increase in the profit as a result of reversal of provision for doubtful debts for prior years because of successful recovery of trade debts from certain power plant engineering projects in this segment.





## Principal activities and operation review of the Company

### Table Showing Principal Activities by Business Segments

Unit: million Currency: RMB

By business segments	Revenue	Cost of Sales	Gross Profit Margin	Year-on-year % Change in Revenue	Year-on-year % Change in Costs of Sales	Year-on-year Change in Gross Profit Margin
New Energy Equipment	2,115	1,982	6.3%	(34.5%)	(30.8%)	-5.0 percentage point
High Efficiency and Clean Energy Equipment	16,025	12,970	19.1%	(14.8%)	(14.6%)	- 0.1 percentage point
Industrial Equipment	12,052	9,681	19.7%	5.1%	4.4%	+ 0.5 percentage point
Modern Services	9,763	8,744	10.4%	5.2%	5.5%	- 0.2 percentage point
Other business	1,242	1,082	12.9%	95.3%	116.8%	- 8.7 percentage points
Elimination	(2,848)	(2,833)				
<b>Total</b>	<b>38,349</b>	<b>31,626</b>	<b>17.5%</b>	<b>(0.3%)</b>	<b>1.3%</b>	<b>- 1.3 percentage points</b>

### Review of the Principal Activities by Geographical Areas

Unit: million Currency: RMB

Geographical Areas	Revenue	Year-on-year Change in Revenue
Mainland China	31,869	8.1%
Elsewhere	6,480	(27.7%)
<b>Total</b>	<b>38,349</b>	<b>(0.3%)</b>

### Exchange rate Fluctuation

#### Risk in the Operations of the Company

The Company's businesses in plant equipments, plant engineering and power transmission and distribution engineering involve export business and their contract amounts are large and usually denominated in US dollars. During its production, the Company needs to purchase imported equipments and components as well. If the fluctuations of exchange rate between RMB and USD tend to expand, the Company may be exposed to an increasing exchange risk.

Solution: the Company will utilize more hedging instruments and enlarge its RMB settlement in cross-border trade, limit exchange risk and restrain its cost of overseas projects.

### Major financial reporting items and Analysis of Changes

Unit: million Currency: RMB

	January to June 2013	January to June 2012 (Restated)	Year-on-year Change
Operating revenue	38,349	38,451	(0.3%)
Operating costs	31,626	31,206	1.3%
Selling expenses	1,159	1,019	13.7%
Administrative expenses	2,380	2,395	(0.6%)
Finance expenses	115	86	33.7%
Net cash flows from operating activities	1,033	(819)	(226.1%)
Net cash flows from investing activities	1,568	707	121.8%
Net cash flows from financing activities	(319)	(667)	(52.2%)
Research and development expenses	837	771	8.6%

Finance expenses increased by 33.7% as compared with the corresponding period last year, which was mainly due to the increase in interest expenses resulting from the issuance of corporate bonds during the reporting period.

Net cash inflow from operating activities amounted to RMB1,033 million, representing an increase of RMB1,852 million compared with a net cash outflow over the corresponding period last year, which was mainly due to the increase of advance receipts from customers resulting from the increase of the Company's new orders during the reporting period over the corresponding period of last year.

Net cash inflow from investing activities amounted to RMB1,568 million, representing an increase of RMB861 million as compared to a net cash inflow of the corresponding period last year, which was mainly due to the decrease in unrestricted time deposit investment of the subsidiaries whose term is more than 3 months during the reporting period over the corresponding period of last year.

Net cash outflow from financing activities amounted to RMB319 million, representing a decrease in net cash outflow of RMB348 million over the corresponding period last year, which was primarily due to the increase of cash inflow resulting from the issuance of corporate bonds during the reporting period.

### Source of Funding and Indebtedness

As at 30 June 2013, the Group had aggregate bank and other borrowings and bonds of RMB5,997 million (31 December 2012: RMB5,448 million), representing an increase of RMB 549 million from that as at the beginning of the year. Borrowings repayable by the Group within one year amounted to RMB 2,157 million, representing a decrease of RMB 1,262 million as compared with that of the beginning of the year. Borrowings and bonds repayable after one year amounted to RMB 3,841 million, representing an increase of RMB 1,812 million as compared with that of the beginning of the year.

As at 30 June 2013, among bank and other borrowings of the Group, except for borrowings denominated in United States Dollars amounted to USD233,015,000 (31 December 2012: USD456,963,000) in aggregate and borrowings denominated in Japanese Yens amounted to JPY80,000,000 (31 December 2012: JPY80,000,000) in aggregate, all other borrowings were denominated in Renminbi.

### Pledge of Assets

As at 30 June 2013, the bank deposits of the Group of RMB603 million (31 December 2012: RMB624 million) were pledged with banks to secure bank loans or credit facilities. In addition, certain land use rights, buildings and machineries of the Group, with the net carrying value amounting to RMB276 million as at 30 June 2013 (31 December 2012: RMB234 million), were pledged as the securities for certain bank loans of the Group.

As at 30 June 2013, accounts receivable of a net carrying amount of approximately RMB855 million (31 December 2012: RMB584 million) were factored with recourse for certain bank facilities of RMB558 million (31 December 2012: RMB490 million). In addition, lease receivables with a net carrying amount of approximately RMB24 million (31 December 2012: RMB40 million) were factored with recourse for certain bank facilities of RMB22 million (31 December 2012: RMB 36 million).

### Gearing Ratio

As at 30 June 2013, gearing ratio of the Group, which represents the ratio of the sum of interest-bearing bank and other borrowings and bonds to the sum of total equity of the shareholders plus interest-bearing bank and other borrowings and bonds, was 12.9%, representing an increase of 1.1 percentage points over that as at the beginning of this year.

### Contingent Liabilities

Please refer to note 14 of the unaudited interim condensed consolidated financial statements for details.

### Capital Commitments

Please refer to note 16 of the unaudited interim condensed consolidated financial statements for details.

### Capital Expenditure

Total capital expenditure of the Group for the reporting period was approximately RMB930 million (1H2012: RMB1,040 million), which was principally applied to upgrade production technologies and production equipment.

## Use of Proceeds

### 1. Use of proceeds

Unit: 100 million Currency: RMB

Year of Fund Raising	Way of Fund Raising	Total fund Raised	Total amount of fund used during the reporting period	Accumulated total amount of funds used	Total Amount of Unused Fund	Use and allocation of the unused fund
2010	Private offering	21.77	0.30	20.30	1.47	The fund will be used to finance fund raising projects.

