



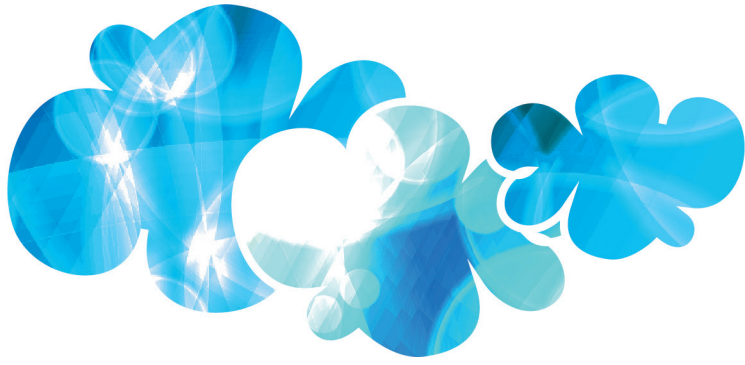
華潤電力控股有限公司
China Resources Power Holdings Company Limited

(Stock Code: 836)



PAINTING A
BRILLIANT FUTURE

INTERIM REPORT 2014





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Performance Highlights

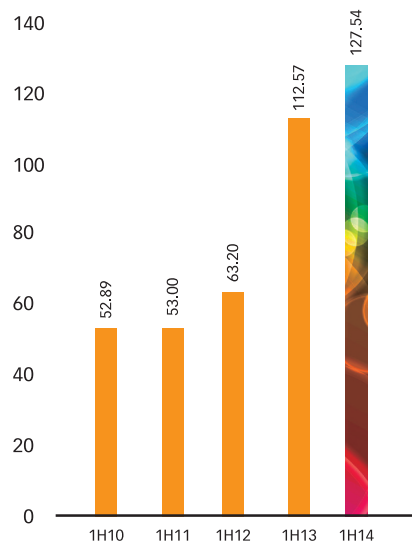
	1H2014	1H2013	1H2012	1H2011	1H2010
Earnings per share (HK cents)					
Basic	127.54	112.57	63.20	53.00	52.89
Diluted	127.21	112.02	62.77	52.47	52.03
Turnover (HK\$'000)	35,826,042	32,347,107	30,944,552	29,032,879	21,161,937
Profit attributable to owners of the Company (HK\$'000)	6,063,754	5,330,636	3,001,672	2,484,053	2,459,835
Generation volume of operating power plants (MWh)					
Total gross generation	96,227,497	88,857,686	81,551,829	82,105,814	70,223,751
Total net generation	90,701,240	83,745,227	76,589,798	77,008,374	65,681,662

As at 30 June	2014	2013	2012	2011	2010
Condensed consolidated balance sheet (HK\$'000)					
Non-current assets	187,512,597	169,366,532	142,364,470	131,563,968	108,411,713
Current assets	31,406,491	192,211,818	28,755,543	28,962,652	23,452,236
Current liabilities	52,730,072	45,372,101	42,104,644	41,819,856	34,412,280
Non-current liabilities	81,123,022	68,575,004	65,189,124	59,521,842	50,806,136
Equity attributable to owners of the Company	67,230,389	58,529,826	49,064,814	44,561,132	38,992,797
Total assets	218,919,088	192,211,818	171,120,013	160,526,620	131,863,949
Cash and cash equivalents	8,072,027	5,137,425	6,670,866	7,304,739	6,639,656
Borrowings	97,177,495	79,272,960	85,410,319	77,550,163	67,812,587
Key financial ratios					
Net debt to shareholders' equity (%)	130.7%	126.7%	160.5%	157.6%	156.9%
EBITDA interest coverage (times)	7.14	6.44	4.13	5.27	4.31
Attributable operational generation capacity by location (MW)					
Eastern China	12,331	10,922	10,650	10,252	7,877
Southern China	4,869	4,741	3,779	3,749	4,004
Central China	8,116	6,157	4,205	3,695	3,695
Northern China	2,662	2,548	2,499	2,438	2,193
Northeastern China	1,438	1,213	1,109	925	1,125
Northwestern China	280	201	198	—	—
Southwestern China	201	280	—	—	—
Total	29,897	26,062	22,440	21,059	18,894

Performance Highlights

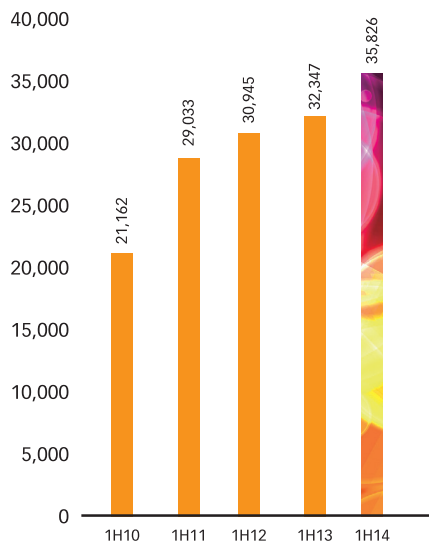
Basic earnings per share

(HK cents)



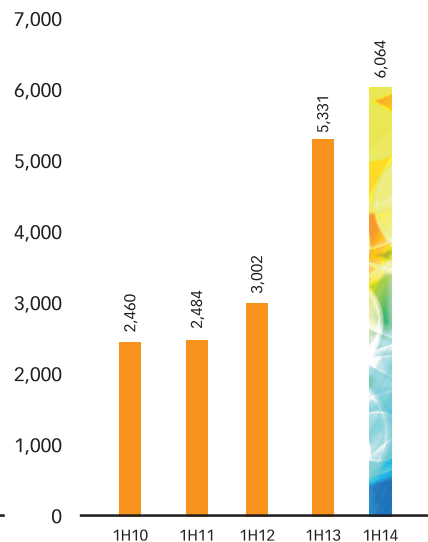
Turnover

(HK\$ million)



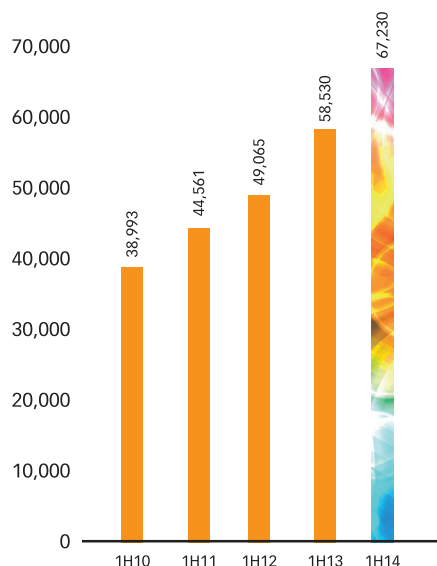
Profit attributable to owners of the Company

(HK\$ million)



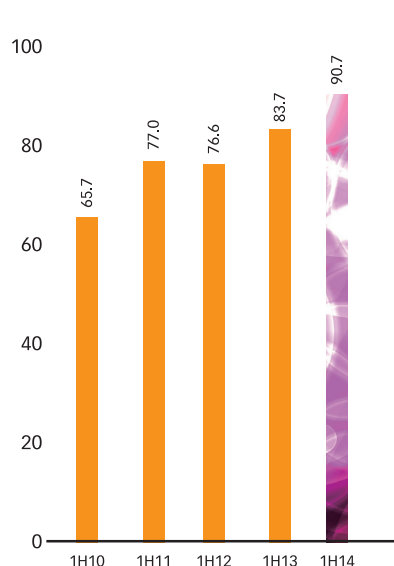
Equity attributable to owners of the Company

(HK\$ million)



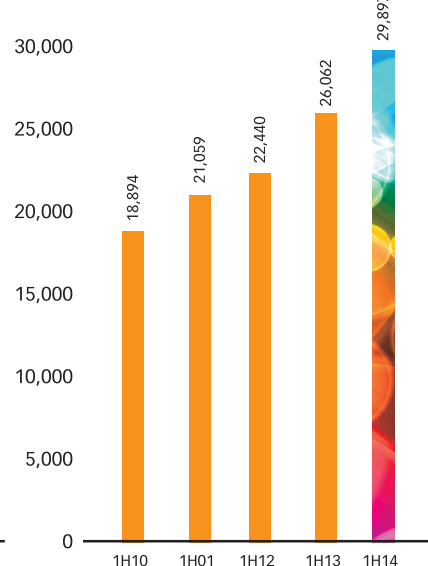
Net generation volume of operating power plants

(million MWh)



Attributable operational generation capacity

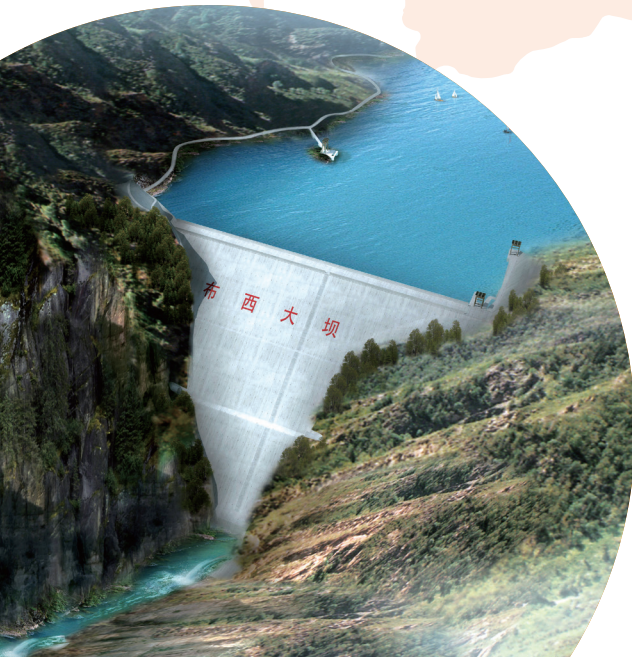
(MW)

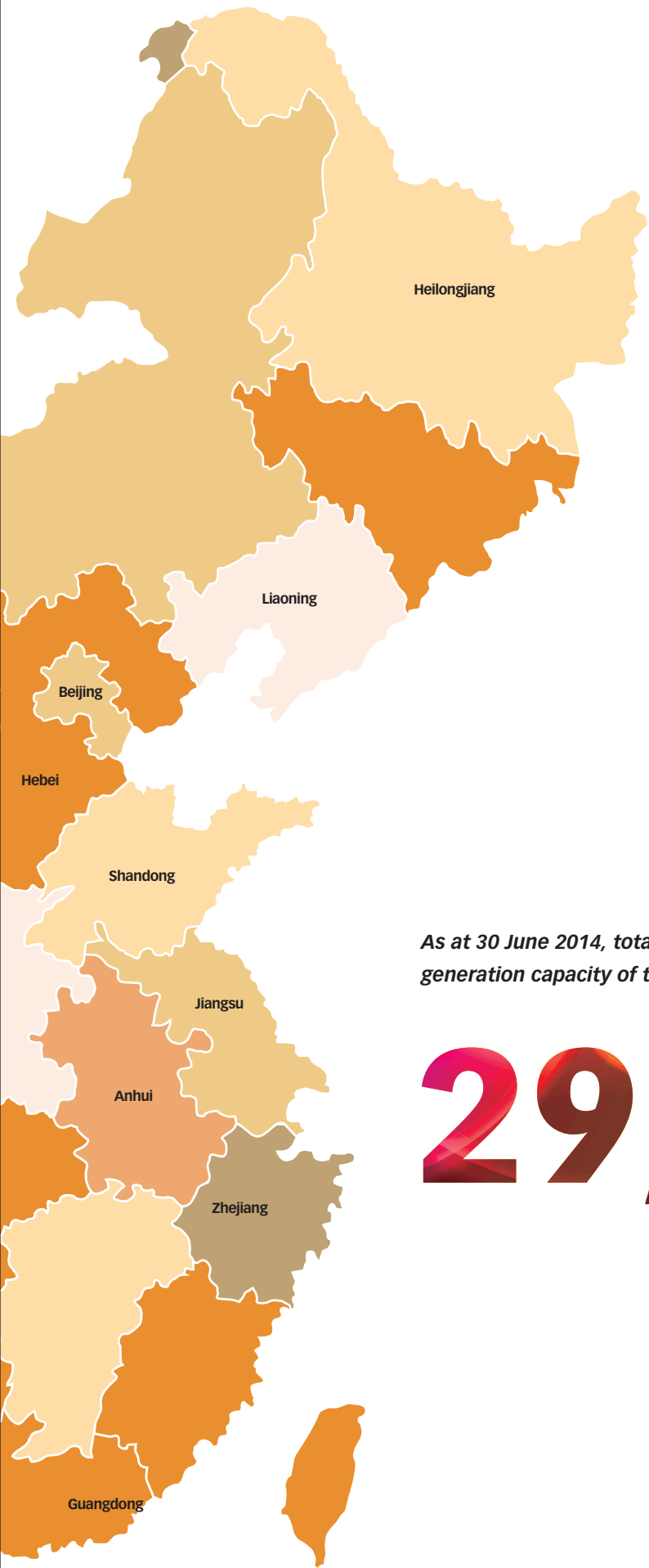


Service Areas

94

power plants in commercial operation





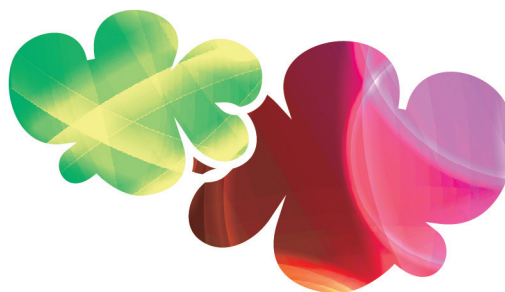
As at 30 June 2014, total attributable operational generation capacity of the Company is

29,897 KW

Service Areas

PROVINCE/REGION	POWER PLANTS/WIND FARMS/ HYDRO-ELECTRIC	INSTALLED CAPACITY (MW)	EFFECTIVE EQUITY INTEREST	ATTRIBUTABLE INSTALLED CAPACITY (MW)
Jiangsu	Changshu	1,950.0	100.0%	1,950.0
	Nanjing Thermal	1,200.0	100.0%	1,200.0
	Xuzhou Phase III	2,000.0	59.9%	1,197.2
	Zhenjiang	1,540.0	42.5%	654.5
	Yangzhou No. 2	1,260.0	45.0%	567.0
	Xuzhou	1,280.0	42.7%	545.9
	Nanjing Chemical Industry Park Phase II	600.0	90.0%	540.0
	Huaxin	660.0	72.0%	475.2
	Nanjing Banqiao	660.0	65.0%	429.0
	Changzhou	1,260.0	25.0%	315.0
	Nanjing Chemical Industry Park	110.0	90.0%	99.0
	Yixing	120.0	55.0%	66.0
	Nantong Wind	43.5	100.0%	43.5
	Nantong Wind	6.0	100.0%	6.0
Guangdong	Liyujiang B	1,300.0	100.0%	1,300.0
	Shajiao C	1,980.0	36.0%	712.8
	Guangzhou Thermal	600.0	100.0%	600.0
	Liyujiang A	630.0	60.0%	378.0
	Xingning	270.0	100.0%	270.0
	Chaonan Wind	137.9	100.0%	137.9
	Yangjiang Wind	89.8	100.0%	89.8
	Huilai Zhoutian Wind	50.0	100.0%	50.0
	Huilai Wind	37.5	100.0%	37.5
	Shantou Wind	29.3	100.0%	29.3
	Shantou Haojiang Wind	18.0	100.0%	18.0
	Dannan Wind	24.0	55.0%	13.2
	Lianzhou Wind	56.0	100.0%	56.0
	Lianzhou Quanshui Wind	50.0	100.0%	50.0
	Yangjiang Wind Phase II	45.5	100.0%	45.5
	Lufeng Wind	54.0	100.0%	54.0
	Xinyi Wind	27.0	100.0%	27.0
	Haifeng	2,000.0	100.0%	2,000.0
	Xinyi Wind	12.0	100.0%	12.0
	Lufeng Wind	14.0	100.0%	14.0
Lianzhou Quanshui Wind	44.0	100.0%	44.0	
Shantou Chaonan Wind	18.0	100.0%	18.0	
Huilai Wind	22.0	100.0%	22.0	
Henan	Shouyangshan	1,200.0	85.0%	1,020.0
	Gucheng	600.0	100.0%	600.0
	Dengfeng	1,840.0	85.0%	1,564.0
	Jiaozuo	280.0	100.0%	280.0
	Luoyang	100.0	51.0%	51.0
	Biyang Wind	50.0	100.0%	50.0
	Biyang Zhongxiang Wind	36.0	100.0%	36.0
	Jiaozuo Longyuan	1,320.0	100.0%	1,320.0
Hebei	Cangzhou	660.0	95.0%	627.0
	Caofeidian	600.0	90.0%	540.0
	Tangshan	200.0	80.0%	160.0
	Hengfeng	600.0	25.0%	150.0
	Hengxing	600.0	25.0%	150.0
	Chengde Wind	48.0	100.0%	48.0
	Chengde Weichang Wind	46.5	100.0%	46.5
	Chengde Yudaokou Wind	151.5	100.0%	151.5
	Tangshan Phase III	700.0	60.0%	420.0
Liaoning	Shenhai Thermal	600.0	54.1%	324.7
	Panjin	700.0	100.0%	700.0
	Fuxin Wind	99.0	100.0%	99.0
	Jianping Wind	99.0	100.0%	99.0
	Beipiao Wind	92.7	100.0%	92.7
	Linghai Wind	46.5	100.0%	46.5
	Jinzhou Wind	33.0	100.0%	33.0
	Beipiao Wind	6.4	100.0%	6.4
	Jinzhou Wind	16.5	100.0%	16.5
	Linghai Wind	3.0	100.0%	3.0
Fuxin Wind	49.5	100.0%	49.5	

Service Areas



PROVINCE/REGION	POWER PLANTS/WIND FARMS/ HYDRO-ELECTRIC	INSTALLED CAPACITY (MW)	EFFECTIVE EQUITY INTEREST	ATTRIBUTABLE INSTALLED CAPACITY (MW)
Shandong	Heze	1,200.0	90.0%	1,080.0
	Weihai Wind	49.8	100.0%	49.8
	Weihai Huancui Wind	49.8	100.0%	49.8
	Daliuhang Wind	50.0	100.0%	50.0
	Daxindian Wind	49.8	100.0%	49.8
	Yantai Wind	48.0	95.0%	45.6
	Yantai Penglai Wind	46.6	95.0%	44.3
	Qingdao Wind Phase I	49.8	100.0%	49.8
	Qingdao Wind Phase II	50.0	100.0%	50.0
	Jining Wind I	49.5	100.0%	49.5
	Jūxian Wind Phase I	50.0	100.0%	50.0
	Jūxian Wind Phase II	50.0	100.0%	50.0
	Wulian Wind Phase I	50.0	100.0%	50.0
	Wulian Wind Phase II	50.0	100.0%	50.0
	Rizhao Wind	48.6	100.0%	48.6
	Zoucheng Wind	38.0	100.0%	38.0
	Zoucheng Wind	12.0	100.0%	12.0
Linyi Wind	50.0	100.0%	50.0	
Dongying Wind	50.0	100.0%	50.0	
Haiyang Wind	49.8	100.0%	49.8	
Inner Mongolia Autonomous Region	Dengkou	600.0	75.0%	450.0
	Bayinxile Wind	99.0	100.0%	99
	Manzhouli Wind	49.5	100.0%	49.5
	Wulanchabu Wind	49.5	100.0%	49.5
	Wulanchabu Bayin Wind	49.5	100.0%	49.5
	Wulanchabu Hongmu Wind	15.0	100.0%	15.0
	Wulanchabu Hongmu Wind	34.5	100.0%	34.5
Hubei	Hubei	600.0	100.0%	600.0
	Hubei Phase II	2,000.0	100.0%	2,000.0
	Yichang	700.0	100.0%	700.0
	Suizhou Wind	76.8	100.0%	76.8
	Suizhou Fengming Wind	49.5	100.0%	49.5
	Suixian Tianhekou Wind	148.5	100.0%	148.5
	Suixian Tianhekou Wind	49.5	100.0%	49.5
Zaoyang Wind	49.5	100.0%	49.5	
Guangxi Autonomous Region	Hezhou	2,000.0	50.0%	1,000.0
	Rongxian Wind	50.0	100.0%	50.0
Anhui	Fuyang	1,280.0	55.0%	704.0
Hunan	Lianyuan	600.0	100.0%	600.0
	Linwu Wind	42.0	100.0%	42.0
	Linwu Wind	34.0	100.0%	34.0
Zhejiang	Wenzhou Telluride	600.0	40.0%	240.0
	Cangnan	2,000.0	75.0%	1,500.0
Yunnan	Honghe Hydro	210.0	70.0%	147.0
Sichuan	Yazuihe Hydro	260.0	51.0%	132.6
Gansu	Guazhou Wind	201.0	100.0%	201.0
Beijing	Beijing Thermal	150.0	51.0%	76.5
Heilongjiang	Jiamusi Wind	43.5	100.0%	43.5
	Jiamusi Wind	6.0	100.0%	6.0
Shanxi	Datong Wind	99.0	100.0%	99.0
	Datong Guangling Wind	50.0	100.0%	50.0
	Datong Yanggao Wind	49.5	100.0%	49.5
	Datong Shengquan Wind	50.0	100.0%	50.0
	Datong Changcheng Wind	49.5	100.0%	49.5
Guizhou	Liping Wind	50.0	100.0%	50.0
	Jianhe Wind	49.5	100.0%	49.5