In May 2010, as approved by ZHENG JIAN XUKE (2010) No. 497 issued by the China Securities Regulatory Commission's permission, the Company successfully issued 315,940,255 A shares of the Company to 5 specific investors at a price of RMB7.03 per share under private placing (the "Placement") in A Share market. The aggregate proceeds raised from the Placement approximately amounted to RMB2,221,060,000, and the net proceeds after deducting sponsor underwriting fees and remaining offering expenses approximately amounted to RMB2,176,846,000. As at the end of the reporting period, interests earned from the proceeds amounted to RMB11 million.

### 2. Committed use of the proceeds

Unit: 100 million Currency: RMB

Name of committed projects	Proposed investment amount from proceeds raised	Actual proceeds used	Used Proceeds As at 30 June 2012
Production capacity expansion and technology enhancement project of nuclear power plant reactor vessel internals and control rods drive mechanisms of 1,000MW (Phase II) units	3.70	2.68	1.02
Technology enhancement project of 450 tonnes electroslag furnace	1.10	0.89	0.21
Production capacity expansion and enhancement project of nuclear power nuclear island major equipment integrated production (with the approved name of "Phase II of capacity expansion and technology enhancement project of nuclear power nuclear island major equipment")	3.02	2.90	0.12
Technology enhancement project of heavy nuclear power condenser assembly plant	0.60	0.48	0.12
Phase I of development project of new wind power equipment plant at Lingang base (with the approved name of "Development project of wind power equipment production plant at Lingang base")	3.14	2.21	0.93
Introduction and training project for the use of design and analysis software of wind power equipment	1.10	1.10	0.00
Research and production project of wind power equipment of 2MW and 3.6MW	2.79	2.28	0.51
Development project of research centre of wind power technology	0.50	0.27	0.23
Enhancement project of machines tool products and production capability (with the approved name of "Technology enhancement project of large CNC precision grinding products")	1.50	1.50	0.00
Supplement to working capital	4.32	5.99	(1.67)
<b>Total</b>	<b>21.77</b>	<b>20.30</b>	<b>1.47</b>

## Share Capital Structure

	Number of shares	Approximate percentage of issued share capital
A shares	9,850,714,660	76.82%
H shares	2,972,912,000	23.18%
<b>Total</b>	<b>12,823,626,660</b>	<b>100.00%</b>

## Disclosure of Interests

### *Substantial shareholders' and other persons' interests and short positions in shares and underlying shares*

The followings are interests and short positions of substantial shareholders as at 30 June 2013 as recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance, Hong Kong ("SFO") and as to the knowledge of the Company:

Name of Substantial Shareholder	Class of shares	Capacity	Notes	No. of shares	Nature of Interest	Percentage of the relevant shares in issue (%)	Percentage of all the issued shares (%)
State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government	A	Interest of controlled corporation	1	7,901,889,924*	Long position	80.22	61.62
	H	Interest of controlled corporation	1	31,184,000*	Long position	1.05	0.24
Shanghai Electric (Group) Corporation	A	Beneficial owner	1	7,411,997,802*	Long position	75.24	57.80
	H	Beneficial owner	1	31,184,000*	Long position	1.05	0.24
Fengchi Investment Co., Ltd.	A	Beneficial owner	2	907,778,942	Long position	9.22	7.08
Shenergy Group Company Limited	A	Beneficial owner	1	489,892,122	Long position	4.97	3.82
Templeton Investment Counsel, LLC	H	Investment manager		297,657,147	Long position	10.01	2.32
Government of Singapore Investment Corporation Pte Ltd	H	Investment manager		149,687,699	Long position	5.04	1.17
Siemens International Holding B.V.	H	Beneficial owner	3	148,646,000	Long position	5.00	1.16
Siemens Beteiligungsverwaltung GmbH & Co. OHG	H	Beneficial owner	3	148,646,000	Long position	5.00	1.16
Siemens Beteiligungen Management GmbH	H	Beneficial owner	3	148,646,000	Long position	5.00	1.16
Siemens Aktiengesellschaft	H	Beneficial owner	3	148,646,000	Long position	5.00	1.16

Name of Substantial Shareholder	Class of shares	Capacity	Notes	No. of shares	Nature of Interest	Percentage of the relevant shares in issue (%)	Percentage of all the issued shares (%)
JPMorgan Chase & Co.	H	Beneficial owner	4	18,192,366	Long position		
	H	Investment manager	4	106,000	Long position		
	H	Custodian corporation	4	339,934,725	Long position		
		Total long position	4	358,233,091		12.05	2.79
BlackRock, Inc.	H	Beneficial owner	4	2,303,826	Short position	0.08	0.02
	H	Interest of controlled corporation	5	178,546,052	Long position	6.00	1.39
	H	Interest of controlled corporation	5	710,000	Short position	0.02	0.01

\* As referred to in the announcement on increase in shareholding of the Company by our controlling shareholder dated 26 June 2013, the above numbers of shares reflected the interests and short positions of the relevant substantial shareholders as at 30 June 2013.

#### Notes

- (1) 上海電氣（集團）總公司 (Shanghai Electric (Group) Corporation) and 申能（集團）有限公司 (Shenergy Group Company Limited) were wholly owned by 上海市國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government) and accordingly, their interests in the A shares and H shares of the Company were deemed to be the interests of State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government.
- (2) 豐馳投資有限公司 (Fengchi Investment Co., Ltd.) holding 907,778,942 A shares of the Company, was owned as to 90% by 上海德鵬投資有限公司 (Shanghai Depeng Investment Co., Ltd) which in turn was wholly owned by 廣東珠江投資控股集團有限公司 (Guangdong Zhujiang Investment Holding Group Co., Ltd) ( “Guangdong Zhujiang” ). Guangdong Zhujiang was owned as to 95% by 深圳偉杰投資有限公司 (Shenzhen Weijie Investment Company Limited) which was owned as to 100% by Zhu Weihang.
- (3) Siemens International Holding B.V., holding 148,646,000 H shares of the Company, was wholly owned by Siemens Beteiligungsverwaltung GmbH & Co. OHG, which in turn was owned as to 99.99% and 0.01% by Siemens Aktiengesellschaft and Siemens Beteiligungen Management GmbH.
- (4) JPMorgan Chase & Co. had a long position in 358,233,091 H shares and a short position in 2,303,826 H shares (in which 656,000 H shares were held through cash settled derivatives (on exchange)) of the Company by virtue of its control over the following corporations:-
  - (4.1) JPMorgan Chase Bank, N.A., a wholly-owned subsidiary of JPMorgan Chase & Co., had a long position in 339,934,725 H shares of the Company.
  - (4.2) J.P. Morgan Whitefriars Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., had a long position in 14,833,196 H shares and a short position in 656,000 H shares of the Company.
  - (4.3) J.P. Morgan Securities plc had a long position in 1,614,590 H shares and a short position in 1,601,826 H shares in the Company. J.P. Morgan Securities plc was indirectly owned as to 98.95% by JPMorgan Chase & Co.