Note: Projects under construction are marked in red

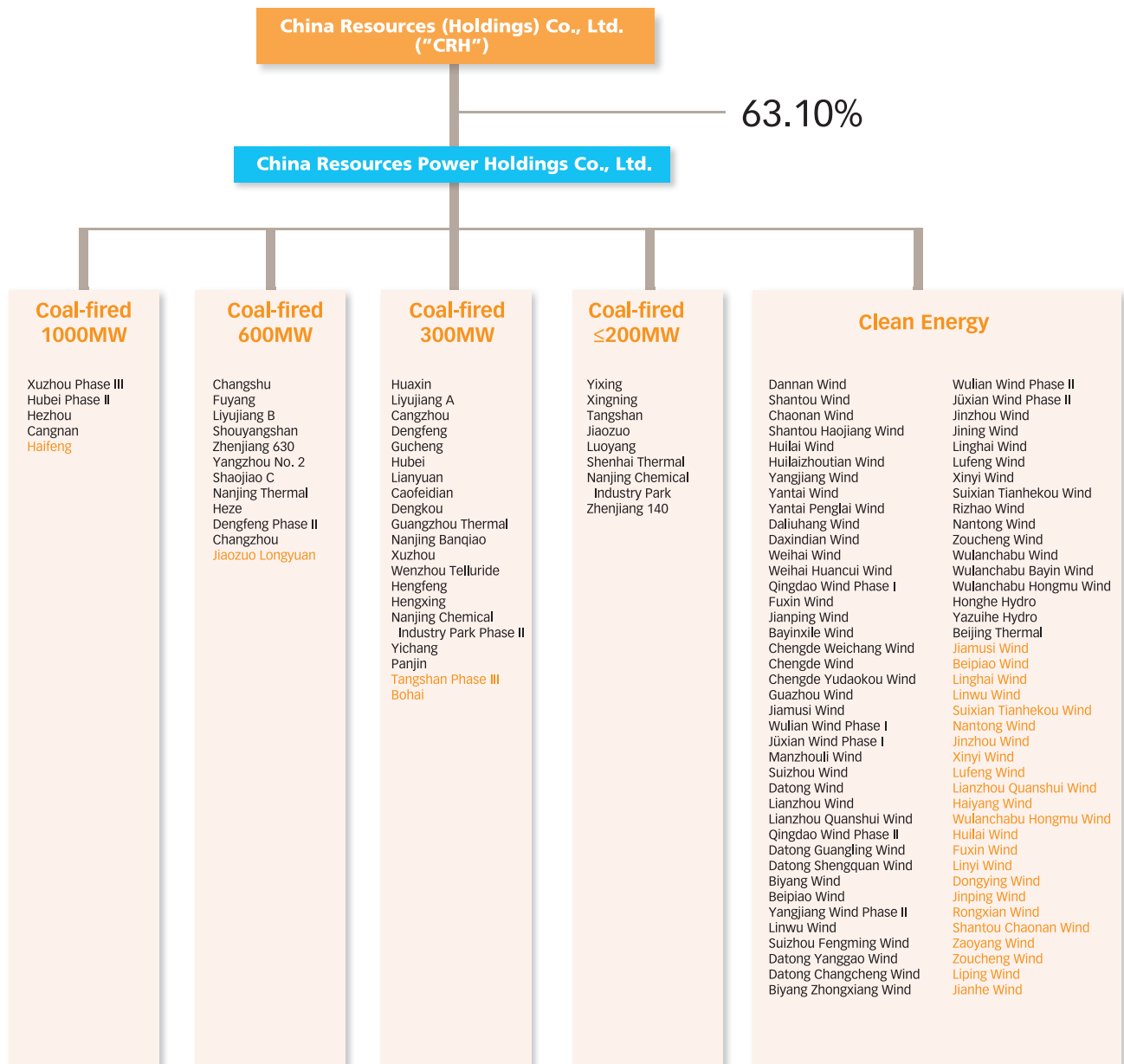
Company Profile

ABOUT CR POWER

China Resources Power Holdings Company Limited (the "Company" or "CR Power") is a fast-growing energy company which invests, develops, operates and manages coal-fired power plants, wind farms, hydro-electric projects and other renewable energy projects in the more affluent regions or regions with abundant coal resources in China, and invests, develops, constructs and operates coal mines in China.

As at 30 June 2014, CR Power has 37 coal-fired power plants, 2 hydro-electric plants, 1 gas-fired plant and 54 wind farms in commercial operation. The total attributable operational generation capacity of the Company is 29,897MW, with 41.2% of our capacity located in Eastern China, 27.1% located in Central China, 16.3% located in Southern China, 8.9% located in Northern China, 4.8% located in Northeastern China, 0.9% located in Southwestern China and 0.7% located in Northwestern China.

Corporate Structure



Note: Projects under construction are marked in Green

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of CR Power for the six months ended 30 June 2014.



The overall sound economy in China resulted in relatively stable power consumption since the beginning of 2014. As an integrated energy enterprise, CR Power was still exposed to many challenges as the economic environment remained complex. In the first half of this year, through closely focusing on our annual operation targets, adhering to the development philosophy of “advancement with assurance”, optimizing the industrial structure and adjusting the operation strategies, we actively responded to the unfavorable factors such as the lower-than-expected growth rate of China’s national power consumption and took full advantages of favorable conditions including the weak thermal coal prices and maintained sound profitability, setting a good foundation for us to achieve our targets and goals for the year.

During the first half of the year, CR Power was included in the Forbes Global 2000 list for the eighth consecutive year and ranked 595th (improving by 62 ranking from 657th in 2013); and ranked 47th (improving by 7 ranking from 2013) among all companies in Mainland China and Hong Kong. We were awarded as the “Best Investor Relations Company” in the fourth “Asian Excellence Recognition Awards” by Corporate Governance Asia. We were also awarded the “Best Company for Leadership in the Energy Sector of China” in the fourth IAIR Global Awards by the International Alternative Investment Review (IAIR), making us the only PRC energy enterprise receiving this award during the year, and also one of the few enterprises in the world winning for two consecutive years.

RESULTS PERFORMANCE

For the half year ended 30 June 2014, CR Power recorded a consolidated turnover of HK\$35,826 million, representing an increase of 10.8% as compared to HK\$32,347 million for the same period of 2013. Net profit attributable to owners of the Company was approximately HK\$6,064 million, representing an increase of 13.8% as compared to HK\$5,331 million for the same period of 2013. Basic earnings per share amounted to 127.54 HK cents, representing an increase of 13.3% as compared to 112.57 HK cents for the same period of 2013. The Board resolved to declare an interim dividend of 8 HK cents per share.

As of 30 June 2014, the total assets of CR Power amounted to HK\$218,919 million, representing an increase of 2.4% as over HK\$213,865 million as at the end of 2013. Our attributable operational generation capacity amounted to 29,897MW, representing an increase of 11% over 26,921MW as at the end of 2013. Coal-fired generation units accounted for 88.1% of our total attributable generation capacity, while clean energy, including wind, hydro and gas-fired power, accounted for 11.9%.

Chairman's Statement

In the first half of the year, the total gross generation volume of our operating power plants amounted to 96.227 billion kWh, representing an increase of 8.3% as compared to 88.858 billion kWh for the same period of 2013. The total net generation volume amounted to 90.701 billion kWh, representing an increase of 8.3% as compared to 83.745 billion kWh for the same period of 2013. The increase in gross and net generation volume were mainly due to the commissioning of our six coal-fired generation units located in Cangnan in Zhejiang Province, Yichang in Hubei Province and Panjin in Liaoning Province and commissioning of new wind farms.

(1) Coal-fired power business

During the first half of 2014, six newly commissioned coal-fired generation units increased the total attributable operational generation capacity by 2,900MW, which resulted in the total attributable operational generation capacity of our coal-fired power plants amounting to 26,340MW, representing an increase of 12.2% over the end of last year. As at 30 June 2014, the attributable operational generation capacity under construction amounted to 4,440MW, including two 1,000MW ultra-supercritical generation units in Haifeng, Guangdong, two 660MW ultra-supercritical heat and power co-generation units in Jiaozuo, Henan, and a total of four 350MW heat and power co-generation units in Tangshan and Bohai New Area of Cangzhou in Hebei Province. All these units are expected to commence operation in the second half of the year and 2015. In addition, two 660MW coal-fired units in Liuzhi, Guizhou were approved by the State.

During the first half of 2014, our consolidated operating power plants recorded a decrease of 9.2% and 11.7% in average standard coal cost and average unit fuel cost, respectively, as compared to the same period of 2013. The decrease in fuel costs was mainly due to the continuous fall in coal prices during the first half of the year, as well as our further enhancement of operation efficiency through deeply promoting lean management, grasp the favorable market trends and adjust our procurement strategies actively.

In the first half of 2014, the average net generation standard coal consumption rate of our consolidated operating power plants was 311.0g/kWh, representing a decrease of 4.54g/kWh or 1.4% as compared to 315.5g/kWh for 2013. The decrease in coal consumption rate was mainly due to the structure of generation units being improved by the newly installed efficient large-scale generation capacities, as well as further improvement in energy consumption of our operating generation units through continuous lean management, benchmarking and energy conservation and technology upgrade.

In the first half of 2014, while growth in power demand was low, the average utilization hours for our operating coal-fired generation units was 2,752 hours, representing an increase of 54 hours or 2.0% as compared to the same period last year, and exceeding the national average level by 377 hours, maintaining leading position in the industry. This was mainly because most of our generation units are efficient high-capacity units and located in provinces with rapid economic development with strong demand for electricity, thus enjoying certain market advantages. We also enhanced the equipment maintenance to ensure generation units to operate in a safe, economical and stable manner, whilst increasing our power generation volume by bidding for excess power generation or replacing small generation units, as well as actively developing direct power supply for major customers.

(2) Coal-mining business

Since the beginning of the year, oversupply problem worsened in the national coal market, coal prices dropped significantly, industry profitability decreased and higher losses were recorded by coal enterprises. Meanwhile, the significant increase of imported coal and high inventory resulted in more severe economic trends for the coal industry.

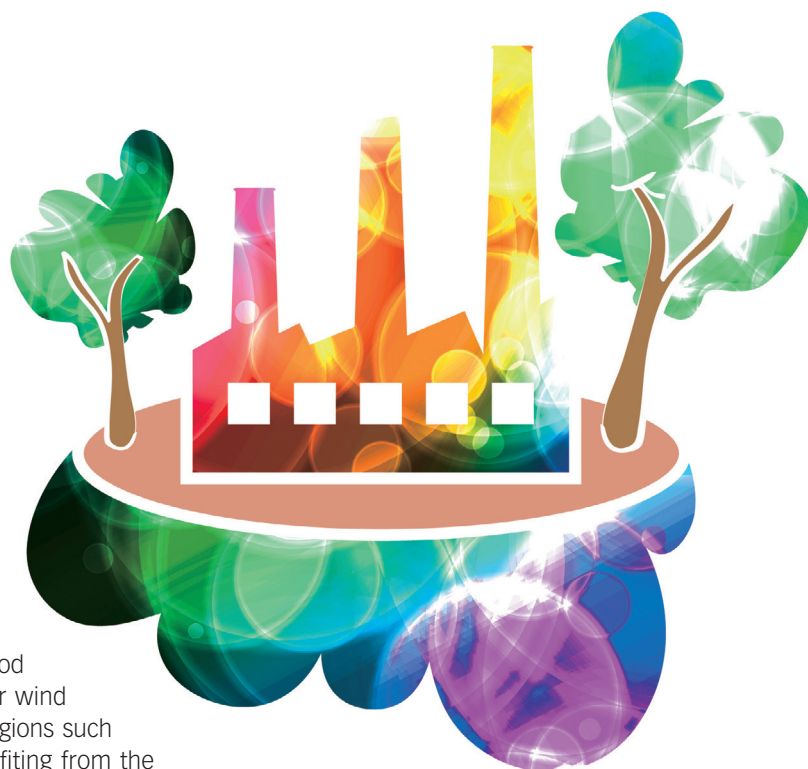
In the first half of 2014, CR Power's coal mines produced a total of 6.209 million tonnes of raw coal, representing a decrease of 16.6% as compared to the same period of 2013. The decrease in coal production volume was mainly due to the combined effect of the policies in respect of improving environment in the country, optimizing energy structure and controlling total coal consumption, which reduced market demand and in turn the sales volume of coal. Such decrease was also affected by ongoing construction and technological upgrading of some of our coal mines.

Chairman's Statement

(3) Renewable energy business

In the first half of 2014, CR Power continued to increase its investment in renewable energy projects. The attributable operational wind generation capacity reached 3,201MW, representing an increase of 11.4% over the end of 2013. The increase largely due to the commissioning of new wind farm projects located in Shandong, Hubei, Jiangsu, Guangdong and Henan, with the total attributable operational wind generation capacity increasing by 328MW. As at the end of the first half of 2014, CR Power had wind generation capacity of 708MW under construction, and had approved wind generation capacity of 428.5MW.

In the first half of 2014, the average utilization hours for our wind farms was 1,082 hours, representing a decrease of 132 hours as compared to the same period of 2013. This was mainly due to the generally weaker wind conditions in the country, in particular the northern regions such as Hebei, Shanxi and Inner Mongolia. However, benefiting from the favorable geographical location of our installed wind power capacity, with most of our wind farms located in areas without power curtailment, the utilization hours for our wind farms was 96 hours higher than the national average level.



FULFILLING OF RESPONSIBILITIES

We insisted on green development by actively optimizing industrial structure, with the construction of coal-fired generation units with high efficiency and quality wind power projects, to improve energy utilization efficiency and clean power generation level. Meanwhile, we continued to invest more in technical innovation projects of energy conservation and emission-reduction, and strengthened the operations, maintenance and management of environmental facilities. In the first half of the year, the major energy consumption and emission indices fell as compared with the first half of last year. In addition, we strengthened the technological cooperation with domestic research institutes and leading enterprises in the industry, using the most advanced energy conservation and emission-reduction technology in the coal-fired power projects in construction and operation and improved the efficiency of units to push forward CR Power in the green revolution of traditional energies. For example, Cangnan Power Plant in Zhejiang adopted efficient desulfurization, denitration and ash removal facilities, and its emission level was far below the latest national emission standards; and Haifeng Power Plant in Guangdong implemented the new technical innovation of wet dust collector and signed carbon capture and utilization cooperation agreements with domestic and international authoritative research institutions.

We committed to safety development and ensure our staff safety and put emphasis on establishing and perfecting the long-acting mechanism for safe production by means of risk control and fully implement a management system integrating production safety, occupational health and environmental protection (EHS). In each of the business segments, activities such as development of safety assessment, observation on safety actions, production safety standardization, NOSA five-star management, specific safety inspection, emergency drills for accidents and training on safety were carried out continuously. The production safety accountability system was implemented at all levels, with a view to solidify the safety foundation. In the first half of the year, none of our subsidiaries encountered any major or serious production safety accidents, reflecting an overall stable condition of production safety of the Company.

Chairman's Statement

We emphasized on complying with the State laws and regulations, protecting interests and rights of staff and focusing on the need of the employees to ascend their value, and constantly improved the mechanism of increasing the salaries and benefits, performance management, staff career development, staff training and solving their difficulties. We emphasized on talent cultivation, continuously innovated and implemented the talent selection, training, use of evaluation mechanisms, built the training system covering the whole process, systematically organized and promoted the implementation of training projects such as leadership development, professional talent cultivation and the "New Employee Orientation" training camp, so as to continually promote the ascension of the employees at all levels and the ability of the organization, and increase the satisfaction and cohesion of staff.

In the first half of the year, we actively participated in public welfare by donating RMB2.356 million in total in sectors of donations to schools, poverty-relief, orphans and disabled condolence, supporting the infrastructure and public utilities in areas where our subsidiaries were located. This year, we will continue to donate to "Hebei China Resources Education Fund" to sponsor impoverished university students and supporting the establishment of the "China Resources Hope Town" project.

OUTLOOK

In the second half of the year, the national economy will continue to increase steadily, and power consumption is expected to be slightly higher than that in the first half of the year. Power supply and demand will ease in certain regions and remain tight in others. Therefore, obtaining higher utilization hours will be one of the top priorities for our coal-fired power plants.

We will continue to comprehensively promote lean management and benchmarking and continue to improve on various technical and economic indicators, reduce various energy consumption and costs, enhance the overall operational efficiency and management level and promote the organic growth of the Company. We will continue to speed up the upgrading of desulfurization and denitration equipment for our coal-fired power plants to ensure emission levels are in line with national standards and actively perform on our social responsibilities in respect of energy conservation and emission reduction.



Chairman's Statement

We will focus on the general development trend in the power industry, emphasize on sustainable development, further optimize the industrial and power structure, select coal-fired power projects which have high competitiveness and can bring value to shareholders, accelerate the development of wind power projects, circular recycling economic projects and coal-power integration projects and make research and push forward solar and distributed energy projects, so as to continuously improve the proportion of clean energy of CR Power.

APPRECIATION

CR Power has achieved not only outstanding performance, but also the kindness of everyone. On behalf of the Board of CR Power, I would like to take this opportunity to extend my sincere gratitude to all circles of the community for their unremitting care, understanding and help. I would also like to thank the Directors, management team and staff members for their diligence, dedication and selfless contributions, and to our shareholders for their continuous trust and support. We will continue to work closely with stakeholders to stride forward with confidence and overcome difficulties and challenges, to accomplish the objectives and missions, and thus deliver good results to shareholders.

Zhou Junqing

Chairman

Board of Directors

Hong Kong, 18 August 2014



Management's Discussion and Analysis

BUSINESS REVIEW FOR THE FIRST HALF OF 2014

Growth of generation capacity

As at 30 June 2014, we had 37 coal-fired power plants, two hydro-electric plants, one gas-fired plant and 54 wind farms in commercial operation with a total attributable operational generation capacity of 29,897MW.

In the first half of 2014, the Company commissioned six coal-fired generation units, including two 1,000MW ultra-supercritical generation units of Cangnan Power Plant in Zhejiang, two 350MW heat and power co-generation units of Yichang Power Plant in Hubei and two 350MW heat and power co-generation units of Panjin Power Plant in Liaoning, resulting in an increase in total attributable operational generation capacity of 2,900MW. Newly added total attributable operational generation capacity in wind-farms was 328MW. In January 2014, we divested our 20% stake in Zhongjiagang Shazhou Power Plant, reducing our total attributable operational generation capacity by 252MW.

As at 30 June 2014, the attributable operational generation capacity of our coal-fired power plants amounted to 26,340MW, representing 88.1% of our total attributable operational generation capacity. Wind, gas-fired and hydro-power generation capacity amounted to 3,201MW, 77MW and 280MW, respectively, in aggregate representing 11.9% of our total attributable operational generation capacity.

Generation volume

Total net generation volume of our operating power plants amounted to 90,701,240MWh in the first half of 2014, representing an increase of 8.3% from 83,745,227MWh in the first half of 2013, of which the total net generation volume of our consolidated operating power plants amounted to 66,106,136MWh in the first half of 2014, representing an increase of 12.7% from 58,649,062MWh in the first half of 2013.

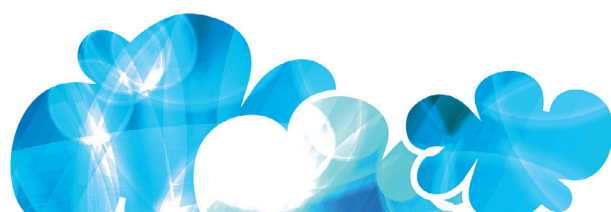
The growth in net generation volume of our operating power plants was mainly due to (1) six coal-fired generation units with total attributable capacity of 2,900MW commissioned in the first half of 2014; and (2) the newly commissioned wind farms.

In the first half of the year, gross generation volume increased on a same plant basis. For the 33 coal-fired power plants which were in commercial operations for the entire first half of 2013 and 2014, gross and net generation volume for the first half of 2014 increased by 2.0% and 2.1% respectively from the first half of 2013. The average full-load equivalent utilization hours for the first half of 2014 of these 33 coal-fired power plants amounted to 2,752 hours, representing an increase of 2.0% from 2,698 hours for the first half of 2013.

Fuel costs

Due to the slowdown in China's macroeconomic growth as well as the economic transition and industrial restructuring in the country, supply and demand in the coal market during the first half of 2014 maintained an easing trend in general with supply greater than demand. The easing of supply and demand of coal and the decrease in spot coal prices enabled us to further control fuel costs.

In the first half of 2014, average standard coal cost of our consolidated operating power plants decreased by 9.2% compared with the first half of 2013. Average unit fuel cost for our consolidated operating power plants was RMB194.8/MWh, representing a decrease of 11.7% compared with the first half of 2013. This was mainly due to decreasing coal prices and further enhanced operating efficiency of our subsidiary power plants as a result of our continuous implementation of lean management. The net generation standard coal consumption rate of our coal-fired power plants for the first half of 2014 inclusive of associates and subsidiaries was 311.0g/kWh, representing a decrease of 4.54g/kWh in comparison with the same period last year.





Management's Discussion and Analysis

Coal production

In the first half of 2014, the Company's coal mines produced a total of 6.209 million tonnes of raw coal, representing a decrease of 16.6% as compared to the same period last year. This was mainly due to a decrease in coal sales volume amid the weak coal market.

Development of renewable energy

As at 30 June 2014, the attributable operational generation capacity of the Company's wind power projects amounted to 3,201MW, representing an increase of 32.6% and 11.4% as compared to the end of June 2013 and the end of last year, respectively. The attributable operational generation capacity of our wind farms under construction amounted to 708MW. The average full-load equivalent utilization hours of wind farms that were in commercial operation in the first half of 2014 amounted to 1,082 hours versus 1,214 hours in the first half of 2013.

Environmental expenses

In the first half of 2014, the total amount of discharge fees incurred by our subsidiaries was approximately RMB128 million, which was RMB13 million or 11.4% higher than RMB115 million incurred in the first half of 2013. This was mainly as a result of a year-on-year increase of RMB32 million from our Shenyang Heat and Power Co-generation Plant.

PROSPECTS FOR THE SECOND HALF OF 2014

In the first half of 2014, national power consumption increased by 5.3% representing a slight growth of 0.2 percentage point as compared to the same period last year, indicating a general steady trend in power consumption growth nation-wide. We believe that in the second half of 2014, power consumption would continue to rise modestly and a sound balance would reappear between the supply and demand in the national market. As the economy is beginning to stabilize and recover, we anticipate that power consumption growth of the national economy in the second half of this year will be slightly higher than that in the first half. One of the primary focuses for CR Power is to strive for higher utilization hours.



Management's Discussion and Analysis

Due to the continuous weak coal market, and excess supply of coal in the domestic coal market, coal prices continued to drop on a monthly basis since the beginning of this year and remained at low levels. Without a fundamental change in the trend of quantitative easing and structural surplus in the coal market, it is expected that coal prices will continue to remain weak in the short term, and remain so in the second half.

We will continue to focus on organic growth and will comprehensively, systemically and deeply promote lean management and benchmarking in respect of the three divisions, i.e. thermal power, coal-mining and renewable energy. In this regard, we will continue to improve and optimize various productive and economic indicators, and enhance the overall operational efficiency and management level of the Company. Meanwhile, we will continue to accelerate the upgrading of denitration and ash-removal facilities in our coal-fired power plants to actively perform on our social obligations in energy conservation and emission reduction.