- (4.4) J.P. Morgan Investment Management Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., had a long position in 106,000 H shares of the Company.
- (4.5) J.P. Morgan Clearing Corp, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., had a long position in 1,744,580 H shares and a short position in 46,000 H shares of the Company.
- (4.6) The entire interest of JPMorgan Chase & Co. in the Company included a lending pool of 339,934,725 H shares (long position).
- (5) BlackRock, Inc. had a long position in 178,546,052 H shares (in which 358,000 H shares were held through cash settled derivatives (on exchange)) and a short position in 710,000 H shares (which were held through cash settled derivatives (on exchange)) of the Company through a number of its indirect wholly-owned subsidiaries.

Save as disclosed above, the Company is not aware of any other person having any interests or short positions in the shares or underlying shares of the Company as at 30 June 2013 required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO.

### ***Directors' and supervisors' interests and short positions in shares, underlying shares and debentures***

As at 30 June 2013, none of the directors, supervisors or chief executives (as defined in the Hong Kong Listing Rules) of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified by the directors, supervisors or chief executives to the Company and the Hong Kong Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Hong Kong Listing Rules. Also, no right to acquire the aforementioned interests had been granted to the directors, supervisors or chief executives of the Company.

## **Model Code For Securities Transactions By Directors**

The Company has adopted the provisions as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") as its model code for securities transactions by directors (the "Directors"), supervisors (the "Supervisors") and relevant employees of the Company. Further to the Company's enquiry, all Directors and Supervisors confirmed that they had complied with the Model Code and the relevant provisions as set out in Appendix 10 of the Listing Rules during the period from 1 January 2013 to 30 June 2013. No violation of the Model Code by relevant employees has been found by the Company.

## **Corporate Governance**

For the first half of 2013, the Board is of the view that the Company had complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules except for deviation from code provision A.2.1 of the Code concerning the requirements to separate the roles of the chairman and chief executive officer.

Pursuant to code provision A.2.1 of the Code, roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. For the first half of 2013, the duties of the Chairman of the Board and the Chief Executive Officer have been carried out by Mr. Xu Jianguo. However, Mr. Huang Dinan, an Executive Director and the President, is fully responsible for the day-to-day operations of the Company and execution of instructions from the Board. The Company is of the opinion that segregation of duties and responsibilities between the Board and the senior management has been well maintained and there exists no problem of over-centralization of management power.

## **Strategy Committee**

The strategy committee comprises Mr. Xu Jianguo, Mr. Huang Dinan, Ms. Xu Ziyang, Mr. Zhu Sendi and Dr. Lui Sun Wing. During the reporting period, the strategy committee has discussed and reviewed the Company's future development plans with the management team.

On 31 July, 2013, Ms. Xu Ziyang resigned as a member of the strategy committee and Mr. Zheng Jianhua was appointed by the Board to take her place, effective from the date when he becomes an appointed executive director of the Company.

### Nomination Committee

The nomination committee comprises Mr. Zhu Sendi, Mr. Huang Dinan and Dr. Cheung Wai Bun. The nomination committee is primarily responsible for studying the criteria, procedures and methods for selecting candidates for directors and making recommendations to the Board on the selection and appointment of directors of the Company.

### Audit Committee

Our audit committee, comprising Dr. Cheung Wai Bun, Mr. Zhu Sendi, Dr. Lui Sun Wing and Ms. Yao Minfang, has reviewed the accounting policies adopted by the Company and credit limits of the Company's connected transactions with the management and the Company's external auditors, and discussed on matters concerning internal controls and financial reporting of the Group, including review and approval of the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2013.

### Remuneration Committee

The remuneration committee, which comprises Dr. Lui Sun Wing, Mr. Huang Dinan and Mr. Zhu Sendi, is mainly responsible for providing recommendations to the Board in respect of the remuneration policy and structure of the Directors, Supervisors and operating team of the Company, and determining applicable and transparent procedures.

### Purchase, Sale or Redemption of the Company's Securities

During the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities.

### Interim Dividend

The Board of Directors did not recommend interim dividend during the period.

## Disclosure of Information and Investor Relations

The Company recognizes the importance of good communication with its investors. Our team under Investor Relations Department arranges meetings, site visits and reverse roadshows for investors from time to time. The team has also attended investors' forums actively and conducted non-deal road shows in China and overseas regularly to help investors gain a better understanding of the Company's operating results as well as its strategies and plans for future development. The Company will continue to make great efforts in its investor relations work to further enhance its transparency.

### Employees

On 30 June 2013, the Group had approximately 29,616 employees (30 June 2012: approximately 27,607). The Group has short term and long term incentive programs to encourage employee performance and a series of training programs for the development of its staff.

### Board of Directors and Supervisors

As at the date of this report, the executive directors of the Company are Mr. XU Jianguo, Mr. HUANG Dinan and Mr. YU Yingui; the non-executive directors of the Company are Mr. ZHU Kelin and Ms. YAO Minfang; and the independent non-executive directors of the Company are Mr. ZHU Sendi, Dr. CHEUNG Wai Bun and Dr. LUI Sun Wing.

During the reporting period, the Supervisors of the Company are Mr. Dong Jianhua, Mr. Xie Tonglun, Mr. Li Bin, Mr. Zhou Changsheng and Mr. Zheng Weijian.