As at the end of June 2014, the attributable generation capacity of our coal-fired power plants under construction amounted to 4,440MW, including 2x1,000MW ultra-supercritical generation units in Shanwei, Guangdong, 2x660MW ultra-supercritical heat and power co-generation units in Jiaozuo, Henan, 2x350MW supercritical heat and power co-generation units in Tangshan, Hebei and 2x350MW supercritical heat and power co-generation units in Cangzhou Bohai New District, Hebei.

In the first half of 2014, we obtained the approval from the Chinese government to construct 2x660MW coal-fired generation units of Liuzhi Power Plant in Guizhou. Based on the development prospects in the coal-fired power industry, we will adhere to our investment hurdle rates and select only those coal-fired power projects that we believe to be highly competitive and capable of creating value for our shareholders in the future. In addition, we will also continue to increase our investments in renewable energy with a focus on the development of wind farms.

Management's Discussion and Analysis

OPERATING RESULTS

The results of operations for the six months ended 30 June 2014, which have been reviewed in accordance with the Hong Kong Standard on Review Engagements 2410 by the auditors and the Audit and Risk Committee of the Company, are set out as follows:

Interim Condensed Consolidated Statement of Income

	Six months ended	
	30 June 2014 HK\$'000 (unaudited)	30 June 2013 HK\$'000 (unaudited)
Turnover	35,826,042	32,347,107
Operating expenses		
Fuels	(16,406,962)	(15,876,097)
Repairs and maintenance	(829,994)	(761,213)
Depreciation and amortisation	(4,079,659)	(3,451,439)
Employee benefit expenses	(2,363,102)	(1,938,669)
Consumables	(467,634)	(443,911)
Impairment charges	(1,999,262)	(623,287)
Business tax and surcharge	(334,410)	(263,670)
Others	(1,699,434)	(1,858,837)
Total operating expenses	(28,180,457)	(25,217,123)
Other income	670,902	761,590
Other gains - net	600,435	448,840
Operating profit	8,916,922	8,340,414
Finance costs	(1,548,313)	(1,704,337)
Share of results of associates	306,107	829,151
Share of results of joint ventures	278,341	233,295
Profit before income tax	7,953,057	7,698,523
Income tax expense	(2,021,813)	(1,557,995)
Profit for the period	5,931,244	6,140,528
Profit for the period attributable to:		
Owners of the Company	6,063,754	5,330,636
Non-controlling interests		
– Perpetual capital securities	210,900	210,962
– Others	(343,410)	598,930
	(132,510)	809,892
	5,931,244	6,140,528
Earnings per share attributable to owners of the Company during the period		
– Basic	HK\$1.28	HK\$1.13
– Diluted	HK\$1.27	HK\$1.12

Management's Discussion and Analysis

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended	
	30 June 2014 HK\$'000 (unaudited)	30 June 2013 HK\$'000 (unaudited)
Profit for the period	5,931,244	6,140,528
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Currency translation difference	(732,496)	1,077,035
Share of changes in translation reserve of associates and joint ventures	(69,887)	127,115
Fair value changes on cash flow hedges, net of tax	34,117	123,864
Total items that may be reclassified subsequently to profit or loss	(768,266)	1,328,014
Total comprehensive income for the period, net of tax	5,162,978	7,468,542
Attributable to:		
Owners of the Company	5,411,259	6,465,506
Non-controlling interests		
– Perpetual capital securities	210,900	210,713
– Others	(459,181)	792,323
	(248,281)	1,003,036
	5,162,978	7,468,542

Management's Discussion and Analysis

Interim Condensed Consolidated Balance Sheet

	As at 30 June 2014 HK\$'000 (unaudited)	As at 31 December 2013 HK\$'000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	137,632,556	131,579,042
Prepaid lease payments	2,920,839	2,747,683
Mining rights	19,130,591	21,381,263
Exploration and resources rights	170,931	172,565
Prepayments for non-current assets	5,949,957	7,066,387
Investments in associates	11,994,948	12,995,773
Investments in joint ventures	2,278,818	1,873,202
Goodwill	3,117,660	3,126,941
Deferred income tax assets	702,945	494,493
Available-for-sale investments	1,365,944	1,375,876
Loans to an associate	1,654,502	—
Loan to a non-controlling shareholder of a subsidiary	17,008	17,171
Derivative financial instruments	575,898	—
	187,512,597	182,830,396
Current assets		
Inventories	3,207,078	3,481,838
Trade receivables, other receivables and prepayments	16,487,482	18,344,979
Loans to associates	931,022	839,447
Loans to joint ventures	370,461	369,903
Loan to an available-for-sale investee company	275,227	277,860
Amounts due from associates	649,975	264,727
Amounts due from joint ventures	106,993	778,419
Amounts due from other related companies	78,486	41,329
Financial assets at fair value through profit or loss	2,928	2,956
Pledged and restricted bank deposits	1,224,812	598,003
Cash and cash equivalents	8,072,027	6,035,046
	31,406,491	31,034,507
Total assets	218,919,088	213,864,903

Management's Discussion and Analysis

	As at 30 June 2014 HK\$'000 (unaudited)	As at 31 December 2013 HK\$'000 (audited)
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital: nominal value	—	4,791,457
Other statutory capital reserve	—	17,232,192
Share capital and other statutory capital reserves	22,053,697	22,023,649
Other reserves	12,877,370	12,264,103
Retained profits	32,299,322	30,697,309
	67,230,389	64,985,061
Non-controlling interests		
– Perpetual capital securities	5,897,140	5,897,006
– Others	11,938,465	13,850,814
	17,835,605	19,747,820
Total equity	85,065,994	84,732,881
LIABILITIES		
Non-current liabilities		
Borrowings	77,237,826	73,438,346
Derivative financial instruments	105,929	173,652
Deferred income tax liabilities	2,580,221	2,569,573
Deferred income	646,074	607,513
Retirement and other long-term employee benefits obligations	552,972	386,797
	81,123,022	77,175,881
Current liabilities		
Trade payables, other payables and accruals	28,327,507	29,956,821
Amounts due to associates	1,804,650	969,497
Amounts due to joint ventures	102,506	397,203
Amounts due to other related companies	1,483,091	4,997,201
Current income tax liabilities	1,038,175	1,322,159
Borrowings	19,939,669	14,313,260
Derivative financial instruments	34,474	—
	52,730,072	51,956,141
Total liabilities	133,853,094	129,132,022
Total equity and liabilities	218,919,088	213,864,903
Net current liabilities	(21,323,581)	(20,921,634)
Total assets less current liabilities	166,189,016	161,908,762

Management's Discussion and Analysis

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended	
	30 June 2014 HK\$'000 (unaudited)	30 June 2013 HK\$'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES - NET	12,715,963	12,256,973
Cash flows from investing activities		
Dividends received from associates	527,296	88,073
Dividends received from joint ventures	751,678	—
Dividends received from available-for-sale investments	23,501	—
(Increase)/decrease in pledged and restricted bank deposits	(626,809)	84,456
Net cash inflow on acquisition of subsidiaries	—	5,007,498
Net cash inflow on disposal of equity investments	583,654	423,626
Acquisition of and deposits paid for property, plant and equipment and prepaid lease payments	(10,651,290)	(9,847,885)
Acquisition of and deposits paid for mining rights and exploration and resources rights	(114,053)	(378,085)
Capital contributions into associates	—	(232,838)
Capital contributions into a joint venture	(219,763)	—
(Loans to)/repayments from associates	(1,753,117)	3,322,986
Other investing cash inflows	205,270	543,976
CASH FLOWS FROM INVESTING ACTIVITIES - NET	(11,273,633)	(988,193)
Cash flows from financing activities		
Proceeds from bank and other borrowings raised	18,663,936	15,478,613
Proceeds from issuance of notes discounted	716,924	—
Proceeds from issuance of shares for exercised options	20,385	156,817
Capital contributions from non-controlling interests	167,432	137,865
Repayment of bank and other borrowings	(8,723,701)	(20,920,274)
Repayment of loan due to an intermediate holding company	(4,285,740)	—
Repayment of advances due to other related companies	(35,385)	—
Advances from associates	844,253	425,570
Repayment of advances due to joint ventures	(290,934)	—
Dividends paid to owners of the Company	(3,182,310)	(2,134,940)
Dividends paid to non-controlling interests of the subsidiaries	(841,520)	(1,760,159)
Interests paid	(2,180,659)	(1,919,948)
Coupon paid on perpetual capital securities	(210,766)	(211,096)
Cash Flows generated from/(used in) financing activities - net	661,915	(10,747,552)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,104,245	521,228
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,035,046	4,397,289
EXCHANGE (LOSSES)/GAINS	(67,264)	218,908
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8,072,027	5,137,425

Management's Discussion and Analysis

Overview

For the six months ended 30 June 2014, our net profit increased by 13.8% to HK\$6,064 million from HK\$5,331 million for the same period in 2013.

It was mainly due to the increase in net generation volume of our subsidiary power plants, and decrease in average unit fuel cost of our consolidated operating coal-fired power plants in comparison with the first half of 2013. Our operating profit for the first half of 2014 increased by 6.9% to HK\$8,917 million as compared to the same period in 2013, which resulted in an increase in net profit of 13.8% for the first half of 2014 as compared to the same period in 2013.

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

- Increase in turnover. Turnover in the first half of 2014 increased by 10.8%, mainly attributable to the increase in net generation volume of our subsidiary power plants as compared to the same period last year as a result of the newly commissioned attributable capacity of 2,900MW coal-fired power projects and 328 MW wind power projects, and Shanxi China Resources Daning Energy Co., Ltd ("CR Daning") was consolidated as a subsidiary from March 2013. This was partially offset by a decrease in sales volume of our subsidiary coal mines, fall in the average sales price of coal and on-grid tariff cut for our coal-fired power plants in the second half of last year;
- Decrease in unit fuel costs. Average unit fuel cost was RMB194.8/MWh, representing a decrease of 11.7% when compared with the first half of 2013, which is mainly due to falling coal prices. In the first half of the year, the unit price of standard coal decreased by 9.2% and the net generation standard coal consumption rate decreased by 4.54g/KWh when compared with the same period last year;
- Increase in gains on change in fair value. Gains on change in fair value amounted to HK\$575 million for the first half of 2014, compared to HK\$0.5 million for the first half of 2013, which was mainly due to the recognition of gains on changes in fair value of the call option to acquire additional 16% equity interest in Hezhou Power Plant, a joint venture, in the first half of this year; and
- Decrease in finance costs. The finance costs for the first half of 2014 amounted to HK\$1,548 million, representing a decrease of approximately HK\$156 million or 9.2% in comparison with the first half of 2013, which was mainly due to the decrease in average funding cost of bank and other borrowings by approximately 0.22 percentage point to approximately 4.58% from 4.80% in the first half of 2013 and interest capitalisation of the projects under construction.

However, these increases were offset by the following:

- Increase in asset impairment charges. Impairment charges increased by HK\$1,376 million or 220.8% to HK\$1,999 million for the first half of 2014 from HK\$623 million for the first half of last year, which was mainly due to the recognition of impairment charges in respect of coal mine assets of the Group;
- Increase in exchange losses. As a result of fluctuations in the exchange rate of Renminbi ("RMB") against the Hong Kong Dollar ("HKD"), exchange losses in the first half of 2014 was approximately HK\$277 million, as compared to exchange gains of approximately HK\$464 million for the same period last year; and
- Increase in income tax expense. Due to improvement of profitability of our subsidiary power plants and expiration of preferential taxation treatment enjoyed by certain of our power plants, income tax expense increased by HK\$464 million or 29.8% as compared to the same period last year.

Management's Discussion and Analysis

Basis of preparation of financial statements and principal accounting policies

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

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

The Group had net current liabilities as at 30 June 2014. The directors of the Company are of the opinion that, taking into account the current available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is, at least for the next 12 months from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

SEGMENT INFORMATION

The Group is engaged in three business areas - thermal power (inclusive of coal-fired and gas-fired power plants), renewable energy (inclusive of wind farms and hydro-electric projects) and coal mining.

Segmental information on these operating segments are set out below.

For the six months ended 30 June 2014

	Coal-fired power HK\$'000	Renewable energy HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue					
External sales	31,594,141	2,272,327	1,959,574	—	35,826,042
Inter-segment sales	—	—	121,392	(121,392)	—
Total	31,594,141	2,272,327	2,080,966	(121,392)	35,826,042
Segment profit/(loss)	8,827,316	1,286,385	(1,809,298)	—	8,304,403
Central corporate expenses					(331,029)
Interest income					92,650
Fair value changes on derivative financial instruments					575,030
Gains on disposal of equity investments					275,868
Finance costs					(1,548,313)
Share of results of associates					306,107
Share of results of joint ventures					278,341
Profit before income tax					7,953,057

Management's Discussion and Analysis

For the six months ended 30 June 2013

	Coal-fired power HK\$'000	Renewable energy HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue					
External sales	28,322,671	1,700,409	2,324,027	—	32,347,107
Inter-segment sales	—	—	12,142	(12,142)	—
Total	28,322,671	1,700,409	2,336,169	(12,142)	32,347,107
Segment profit	6,818,725	1,038,692	688,131	—	8,545,548
Central corporate expenses					(296,815)
Interest income					111,226
Fair value changes on derivative financial instruments					522
Losses on disposal of equity investments					(20,067)
Finance costs					(1,704,337)
Share of results of associates					829,151
Share of results of joint ventures					233,295
Profit before income tax					7,698,523

Geographical information

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

Turnover

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

Turnover for the first half of 2014 was HK\$35,826 million, representing a 10.8% increase from HK\$32,347 million for the first half of 2013. The increase in turnover was mainly due to a year-on-year increase in total net generation volume of our consolidated operating power plants by 12.7% as a result of the commissioning of new generation units, as well as the consolidation of CR Daning since March 2013 as a subsidiary of the Group. This was partially offset by the decrease in sales volume of our subsidiary coal mines, decrease in average sales price of coal per tonne as compared to the same period last year in the first half of 2014 and on-grid tariff cut for our coal-fired power plants in the second half of last year.

Management's Discussion and Analysis

Operating expenses

Operating expenses mainly comprise fuels, repairs and maintenance, depreciation and amortisation, employee benefit expenses, consumables, impairment charges, business tax and surcharge, and other operating expenses. Other operating expenses include (among others) coal safety production fees, land sliding fees, production maintenance fees, sustainable development funds, coal sales costs, utility expenses, discharge fees, administrative fees, professional fees, entertainment expenses, travelling expenses, water charges, insurance fees, vehicle expenses, office rent and other management fees. Total operating expenses for the first half of 2014 amounted to HK\$28,180 million, representing an increase of HK\$2,963 million or 11.8% from HK\$25,217 million in the first half of 2013.

Fuels in the first half of 2014 amounted to approximately HK\$16,407 million, representing an increase of HK\$531 million or 3.3% from HK\$15,876 million in the first half of 2013. Although the net generation volume of our consolidated power plants increased by 12.7% over the same period last year, the average unit fuel cost for our consolidated coal-fired power plants in the first half of 2014 decreased by 11.7% over the same period last year, as a result, fuels only increased by 3.3% over the same period last year.

Repairs and maintenance increased from HK\$761 million for the first half of 2013 to HK\$830 million for the first half of 2014, representing an increase of HK\$69 million or 9.0%. The increase in repairs and maintenance expenses was mainly due to increased generation capacity and the fact that some of the newly commissioned power plants made monthly provision for repairs and maintenance expenses.

Depreciation and amortisation increased from HK\$3,451 million for the first half of 2013 to HK\$4,080 million for the first half of 2014, representing an increase of HK\$628 million or 18.2%. This was mainly due to (1) an increase in the operational generation capacity to 29,897MW as at 30 June 2014 from 26,062MW as at 30 June 2013. New coal-fired power plants and wind farms commissioned during the first half of the year are all subsidiary power plants; and (2) CR Daning was consolidated into the Group as a subsidiary of the Company since March 2013.

Employee benefit expenses increased by HK\$424 million or 21.9% from HK\$1,939 million in the first half of 2013 to HK\$2,363 million in the first half of 2014. This was due to an increase in our generating capacity and additional employee termination benefits incurred in respect of the units of Jinzhou Power Plant in Liaoning which were closed down in the first half of 2014.

Business tax and surcharge increased by 26.8% from HK\$264 million in the first half of 2013 to HK\$334 million. This was mainly attributable to the decrease in input value-added tax as a result of a decline in coal prices and the fact that certain power plants began to pay the value-added tax following full utilization of equipment input value-added tax deduction.

Impairment charges increased by 220.8% from approximately HK\$623 million in the first half of 2013 to HK\$1,999 million, mainly due to the recognition of impairment charges in respect of coal mine assets of the Group.

Other operating expenses decreased from HK\$1,859 million for the first half of 2013 to HK\$1,699 million for the first half of 2014. Other operating expenses for the first half of 2014 mainly included other production costs for our coal operations such as safety production fees, land sliding fees, production maintenance fees, sustainable development funds, environmental restoration assurance fund, coal mine transformation development fund and coal selling expense in an aggregated amount of approximately HK\$174 million; other production costs for electricity operations such as discharge fees, utility expenses, water charges and insurance fees in an aggregated amount of approximately HK\$738 million; and management fees such as entertainment expenses, travelling expenses, taxes, office rent, building management fees, utility expenses, air-condition expenses, vehicle expenses, professional fees, start-up costs, transportation costs, conference fees, consumables, printing and stationary costs and other administrative fees in an aggregated amount of approximately HK\$787 million.

Management's Discussion and Analysis

Other income and other gains/(losses) - net

Other income amounted to approximately HK\$671 million for the first half of 2014, representing a decrease of HK\$91 million or 11.9% from HK\$762 million for the first half of 2013. Other income mainly included sales of scrap materials of approximately HK\$341 million, interest income of approximately HK\$93 million, government grant of approximately HK\$72 million, service income from heat connection contracts of approximately HK\$38 million and dividend income of approximately HK\$26 million.

Other gains - net amounted to approximately HK\$600 million for the first half of 2014, comprising exchange losses of HK\$277 million as a result of the depreciation of Renminbi against Hong Kong Dollar in the first half of this year, gain on disposal of equity investments of HK\$276 million, and gain on change in fair value of the call option to indirectly acquire additional 16% equity interest in Hezhou Power Plant, a joint venture, of HK\$576 million recognised in accordance with accounting standards. Other gains - net recorded gains of HK\$449 million for the same period last year, including exchange gains of approximately HK\$464 million recorded for the same period last year.

Fair value change on derivative financial instruments

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

Derivatives were initially recognised at fair value at the date when a derivative contract was entered into and subsequently re-measured their fair values at each balance sheet date. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges were deferred in equity. The gain or loss relating to the ineffective portion would be recognised immediately in the income statement under other gain/(losses). The losses of the ineffective portion arising from fair value changes of derivative financial instruments for the first half of 2014 were HK\$868,000 (The gains for the first half of 2013: HK\$522,000).

In 2010, the Group and an independent third party (the "Partner") entered into a share subscription agreement ("Share Subscription Agreement") and pursuant to which they formed a company, namely Resources J Energy Investment Limited ("Resources J"), and Resources J indirectly holds 100% equity interest in Hezhou Power Plant.

Pursuant to a Call Option Agreement entered into between the Group and the Partner dated 19 August 2010, the Partner granted the Group a call option at a consideration of HK\$1 to acquire 16% equity interest ("Call Option Shares") in Resources J at a pre-determined consideration. The consideration is determined based on the capital contributed by the Partner attributable for the Call Option Shares plus interest accrued at a compound annual interest rate at 5.5%, reduced by the dividend received by the Partner in respect of the Call Option Shares and the interest on dividend received by the Partner in respect of the Call Option Shares. The call option can be exercised on any business day within the period from 17 December 2015 to 1 January 2016 ("Call Option Period"). As of 30 June 2014, the fair value of the call option is assessed to be approximately HK\$575,898,000 and has been recognised as gain on fair value change of derivative financial instruments.

Management's Discussion and Analysis

Operating profit

Operating profit represents profit from the Company and its subsidiaries before deduction of finance costs, income tax expenses and non-controlling interests. Operating profit amounted to HK\$8,917 million for the first half of 2014, representing an increase of HK\$577 million or 6.9% from HK\$8,340 million for the first half of 2013. The increase was mainly due to (1) an increase in profit of power plants as a result of the decrease in unit fuel cost of our subsidiary power plants; (2) profit contribution from newly commissioned coal-fired generation units, which was partially offset by (3) decrease in profit of coal operations resulted from the reduction of sales volume of our subsidiary coal mines and fall in sales price of coal; (4) increase in impairment charges; and (5) an increase in exchange losses.

Finance costs

Finance costs amounted to approximately HK\$1,548 million for the first half of 2014, representing a decrease of 9.2% from HK\$1,704 million for the first half of 2013, mainly due to the decrease in the average cost of bank and other borrowings by approximately 0.22 percentage point to approximately 4.58% from 4.80% in the first half of 2013 and interest capitalisation of the projects under construction. The average amount of bank and other borrowings (being the average of the sum of total interest-bearing liabilities at the beginning and the end of the period) increased to HK\$94,873 million in the first half of 2014 from HK\$82,890 million in the first half of 2013.

	Six months ended	
	30 June 2014 HK\$'000	30 June 2013 HK\$'000
Interests on bank borrowings		
– wholly repayable within five years	1,189,547	1,085,317
– not wholly repayable within five years	412,907	353,372
Interests on corporate bonds		
– wholly repayable within five years	300,501	113,676
– not wholly repayable within five years	112,073	311,205
Interests on loans from related parties		
– wholly repayable within five years	15,451	36,052
Others	108,671	97,537
	2,139,150	1,997,159
Less: Interests capitalised in property, plant and equipment	(590,837)	(292,822)
	1,548,313	1,704,337

Share of results of associates

Share of results of associates in the first half of 2014 amounted to HK\$306 million, representing a 63.1% decrease from HK\$829 million in the first half of 2013. The decrease was mainly due to (1) CR Daning was consolidated into the Group as a subsidiary in the first half of this year, while it was accounted for as an associate prior to March 2013; (2) the increase in losses of associate coal mines due to weak market conditions in the first half of 2014, and the recognition of asset impairment charges in respect of certain associates of the Company; and (3) the decrease in the net generation volume due to scheduled overhaul of certain associate coal-fired power plants of the Group in the first half of 2014.

Management's Discussion and Analysis

Share of results of joint ventures

Share of results of joint ventures in the first half of 2014 amounted to HK\$278 million, as compared to HK\$233 million in the first half of last year. This was mainly attributable to the profit contributed by Hezhou Power Plant in Guangxi, a joint venture of the Group.