By order of the Board

**Xu Jianguo**

Chairman of the board

Shanghai, PRC

30 August 2013

# UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE

	Notes	For the six months ended 30 June	
		2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
<b>REVENUE</b>	3	38,349,410	38,450,691
Cost of sales		(31,625,849)	(31,206,349)
<b>GROSS PROFIT</b>		6,723,561	7,244,342
Other income and gains	3	580,386	530,515
Selling and distribution costs		(1,158,684)	(1,018,564)
Administrative expenses		(2,380,446)	(2,395,099)
Other expenses		(1,233,512)	(1,404,281)
Finance costs		(115,339)	(85,585)
Share of profits and losses of:			
Jointly-controlled entities		3,545	3,235
Associates		327,244	305,088
<b>PROFIT BEFORE TAX</b>	4	2,746,755	3,179,651
Income tax expense	5	(607,352)	(528,671)
<b>PROFIT FOR THE PERIOD</b>		2,139,403	2,650,980
<b>ATTRIBUTABLE TO:</b>			
Owners of the parent		1,410,077	1,866,827
Non-controlling interests		729,326	784,153
		2,139,403	2,650,980
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	6		
Basic and diluted			
- For profit for the period (RMB)		11.00 cents	14.56 cents



# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
<b>PROFIT FOR THE PERIOD</b>	<b>2,139,403</b>	<b>2,650,980</b>
Changes in fair value and disposal of available-for-sale investments net of income tax	(77,179)	187,891
Effective portion of changes in fair value of hedging instruments net of income tax	65,427	(71,764)
Exchange realignment	(102,089)	(20,384)
Others	4,727	-
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(109,114)</b>	<b>95,743</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,030,289</b>	<b>2,746,723</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Owners of the parent	1,331,471	1,944,949
Non-controlling interests	698,818	801,774
	<b>2,030,289</b>	<b>2,746,723</b>

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	15,003,067	15,226,213
Investment properties		142,416	145,036
Prepaid land lease payments		1,638,640	1,641,656
Goodwill		167,519	167,519
Other intangible assets		1,070,315	995,556
Investments in jointly-controlled entities		82,436	92,537
Investments in associates		3,825,958	3,603,746
Loans and lease receivable		1,343,085	1,318,545
Other investments		1,177,455	1,417,835
Derivative financial instruments		2,156	4,460
Other non-current assets		347,152	395,297
Deferred tax assets		1,911,546	1,874,894
Total non-current assets		<u>26,711,745</u>	<u>26,883,294</u>
<b>CURRENT ASSETS</b>			
Inventories		20,912,879	21,933,836
Construction contracts		1,668,287	1,476,431
Trade receivables	8	25,900,852	20,605,697
Loans and lease receivable		1,972,051	2,621,208
Discounted bills receivable		227,515	881,170
Bills receivable		3,833,776	5,090,174
Prepayments, deposits and other receivables		11,446,422	10,665,546
Investments		4,402,738	3,105,546
Derivative financial instruments		67,441	90,105
Due from the Central Bank		3,120,901	2,580,698
Restricted deposits	9	602,935	624,122
Cash and cash equivalents	9	<u>22,259,036</u>	<u>22,141,703</u>
Total current assets		<u>96,414,833</u>	<u>91,816,236</u>

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

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UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
<b>CURRENT LIABILITIES</b>			
Trade payables	10	26,075,862	24,031,249
Bills payable		3,080,978	2,456,807
Other payables and accruals		40,812,463	38,625,985
Derivative financial instruments		48,766	76,155
Customer deposits		1,018,730	1,294,409
Interest-bearing bank and other borrowings		2,156,776	3,419,300
Tax payable		795,117	1,278,581
Provisions		2,734,229	2,604,205
Total current liabilities		<u>76,722,921</u>	<u>73,786,691</u>
<b>NET CURRENT ASSETS</b>		<u>19,691,912</u>	<u>18,029,545</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>46,403,657</u>	<u>44,912,839</u>
<b>NON-CURRENT LIABILITIES</b>			
Bonds	11	1,989,764	-
Interest-bearing bank and other borrowings		1,850,866	2,028,585
Provisions		29,214	48,095
Government grants		356,054	387,942
Derivative financial instruments		32,452	117,878
Other non-current liabilities		1,164,593	1,109,884
Deferred tax liabilities		528,524	538,197
Total non-current liabilities		<u>5,951,467</u>	<u>4,230,581</u>
<b>Net assets</b>		<u>40,452,190</u>	<u>40,682,258</u>

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 JUNE 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	12	12,823,627	12,823,627
Reserves		18,147,294	16,866,070
Proposed interim dividend		-	816,865
		<u>30,970,921</u>	<u>30,506,562</u>
<b>Non-controlling interests</b>		<u>9,481,269</u>	<u>10,175,696</u>
<b>Total equity</b>		<u>40,452,190</u>	<u>40,682,258</u>

Director Mr. Xu Jianguo

Director Mr. Yu Yingui

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Attributable to owners of the parent												Non-controlling interests	Total equity
	Issued capital	Capital reserve	Contributed surplus	Surplus reserves	Hedging revaluation reserve	Available-for-sale investment revaluation reserve	Special reserve	Exchange fluctuation reserve	Retained profits	Proposed dividend	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2013	12,823,627	5,157,041	(2,352,526)	3,715,986	(74,450)	127,077	25,925	461	10,266,556	816,865	30,506,562	10,175,696	40,682,258	
Profit for the period	-	-	-	-	-	-	-	-	1,410,077	-	1,410,077	729,326	2,139,403	
Other comprehensive income	-	2,238	-	-	66,571	(84,618)	-	(62,797)	-	-	(78,606)	(30,508)	(109,114)	
Total comprehensive income	-	2,238	-	-	66,571	(84,618)	-	(62,797)	1,410,077	-	1,331,471	698,818	2,030,289	
Declared final 2012 dividend	-	-	-	-	-	-	-	-	-	(816,865)	(816,865)	-	(816,865)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,385,019)	(1,385,019)	
Special reserve	-	-	-	-	-	-	10,216	-	(10,216)	-	-	-	-	
Transfer from retained profits	-	-	-	122,295	-	-	-	-	(122,295)	-	-	-	-	
Others	-	(30,624)	-	-	-	-	-	-	(19,623)	-	(50,247)	(8,226)	(58,473)	
As at 30 June 2013 (Unaudited)	12,823,627	5,128,655*	(2,352,526)*	3,838,281*	(7,879)*	42,459*	36,141*	(62,336)*	11,524,499*	-	30,970,921	9,481,269	40,452,190	

\* These reserve accounts comprise the consolidated reserves of RMB18,147,294,000 (31 December 2012: RMB15,453,840,000) in the unaudited interim condensed consolidated statement of financial position.

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Attributable to owners of the parent											Total equity RMB'000
	Issued capital RMB'000	Capital reserve RMB'000	Contributed surplus RMB'000	Surplus reserves RMB'000	Hedging revaluation reserves RMB'000	Available-for-sale investment revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Proposed dividend RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2012												
As previously reported	12,823,627	5,090,027	(2,352,526)	3,130,749	(1,614)	(14,235)	6,805	9,594,634	979,725	29,257,192	8,398,586	37,655,778
under common control	-	843,598	-	16,380	-	-	31,340	(620,043)	-	271,275	(307,346)	(36,071)
	12,823,627	5,933,625	(2,352,526)	3,147,129	(1,614)	(14,235)	38,145	8,974,591	979,725	29,528,467	8,091,240	37,619,707
Profit for the period	-	-	-	-	-	-	-	1,866,827	-	1,866,827	784,153	2,650,980
Other comprehensive income	-	-	-	-	(71,764)	165,361	(15,475)	-	-	78,122	17,621	95,743
Total comprehensive income	-	-	-	-	(71,764)	165,361	(15,475)	1,866,827	-	1,944,949	801,774	2,746,723
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	675,385	675,385
Capital injection by												
non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	633,398	633,398
Disposal of subsidiaries	-	(715)	-	(7,081)	-	-	-	7,081	-	(715)	(798)	(1,513)
Transfer from retained profits	-	-	-	16,128	-	-	-	(16,128)	-	-	-	-
Declared final 2011 dividend	-	-	-	-	-	-	-	-	(979,725)	(979,725)	-	(979,725)
Dividend paid to SEC (a) before												
combination of SEIBC (b)	-	-	-	-	-	-	-	(2,000)	-	(2,000)	-	(2,000)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(652,100)	(652,100)
Others	-	115,376	-	42	-	-	-	(64)	-	115,354	(119,154)	(3,800)
As at 30 June 2012(Unaudited)	12,823,627	6,048,286*	(2,352,526)*	3,156,218*	(73,378)*	151,126*	22,670*	10,830,307*	-	30,606,330	9,429,745	40,036,075

(a) SEC is the abbreviation of Shanghai Electric (Group) Corporation.

(b) SEIBC is the abbreviation of Shanghai Electric Insurance Brokers Co., Ltd.

\* These reserve accounts comprise the consolidated reserves of RMB17,782,703,000 (31 December 2011: 15,725,115,000) in the unaudited interim condensed consolidated statement of financial position.

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	1,033,268	(819,307)
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>	1,568,142	707,462
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>	<u>(319,371)</u>	<u>(667,157)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,282,039	(779,002)
Cash and cash equivalents at beginning of period	15,909,804	15,847,070
Effect of foreign exchange rate changes, net	<u>(84,343)</u>	<u>(571)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>18,107,500</u>	<u>15,067,497</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents in the unaudited interim condensed consolidated statement of financial position	22,259,036	18,232,277
Less: Non-restricted time deposits with original maturity of over three months when acquired	<u>(4,151,536)</u>	<u>(3,164,780)</u>
	<u>18,107,500</u>	<u>15,067,497</u>

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The accounting policies and basis of preparation adopted in the preparation of the unaudited interim condensed consolidated financial statements are the same as those used in the annual financial statements for the year ended 31 December 2012, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) that are adopted for the first time for the current period's unaudited interim condensed consolidated financial statements:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	<i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income ("OCI")</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Annual Improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

The adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

## 2. SEGMENT INFORMATION

The Group organises and manages its operating business in accordance with the nature of business and provision of goods and services. Each business segment of the Group is one operating group, providing goods and services with risks and rewards different from those of the other business segments.

Detailed descriptions of business segments are as follow:

- (a) the new energy segment is engaged in the design, manufacture and sale of nuclear power nuclear island equipment products, wind power equipment products and heavy machinery including large forging components;
- (b) the high efficiency and clean energy segment is engaged in the design, manufacture and sale of thermal power equipment products, nuclear power conventional island equipment products and power transmission and distribution equipment products;



# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 2. SEGMENT INFORMATION (continued)

- (c) the industrial equipment segment is engaged in the design, manufacture and sale of elevators, electrical motors, machine tools, printing and packaging equipment, marine crankshafts and other electromechanical equipment products;
- (d) the modern services segment is principally engaged in the provision of integrated engineering services for power station projects and other industries, financial services and functional services including international trading services; and
- (e) the “others” segment includes components such as the central research institute.

### Business segments

The following tables present revenue and profit/(loss) of the Group’s business segments for the six months ended 30 June 2013 (the “Period”):

Six months ended 30 June 2013 (Unaudited)	New energy RMB’000	High efficiency and clean energy RMB’000	Industrial equipment RMB’000	Modern services RMB’000	Others RMB’000	Elimination RMB’000	Total RMB’000
<b>Segment revenue:</b>							
Sales to external customers	1,980,755	14,236,366	11,626,821	9,533,986	971,482	-	38,349,410
Intersegment sales	133,838	1,788,415	424,703	229,396	271,940	(2,848,292)	-
<b>Total</b>	<b>2,114,593</b>	<b>16,024,781</b>	<b>12,051,524</b>	<b>9,763,382</b>	<b>1,243,422</b>	<b>(2,848,292)</b>	<b>38,349,410</b>
<b>Operating profit/(loss)</b>	<b>(54,468)</b>	<b>1,040,746</b>	<b>797,509</b>	<b>953,751</b>	<b>(15,431)</b>	<b>(190,802)</b>	<b>2,531,305</b>
Finance costs							(115,339)
Share of profits and losses of jointly-controlled entities	-	-	-	3,545	-	-	3,545
Share of profits and losses of associates	-	114,021	210,398	8,855	(6,030)	-	327,244
Profit before tax							2,746,755
Income tax expense							(607,352)
Profit for the period							2,139,403

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 2. SEGMENT INFORMATION (continued)

### Business segments (continued)

The following tables present revenue and profit/(loss) of the Group's business segments for the six months ended 30 June 2012:

Six months ended 30 June 2012 (Unaudited/Restated)	High efficiency						Total RMB'000
	New energy RMB'000	and clean energy RMB'000	Industrial equipment RMB'000	Modern services RMB'000	Others RMB'000	Elimination RMB'000	
<b>Segment revenue:</b>							
Sales to external customers	3,012,337	14,833,480	11,097,764	8,989,002	518,108	-	38,450,691
Intersegment sales	216,182	3,972,514	372,388	290,257	117,956	(4,969,297)	-
Total	3,228,519	18,805,994	11,470,152	9,279,259	636,064	(4,969,297)	38,450,691
<b>Operating profit/(loss)</b>	53,649	1,675,932	891,277	474,897	(8,246)	(130,596)	2,956,913
Finance costs							(85,585)
Share of profits and losses of jointly-controlled entities	-	-	504	2,731	-	-	3,235
Share of profits and losses of associates	-	146,288	155,605	408	2,787	-	305,088
Profit before tax							3,179,651
Income tax expense							(528,671)
Profit for the period							2,650,980

### Geographical segments

The following table presents revenue information on the Group's geographical segments for the six months ended 30 June 2013 and 30 June 2012:

	Six months ended 30 June 2013 (Unaudited)			Six months ended 30 June 2012 (Unaudited/Restated)		
	Mainland		Total RMB'000	Mainland		Total RMB'000
	China RMB'000	Elsewhere RMB'000		China RMB'000	Elsewhere RMB'000	
Segment revenue						
Sales to						
external customers	31,869,075	6,480,335	38,349,410	29,486,886	8,963,805	38,450,691

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

## 3. REVENUE, OTHER INCOME AND GAINS

Revenue includes turnover and other revenue that arise from the ordinary course of business of the Group. The Group's turnover, which arises from the principal activities of the Group, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; an appropriate proportion of contract revenue of construction contracts and the value of services rendered, net of sale taxes and surcharges.

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
<b>Revenue</b>		
<i>Turnover</i>		
Sales of goods	28,530,753	29,033,458
Construction contracts	7,202,986	6,875,064
Rendering of services	1,832,365	1,605,118
	<u>37,566,104</u>	<u>37,513,640</u>
<i>Other revenue</i>		
Sales of raw materials, spare parts and semi-finished goods	294,617	365,145
Finance lease income	129,790	129,548
Operating lease income	40,054	59,044
Shanghai Electric Group Finance Company ("Finance Company"):		
Interest income from banks and other financial institutions	145,488	164,284
Interest income on loans receivable and discounted bills receivable	38,553	60,737
Others	134,804	158,293
	<u>783,306</u>	<u>937,051</u>
	<u>38,349,410</u>	<u>38,450,691</u>

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 3. REVENUE, OTHER INCOME AND GAINS (continued)

An analysis of revenue, other income and gains is as follows (continued):

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
<b>Other income</b>		
Interest income on bank balances and time deposits	149,707	116,797
Dividend income from equity investments and investment funds	7,920	2,728
Subsidy income	372,760	138,650
Others	80,513	36,672
	<u>610,900</u>	<u>294,847</u>
<b>Gains</b>		
Gain on disposal of items of property, plant and equipment	8,897	7,753
(Losses)/Gain on disposal of subsidiaries	(158,993)	156,024
Investments at fair value through profit or loss:		
Unrealised fair value (losses)/gains, net	(3,318)	941
Realised fair value (losses)/gains, net	(4,694)	4,425
Derivative financial instruments-transactions not qualifying as hedges:		
Unrealised fair value gains, net	1,368	1,800
Realised gain on available-for-sale investments (transfer from equity)	154,760	22,288
Gain on Debt restructuring	9,875	-
Exchange losses, net	(42,656)	(16,548)
Others	4,247	58,985
	<u>(30,514)</u>	<u>235,668</u>
	<u>580,386</u>	<u>530,515</u>

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

## 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
Cost of inventories sold	23,323,313	23,800,312
Cost of construction contracts	6,215,161	5,634,069
Cost of services provided	1,661,819	1,334,088
Finance Company:		
Interest expense due to banks and other financial institutions	8,500	8,575
Interest expense on customer deposits	9,285	14,128
Interest expense on bonds	-	24,000
	<u>17,785</u>	<u>46,703</u>
Depreciation of property, plant and equipment	629,218	592,696
Depreciation of investment properties	2,620	2,852
Recognition of prepaid land lease payments*	17,781	16,022
Amortisation of patents and licences*	12,577	11,098
Amortisation of concession intangible assets*	8,765	10,137
Amortisation of other intangible assets*	9,377	7,201
Research and development costs:*		
Amortisation of technology know-how	26,860	11,337
Current period expenditure	823,338	760,685
	<u>850,198</u>	<u>772,022</u>
Minimum lease payments under operating leases:		
Land and buildings	97,701	93,406
Plant, machinery and motor vehicles	44,443	49,426
Staff costs	3,258,680	3,042,554
Write-down of inventories to net realisable value	89,096	109,026
Impairment on trade receivables and other receivables*	211,964	600,997
Addition/(reversal) of impairment of loans receivable*	46,840	1,108
Impairment Of the financing lease accounts receivable*	4,697	19,711
(Reversal)/addition of impairment on discounted bills receivable*	(6,574)	7,889

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 4. PROFIT BEFORE TAX (continued)

The Group's profit before tax is arrived at after charging/(crediting) (continued):

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
Product warranty provision:		
Additional provision	302,237	98,597
Onerous contract provision:		
Additional provision	426,295	227,820

\* These items are included in "Other expenses" on the face of the unaudited interim condensed consolidated income statement.

## 5. INCOME TAX

With the PRC Corporate Income Tax Law (the "Corporate Income Tax Law") effective on 1 January 2008, the Company and all of its subsidiaries that operate in Mainland China are subject to the statutory corporate income tax rate of 25% for the period of the six months ended 30 June 2013 (for the six months ended 30 June 2012: 25%) under the income tax rules and regulations of the PRC, except that:

- certain subsidiaries are subject to a corporate income tax rate of 15% as they have been assessed as "High-New Technology Enterprises" under the Corporate Income Tax Law for the successive three years from 2011.

Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
Group:		
Current – Mainland China		
Charge for the period	668,383	657,698
Under/Overprovision in prior years	2,315	(25,097)
Current – Elsewhere		
Charge for the period	1,528	4,868
Underprovision in prior years	-	643
Deferred	(64,874)	(109,441)
Total tax charge for the period	607,352	528,671

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**30 JUNE 2013**

## 6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB1,410,077,000 (the six months ended 30 June 2012: RMB1,866,827,000) and the weighted average number of 12,823,626,660 ordinary shares in issue during the Period (for the period of six months ended 30 June 2012: 12,823,626,660 ordinary shares).

## 7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired property, plant and equipment with a cost of RMB693,827,000; the Group disposed of property, plant and equipment with a cost of RMB608,069,000.

As at 30 June 2013, the Group had not obtained real estate certificates for buildings with a net carrying amount of RMB356,317,000. Included in the above amounts, the Group is in the process of applying for the real estate certificates for buildings with a net carrying amount of approximately RMB333,618,000 as at 30 June 2013.

## 8. TRADE RECEIVABLES

An ageing analysis of trade receivables, based on the due date, and net of provision for bad and doubtful debts, is as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Undue	16,223,792	12,889,096
Within 3 months	4,332,826	2,426,041
Over 3 months but within 6 months	1,786,190	1,806,303
Over 6 months but within 1 year	1,565,510	1,950,840
Over 1 year but within 2 years	1,388,034	1,256,106
Over 2 years but within 3 years	498,581	234,455
Over 3 years	105,919	42,856
	<u>25,900,852</u>	<u>20,605,697</u>

For sales of large-scale products, deposits and progress payments are required from customers. Retention money is calculated mainly at 5% to 10% of total sales value, with retention periods of one to two years.

For the sale of other products, the Group's trading terms with customers are mainly on credit except for new customers, where payment in advance or cash on delivery is normally required. The credit period is generally three months and may extend to six months for key customers.

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 9. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

The Group's cash and cash equivalents and restricted deposits are denominated in RMB at each reporting date, except for the followings:

	30 June 2013 (Unaudited)		31 December 2012 (Audited)	
	Foreign currency in'000	RMB equivalent RMB'000	Foreign currency in'000	RMB equivalent RMB'000
Cash and bank balances:				
United States Dollars ("USD")	272,551	1,684,013	526,075	3,306,649
Euro ("EUR")	11,056	89,040	14,867	123,659
Japan Yen ("JPY")	2,960,790	185,345	2,479,027	181,091
Great Britain Pound ("GBP")	135	1,271	859	8,732
Hong Kong Dollars ("HKD")	42,060	33,505	8,015	6,500
Vietnam Dong ("VND")	1,310,827	393	165,337,830	49,601
Indian Rupee ("INR")	844,709	87,427	469,906	53,522
Indonesian Rupiah ("IDR")	114,010,400	68,406	162,233,846	105,452
Bangladesh Taka ("BDT")	3,842	303	18,299	1,442
Ethiopian Birr ("ETB")	7,963	2,163	26,219	8,973
Australian Dollar ("AUD")	2	11	292	1,908
Brazil Lile ("BRL")	2,076	5,819	-	-
Sri Lanka Rupee ("LKR")	437,623	21,881	-	-
Singapore Dollar("SGD")	-	-	46	233
Time deposits:				
USD	52,500	324,382	52,501	329,989
AUD	1,388	7,920	1,016	6,646
JPY	2,637,500	165,108	670,501	48,979
HKD	20,135	16,040	20,054	16,260



# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

## 10. TRADE PAYABLES

An ageing analysis of trade payables, based on the invoice date, is as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within 3 months	12,428,327	12,752,683
Over 3 months but within 6 months	3,313,941	3,937,657
Over 6 months but within 1 year	4,507,220	2,974,824
Over 1 year but within 2 years	3,446,535	2,498,839
Over 2 years but within 3 years	1,905,646	1,465,551
Over 3 years	474,193	401,695
	<u>26,075,862</u>	<u>24,031,249</u>

## 11. Bonds

The Company was approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2012]1703) on 24 December 2012 to issue corporate bonds with an aggregate nominal value of up to RMB 4 billion by public offer. The corporate bonds were issued in tranches, where the nominal value of the first tranche was RMB 2 billion. The bonds were issued to public investors online and to institutional investors by inquiry placement offline.

On 27 February 2013, the Company issued three-year fixed rate bonds with an offering size of RMB0.4 billion and coupon rate of 4.50% and five-year fixed rate bonds with an offering size of RMB1.6 billion and coupon rate of 4.90%. The Bonds were issued at par value and the interest is settled on an annual basis with the principal payable in full when due. No guarantee was provided for the bonds. The maturity dates of the Bonds are 27 February 2016 and 27 February 2018 respectively. The balance was listed in bonds at 30 June 2013.

## 12. SHARE CAPITAL

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Registered, issued and fully paid:		
A shares of RMB1.00 each, unrestricted	9,850,715	9,850,715
H shares of RMB1.00 each	<u>2,972,912</u>	<u>2,972,912</u>
Total	<u>12,823,627</u>	<u>12,823,627</u>

The shareholders of ordinary shares are entitled to dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 13. THE ULTIMATE HOLDING COMPANY

In the opinion of the directors, the ultimate holding company of the Company is Shanghai Electric (Group) Corporation ("SE Corporation"), a state-owned enterprise established in the PRC.

## 14. CONTINGENT LIABILITIES

(a) At the reporting date, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Guarantees given to banks in connection with facilities granted to:		
- associates	<u>91,445</u>	<u>93,025</u>
In which, guarantees given to banks in connection with facilities utilised by:		
- associates	<u>91,445</u>	<u>93,025</u>
Non-financial guarantee letters issued by Finance Company on behalf of:		
- associates	<u>15,001</u>	<u>15,028</u>
Discounting bills receivable issued by related parties to third parties:		
- associates	3,100	2,400
- SEC group companies*	<u>68,212</u>	<u>46,580</u>
	<u>71,312</u>	<u>48,980</u>

\* SEC group companies are defined as the Group's related companies over which SE Corporation is able to exert control.