Income tax expense

Income tax expense for the first half of 2014 amounted to HK\$2,022 million, representing an increase of HK\$464 million or 29.8% from HK\$1,558 million for the first half of 2013. The increase in PRC enterprise income tax was mainly due to (1) the increase in profit of our consolidated power plants; (2) the increase in tax rates due to the expiration of tax concessions for certain subsidiary coal-fired power plants; and (3) certain consolidated wind power projects entering preferential income tax stage with 50% concession or paying full tax rate. Details of the income tax expense for the six months ended 30 June 2013 and 2014 are set out below:

	Six months ended	
	30 June 2014 HK\$'000	30 June 2013 HK\$'000
Current income tax - PRC enterprise income tax	2,222,255	1,555,245
Deferred income tax	(200,442)	2,750
	2,021,813	1,557,995

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

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

Management's Discussion and Analysis

Profit for the period

	Six months ended	
	30 June 2014 HK\$'000	30 June 2013 HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	3,901,549	3,276,684
Amortisation of prepaid lease payments	36,462	39,940
Amortisation of mining rights	141,648	134,815
Total depreciation and amortisation	4,079,659	3,451,439
Employee benefit expenses	2,363,102	1,938,669
Included in other income		
Sales of scrap materials	341,378	251,543
Dividend income	26,178	151,965
Government grant	71,829	117,624
Interest income	92,650	111,226
Service income from heat connection contracts	38,012	1,832
Service fee income	23,689	18,581
Management fee income	18,395	12,857
Sales of outsourcing coal	17,179	38,706
CERs income	—	3,100
Others	41,592	54,156
Included in other gains and losses		
Fair value changes on derivative financial instruments	575,030	522
Gains/(losses) on disposal of equity investment	275,868	(20,067)
Net exchange (losses)/gains	(276,745)	464,223
Others	26,282	4,162

Profit for the period attributable to owners of the Company

As a result of the above, the Group's net profit for the first half of 2014 amounted to approximately HK\$6,064 million, representing an increase of 13.8% as compared to HK\$5,331 million in the first half of 2013.

Management's Discussion and Analysis

Earnings per share

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

	Six months ended	
	30 June 2014	30 June 2013
	HK\$'000	HK\$'000
Profit attributable to owners of the Company	6,063,754	5,330,636

	Number of ordinary shares Six months ended	
	30 June 2014	30 June 2013
	Weighted average number of ordinary shares for the purpose of basic earnings per share	4,754,356,560
Effect of dilutive potential ordinary shares: – share options	12,457,136	23,528,627
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,766,813,696	4,758,721,509

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of 8 HK cents per share for the six months ended 30 June 2014 (2013: interim dividend of 8 HK cents per share). Based on the number of shares in issue at the date of the Company's announcement dated 18 August 2014, the aggregate amount of the interim dividend is estimated to be HK\$384 million.

At the Board meeting held on 17 March 2014, the Directors proposed a final dividend of HK\$0.67 per share for the year ended 31 December 2013. The proposal was subsequently approved by the shareholders of the Company on 10 June 2014. The final dividend paid in 2014 was approximately HK\$3,186 million (2013: HK\$2,135 million).

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on 25 September 2014. The register of members of the Company will be closed from Monday, 22 September 2014 to Thursday, 25 September 2014 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 19 September 2014. The dividend will be payable on or about Friday, 10 October 2014.

Capital structure management

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

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

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

Management's Discussion and Analysis

Liquidity and financial resources, borrowings, and charge of assets

The Group had net current liabilities of approximately HK\$21,324 million as at 30 June 2014. The Directors are of the opinion that, taking into account the current available banking facilities and net operating cash inflows generated internally by the Group, the Group has sufficient working capital for its present requirements, that is, at least for the next 12 months from the date of the condensed consolidated financial statements.

Cash and cash equivalents as at 30 June 2014 denominated in local currency and foreign currencies mainly included HK\$506 million, RMB5,238 million and US\$125 million, respectively.

The bank and other borrowings of the Group as at 31 December 2013 and 30 June 2014 were as follows:

	As at 30 June 2014 HK\$'000	As at 31 December 2013 HK\$'000
Secured bank loans	5,725,822	5,525,013
Unsecured bank loans	73,969,621	64,612,881
Corporate bonds and notes	17,482,052	17,613,712
Loans from related parties	—	4,817,851
	97,177,495	92,569,457

The maturity profile of the above bank and other loans is as follows:

	As at 30 June 2014 HK\$'000	As at 31 December 2013 HK\$'000
Within 1 year	19,939,669	19,131,111
Between 1 and 2 years	14,313,763	14,579,142
Between 2 and 5 years	42,660,125	37,698,033
Over 5 years	20,263,938	21,161,171
	97,177,495	92,569,457
The above secured bank and other borrowings are secured by:		
Pledge of assets (note)	4,605,029	4,582,227

Note: Certain bank loans were secured by the Group's land use rights, buildings, power generating plant and equipment with carrying values of HK\$40,218,000 (2013: HK\$40,942,000), HK\$949,141,000 (2013: HK\$971,465,000) and HK\$3,615,670,000 (2013: HK\$3,569,820,000).

The bank and other borrowings as at 30 June 2014 denominated in local currency and foreign currencies amounted to HK\$35,476 million, RMB43,893 million and US\$824 million, respectively.

The Group made use of interest rate swaps (net quarterly settlement) to minimise its exposure to changes in interest expenses of certain Hong Kong Dollar bank borrowings by swapping floating interest rates into fixed interest rates. As at 30 June 2014, loans of HK\$8,002 million which were provided using floating rates were swapped into fixed interest rates at a range from 1.12% to 2.33% per annum.

As at 30 June 2014, the Group's ratio of net debt to shareholders' equity was 130.7%. In the opinion of the Directors, the Group has a reasonable capital structure, which can support its future development plans and operations.

Management's Discussion and Analysis

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. As at 30 June 2014, deposits amounting to HK\$814,600,000 had been pledged to secure bank acceptance bills. For the six months ended 30 June 2014, the Group's primary sources of funding included new bank borrowings and net cash inflow from operating activities, which amounted to HK\$18,664 million and HK\$12,716 million respectively. The Group's funds were primarily used for the repayment of bank borrowings, acquisition of and deposits paid for property, plant and equipment and prepaid lease payments, repayment of loan due to an intermediate holding company (consideration for acquisition of equity interest in Elite Wing), interest and dividend payments, which amounted to HK\$8,724 million, HK\$10,651 million, HK\$4,286 million, HK\$2,181 million and HK\$4,024 million respectively.

Trade receivables, other receivables and prepayments

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

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

	As at 30 June 2014 HK\$'000	As at 31 December 2013 HK\$'000
0-30 days	7,625,079	9,240,964
31-60 days	518,787	684,262
Over 60 days	2,327,715	2,287,630
	10,471,581	12,212,856

Trade payables

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

	As at 30 June 2014 HK\$'000	As at 31 December 2013 HK\$'000
0-30 days	7,412,808	5,730,765
31-90 days	769,355	1,829,807
Over 90 days	1,141,171	2,878,940
	9,323,334	10,439,512

Key financial ratios of the Group

	As at 30 June 2014	As at 31 December 2013
Current ratio (times)	0.60	0.60
Quick ratio (times)	0.53	0.53
Net debt to shareholders' equity (%)	130.7%	132.2%
EBITDA interest coverage (times) ⁽¹⁾	7.1	6.6

Management's Discussion and Analysis

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

Note:

(1) Excluding one-off non-cash charges, such as impairment charges, fair value change on derivative financial instrument, net exchange gains and losses.

Foreign exchange risk

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

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

The majority of the Group's operations are in the PRC and transactions are mainly denominated in RMB which is the functional currency of the respective group entities. Foreign exchange risk mainly arises from certain borrowings denominated in HKD and USD, particularly depreciation of the RMB against HKD and USD. The Group does not use derivative financial instruments to hedge its exposure against changes in exchange rates of the RMB against HKD and USD.

As at 30 June 2014, the Group had HK\$506 million and US\$125 million cash at bank, and HK\$35,476 million and US\$824 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2014.

Employees

As at 30 June 2014, the Group had approximately 41,176 employees.

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

Report on Review of Interim Financial Information

**TO THE BOARD OF DIRECTORS OF
CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED**
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 35 to 67, which comprises the interim condensed consolidated balance sheet of China Resources Power Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2014 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 August 2014

Interim Condensed Consolidated Statement of Income

For the six months ended 30 June 2014

	Note	Unaudited Six months ended 30 June	
		2014 HK\$'000	2013 HK\$'000
Turnover	6	35,826,042	32,347,107
Operating expenses			
Fuels		(16,406,962)	(15,876,097)
Repairs and maintenance		(829,994)	(761,213)
Depreciation and amortisation		(4,079,659)	(3,451,439)
Employee benefit expenses		(2,363,102)	(1,938,669)
Consumables		(467,634)	(443,911)
Impairment charges	13	(1,999,262)	(623,287)
Business tax and surcharge		(334,410)	(263,670)
Others		(1,699,434)	(1,858,837)
Total operating expenses		(28,180,457)	(25,217,123)
Other income	7	670,902	761,590
Other gains – net	8	600,435	448,840
Operating profit		8,916,922	8,340,414
Finance costs	9	(1,548,313)	(1,704,337)
Share of results of associates	14	306,107	829,151
Share of results of joint ventures	15	278,341	233,295
Profit before income tax		7,953,057	7,698,523
Income tax expense	10	(2,021,813)	(1,557,995)
Profit for the period		5,931,244	6,140,528
Profit for the period attributable to:			
Owners of the Company		6,063,754	5,330,636
Non-controlling interests			
– Perpetual capital securities		210,900	210,962
– Others		(343,410)	598,930
		(132,510)	809,892
		5,931,244	6,140,528
Earnings per share attributable to owners of the Company during the period	11		
– Basic		HK\$1.28	HK\$1.13
– Diluted		HK\$1.27	HK\$1.12

The notes on pages 42 to 67 are an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2014

	Note	Unaudited Six months ended 30 June	
		2014 HK\$'000	2013 HK\$'000
Profit for the period		5,931,244	6,140,528
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation difference		(732,496)	1,077,035
Share of changes in translation reserve of associates and joint ventures		(69,887)	127,115
Fair value changes on cash flow hedges, net of tax		34,117	123,864
Total items that may be reclassified subsequently to profit or loss		(768,266)	1,328,014
Total comprehensive income for the period, net of tax		5,162,978	7,468,542
Attributable to:			
Owners of the Company		5,411,259	6,465,506
Non-controlling interests			
– Perpetual capital securities		210,900	210,713
– Others		(459,181)	792,323
		(248,281)	1,003,036
		5,162,978	7,468,542

The notes on pages 42 to 67 are an integral part of this condensed consolidated interim financial information.