- (b) As of 30 June 2013, no financial guarantees were issued by financial institutions for contracts awarded to the Group (31 December 2012: Nil), and non-financial guarantees issued by financial institutions for contracts awarded to the Group amounted to RMB20,905,670,000 (31 December 2012: RMB22,676,957,000), respectively.
- (c) As of 30 June 2013, contingent liabilities derived from pending lawsuits and arbitration amounted to RMB307,206,000 (31 December 2012: RMB307,206,000).
- (d) The Company was engaged in a construction project in Indonesia with an aggregate amount of USD108,000,000 and a guarantee letter of USD13,500,000. During 2009, the owner unilaterally terminated the contract. In 2010, the owner enforced the guarantee letter for advance payment and performance guarantee letter, amounting to USD10,800,000 and USD13,500,000, respectively. The Company has appealed for arbitration in Singapore. Up to the date of approval of the financial statements, the arbitration has not been administered. The directors are of the opinion that, apart from the recorded costs and provision, no additional provision is considered necessary as at 30 June 2013.

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 15. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases out certain of its properties and plant and machinery under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 20 years and those for plant and machinery are negotiated for terms ranging from 1 to 10 years. The terms of the leases generally also require tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions.

As at 30 June 2013, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within one year	61,711	66,228
In the second to fifth years, inclusive	185,837	177,546
After five years	<u>104,069</u>	<u>116,374</u>
	<u>351,617</u>	<u>360,148</u>

(b) As lessee

The Group leases certain properties, plant and machinery and motor vehicles under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 50 years, while those for plant and machinery are for terms ranging from 1 to 20 years and those for motor vehicles are for a term of one year.

As at 30 June 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within one year	54,670	65,182
In the second to fifth years, inclusive	131,290	133,500
After five years	<u>80,927</u>	<u>111,206</u>
	<u>266,887</u>	<u>309,888</u>

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 16. COMMITMENTS

In addition to the operating lease commitments detailed in note 15(b) above, the Group had the following capital commitments at the end of reporting date:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Contracted, but not provided for		
In respect of the acquisition of:		
- land and buildings	102,551	106,818
- plant and machinery	491,128	725,521
- intangible assets	85,113	118,901
In respect of capital contribution to:		
- companies to be established/acquired	<u>248,809</u>	<u>177,538</u>
	<u>927,601</u>	<u>1,128,778</u>
Authorised, but not contracted for		
In respect of the acquisition of:		
- plant and machinery	<u>130,495</u>	<u>48,828</u>
	<u>130,495</u>	<u>48,828</u>
	<u>1,058,096</u>	<u>1,177,606</u>

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

## 17. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties during the Period:

	Notes	For the six months ended 30 June	
		2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
Purchase of materials from:	(i)		
Associates		1,435,570	898,681
SEC group companies		336,996	689,916
Other related companies		501,444	898,798
		<u>2,274,010</u>	<u>2,487,395</u>
Sales of goods to:	(i)		
Associates		131,281	258,677
SEC group companies		95,672	322,023
Other related companies		118,785	168,932
		<u>345,738</u>	<u>749,632</u>
Construction contracts from:	(i)		
Other related companies		1,635,231	-
		<u>1,635,231</u>	<u>-</u>
Purchase of services from:	(i)		
SEC group companies		17,886	11,956
Other related companies		3,401	5,430
		<u>21,287</u>	<u>17,386</u>
Provision of services to:	(i)		
The ultimate holding company		2,272	385
Associates		2,269	77,708
SEC group companies		1,462	2,074
Other related companies		1,810	1,533
		<u>7,813</u>	<u>81,700</u>

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 17. RELATED PARTY TRANSACTIONS (continued)

- (a) The Group had the following material transactions with related parties during the Period (continued):

	Notes	For the six months ended 30 June	
		2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
Purchases of equipment from:	(i)		
SEC group companies		-	2,619
Rental income from:	(ii)		
Associates		4,390	5,653
Rental fee to:	(ii)		
The ultimate holding company		9,668	20,350
SEC group companies		2,900	3,033
		<u>12,568</u>	<u>23,383</u>

Notes:

- (i) Sales and purchases, services and construction contract were conducted in accordance with mutually agreed terms.
- (ii) Rental income and rental fee were based on mutually agreed terms with reference to the market rates.
- (b) Other material transactions with related parties
- (i) The Company and SE Corporation entered into entrusted agreements, according to which the Company entrusted SE Corporation to negotiate with Vietnam Quang Ninh Thermal Power Joint-Stock Company ("Vietnam Quang Ninh") and respective suppliers as well as constructors regarding the construction of Phase I and Phase II of coal-fired power plant(the "Project"). SE Corporation acted as an entrusted party to sign the contracts on behalf of the Company. SE Corporation would not charge any fee in relation to the entrusted agreements apart from a reimbursement of reasonable costs actually incurred.

Sales regarding the Project of RMB476,407,000 were recognised during the Period. In addition, purchases of RMB3,378,000 were incurred through SE Corporation during the period.

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 17. RELATED PARTY TRANSACTIONS (continued)

- (c) Interest on deposit and loan services provided to related parties by Finance Company

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000 (Restated)
Interest expenses for customer deposits:		
The ultimate holding company	601	2,364
Jointly-controlled entities	21	20
Associates	340	1,908
SEC group companies	7,767	9,204
Other related companies	7	9
	<u>8,736</u>	<u>13,505</u>
Interest income for loans and bills discounting:		
The ultimate holding company	11,327	9,158
Jointly-controlled entities	1,275	1,411
Associates	2,770	1,064
SEC group companies	30,353	48,931
	<u>45,725</u>	<u>60,564</u>

Interest rates for customer deposits, loans and bills discounting were determined with reference to the interest rates adopted by financial institutions as regulated by the People's Bank of China.

- (d) Guarantees provided to/by related parties of the Group

As at 30 June 2013, the Group has provided corporate guarantees in connection with facilities totalling RMB91,445,000 (31 December 2012: RMB93,025,000) to related parties, out of which RMB91,445,000 (31 December 2012: RMB93,025,000) has been utilised; and Finance Company has issued non-financial guarantee letters on behalf of related parties totalling RMB15,001,000 (31 December 2012: RMB15,028,000).

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 JUNE 2013

## 17. RELATED PARTY TRANSACTIONS (continued)

- (e) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Fees	375	375
Salaries and other allowances	1,641	1,108
Employee benefits	172	146
Post-employment benefits	137	130
	<u>2,325</u>	<u>1,759</u>

## 18. COMPARATIVE AMOUNTS

Due to the business combinations under common control in the second half of 2012, the comparative amounts of the financial statements have been restated.

## 19. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have not been audited, but have been reviewed by the Company's audit committee.

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 30 August 2013.