		HK\$'000	HK\$'000
Dividends	12	383,607	382,616

Interim Condensed Consolidated Balance Sheet

As at 30 June 2014

	Note	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	137,632,556	131,579,042
Prepaid lease payments		2,920,839	2,747,683
Mining rights	13	19,130,591	21,381,263
Exploration and resources rights		170,931	172,565
Prepayments for non-current assets		5,949,957	7,066,387
Investments in associates	14	11,994,948	12,995,773
Loans to an associate	20	1,654,502	—
Investments in joint ventures	15	2,278,818	1,873,202
Goodwill	16	3,117,660	3,126,941
Deferred income tax assets		702,945	494,493
Available-for-sale investments	17	1,365,944	1,375,876
Derivative financial instruments	18	575,898	—
Loan to a non-controlling shareholder of a subsidiary		17,008	17,171
		187,512,597	182,830,396
Current assets			
Inventories		3,207,078	3,481,838
Trade receivables, other receivables and prepayments	19	16,487,482	18,344,979
Loans to associates	20	931,022	839,447
Loans to joint ventures	21	370,461	369,903
Loan to an available-for-sale investee company		275,227	277,860
Amounts due from associates		649,975	264,727
Amounts due from joint ventures		106,993	778,419
Amounts due from other related companies		78,486	41,329
Financial assets at fair value through profit or loss		2,928	2,956
Pledged and restricted bank deposits	22	1,224,812	598,003
Cash and cash equivalents		8,072,027	6,035,046
		31,406,491	31,034,507
Total assets		218,919,088	213,864,903

Interim Condensed Consolidated Balance Sheet

As at 30 June 2014

	Note	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK\$'000
EQUITY AND LIABILITY			
Equity attributable to owners of the Company			
Share capital: nominal value	23	—	4,791,457
Other statutory capital reserves	23	—	17,232,192
Share capital and other statutory capital reserves	23	22,053,697	22,023,649
Other reserves	24	12,877,370	12,264,103
Retained profits		32,299,322	30,697,309
		67,230,389	64,985,061
Non-controlling interests			
– Perpetual capital securities	26	5,897,140	5,897,006
– Others		11,938,465	13,850,814
		17,835,605	19,747,820
Total equity		85,065,994	84,732,881
LIABILITIES			
Non-current liabilities			
Borrowings	27	77,237,826	73,438,346
Derivative financial instruments	18	105,929	173,652
Deferred income tax liabilities		2,580,221	2,569,573
Deferred income		646,074	607,513
Retirement and other long-term employee benefits obligations		552,972	386,797
		81,123,022	77,175,881
Current liabilities			
Trade payables, other payables and accruals	28	28,327,507	29,956,821
Amounts due to associates	29	1,804,650	969,497
Amounts due to joint ventures		102,506	397,203
Amounts due to other related companies	30	1,483,091	4,997,201
Current income tax liabilities		1,038,175	1,322,159
Borrowings	27	19,939,669	14,313,260
Derivative financial instruments	18	34,474	—
		52,730,072	51,956,141
Total liabilities		133,853,094	129,132,022
Total equity and liabilities		218,919,088	213,864,903
Net current liabilities		(21,323,581)	(20,921,634)
Total assets less current liabilities		166,189,016	161,908,762

The notes on pages 42 to 67 are an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	Unaudited										Non-controlling interests			Total equity	
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Attributable to owners of the Company Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share-based compensation reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Perpetual capital securities HK\$'000	Others HK\$'000	Total HK\$'000	Total HK\$'000
Balance at 1 January 2014	4,791,457	17,232,192	3,564,411	40,782	168,376	(601,809)	9,172,914	86,236	(166,807)	30,697,309	64,985,061	5,897,006	13,850,814	19,747,820	84,732,881
Profit for the period	—	—	—	—	—	—	—	—	—	6,063,754	6,063,754	210,900	(343,410)	(132,510)	5,931,244
Currency translation difference	—	—	—	—	—	—	(616,725)	—	—	—	(616,725)	—	(115,771)	(115,771)	(732,496)
Share of changes in translation reserve of associates and joint ventures (Notes 14, 15)	—	—	—	—	—	—	(69,887)	—	—	—	(69,887)	—	—	—	(69,887)
Cash flow hedges	—	—	—	—	—	—	—	—	34,117	—	34,117	—	—	—	34,117
Total comprehensive income for the period ended 30 June 2014	—	—	—	—	—	—	(686,612)	—	34,117	6,063,754	5,411,259	210,900	(459,181)	(248,281)	5,162,978
Transactions with owners															
Shares issued upon exercise of options	2,759	17,626	—	—	—	—	—	—	—	—	20,385	—	—	—	20,385
Transition to no-par value regime on 3 March 2014	17,259,481	(17,259,481)	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital contributions by non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	167,432	167,432	167,432
Transfer of share option reserve upon exercise of share options	—	9,663	—	—	—	—	—	(9,663)	—	—	—	—	—	—	—
Interest paid for perpetual capital securities	—	—	—	—	—	—	—	—	—	—	—	(210,766)	—	(210,766)	(210,766)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(1,620,600)	(1,620,600)	(1,620,600)
Dividends paid to owners of the Company	—	—	—	—	—	—	—	—	—	(3,186,316)	(3,186,316)	—	—	—	(3,186,316)
Profit appropriation to reserves	—	—	1,235,310	—	—	—	—	—	—	(1,235,310)	—	—	—	—	—
Transfers (Note 24)	—	—	—	—	109,405	—	—	—	—	(109,405)	—	—	—	—	—
Transfers upon utilisation (Note 24)	—	—	—	—	(69,290)	—	—	—	—	69,290	—	—	—	—	—
Transactions with owners	17,262,240	(17,232,192)	1,235,310	—	40,115	—	—	(9,663)	—	(4,461,741)	(3,165,931)	(210,766)	(1,453,168)	(1,663,934)	(4,829,865)
Balance at 30 June 2014	22,053,697	—	4,799,721	40,782	208,491	(601,809)	8,486,302	76,573	(132,690)	32,299,322	67,230,389	5,897,140	11,938,465	17,835,605	85,065,994

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	Attributable to owners of the Company										Non-controlling interests			Total equity	
	Shares held														
	Share capital	Share premium	General reserve	Special reserve	Capital reserve	for share award scheme	Transition reserve	Share-based compensation reserve	Hedging reserve	Retained profits	Total	Perpetual capital securities	Others	Total	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2013	4,762,863	16,964,744	1,740,980	40,782	162,835	(601,809)	7,124,465	185,705	(317,023)	23,979,441	54,042,983	5,897,056	8,955,962	14,853,018	68,896,001
Profit for the period	—	—	—	—	—	—	—	—	—	5,330,636	5,330,636	210,962	598,930	809,892	6,140,528
Currency translation difference	—	—	—	—	—	—	883,891	—	—	—	883,891	(249)	193,393	193,144	1,077,035
Share of changes in translation reserve of associates and joint ventures	—	—	—	—	—	—	127,115	—	—	—	127,115	—	—	—	127,115
Cash flow hedges	—	—	—	—	—	—	—	—	123,864	—	123,864	—	—	—	123,864
Total comprehensive income for the period ended 30 June 2013	—	—	—	—	—	—	1,011,006	—	123,864	5,330,636	6,465,506	210,713	792,323	1,003,036	7,468,542
Transactions with owners															
Shares issued upon exercise of options	19,631	137,186	—	—	—	—	—	—	—	—	156,817	—	—	—	156,817
Acquisitions of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	5,891,046	5,891,046	5,891,046
Capital contributions by non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	137,865	137,865	137,865
Transfer of share option reserve upon exercise of share options	—	75,816	—	—	—	—	(75,816)	—	—	—	—	—	—	—	—
Interest paid for perpetual capital securities	—	—	—	—	—	—	—	—	—	—	—	(211,096)	—	(211,096)	(211,096)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(1,938,982)	(1,938,982)	(1,938,982)
Dividends paid to owners of the Company	—	—	—	—	—	—	—	—	—	(2,134,940)	(2,134,940)	—	—	—	(2,134,940)
Profit appropriation to reserves	—	—	1,275,401	—	—	—	—	—	—	(1,275,401)	—	—	—	—	—
Transfers (Note 24)	—	—	—	—	128,089	—	—	—	—	(128,089)	—	—	—	—	—
Transfers upon utilisation (Note 24)	—	—	—	—	(108,103)	—	—	—	—	108,103	—	—	—	—	—
Others	—	—	(540)	—	—	—	—	—	—	—	(540)	—	—	—	(540)
Transactions with owners	19,631	213,002	1,274,861	—	19,986	—	(75,816)	—	—	(3,430,327)	(1,978,663)	(211,096)	4,089,929	3,878,833	1,900,170
Balance at 30 June 2013	4,782,494	17,177,746	3,015,841	40,782	182,821	(601,809)	8,135,471	109,889	(193,159)	25,879,750	58,529,826	5,896,673	13,838,214	19,734,887	78,264,713

The notes on pages 42 to 67 are an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	Note	Unaudited Six months ended 30 June	
		2014 HK\$'000	2013 HK\$'000
Cash flows from operating activities - net		12,715,963	12,256,973
Cash flows from investing activities			
Dividends received from associates		527,296	88,073
Dividends received from joint ventures		751,678	—
Dividends received from available-for-sale investments		23,501	—
(Increase)/decrease in pledged and restricted bank deposits		(626,809)	84,456
Net cash inflow on acquisition of subsidiaries		—	5,007,498
Net cash inflow on disposal of equity investments		583,654	423,626
Acquisition of and deposits paid for property, plant and equipment and prepaid lease payments		(10,651,290)	(9,847,885)
Acquisition of and deposits paid for mining rights and exploration and resources rights		(114,053)	(378,085)
Capital contributions into associates		—	(232,838)
Capital contributions into a joint venture		(219,763)	—
(Loans to)/repayments from associates		(1,753,117)	3,322,986
Other investing cash inflows		205,270	543,976
Cash flows used in investing activities - net		(11,273,633)	(988,193)
Cash flows from financing activities			
Proceeds from bank and other borrowings raised	27	18,663,936	15,478,613
Proceeds from notes discounted		716,924	—
Proceeds from issuance of shares for exercised options		20,385	156,817
Capital contribution from non-controlling interests		167,432	137,865
Repayment of bank and other borrowings	27	(8,723,701)	(20,920,274)
Repayment of loan due to an intermediate holding company		(4,285,740)	—
Repayment of advances due to other related companies		(35,385)	—
Advances from associates		844,253	425,570
Repayment of advances due to joint ventures		(290,934)	—
Dividends paid to owners of the Company		(3,182,310)	(2,134,940)
Dividends paid to non-controlling interests of the subsidiaries		(841,520)	(1,760,159)
Interests paid		(2,180,659)	(1,919,948)
Coupon paid on perpetual capital securities		(210,766)	(211,096)
Cash flows generated from/(used in) financing activities - net		661,915	(10,747,552)
Net increase in cash and cash equivalents		2,104,245	521,228
Cash and cash equivalents at beginning of the period		6,035,046	4,397,289
Exchange (losses)/gains		(67,264)	218,908
Cash and cash equivalents at end of the period		8,072,027	5,137,425

The notes on pages 42 to 67 are an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

1 GENERAL INFORMATION

China Resources Power Holdings Company Limited (the "Company") is a public company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The intermediate holding company of the Company as at 30 June 2014 is China Resources (Holdings) Company Limited ("CRH"), a company incorporated in Hong Kong. The directors regard the ultimate holding company of the Company to be China Resources National Corporation ("CRNC"), a company registered in the People's Republic of China (the "PRC").

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") is principally engaged in the construction and operation of power stations and coal mining. The address of the registered office of the Company is Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

This condensed consolidated interim financial information is presented in HK dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 18 August 2014.

This condensed consolidated interim financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKFRSs").

As at 30 June 2014, the Group had net current liabilities of approximately HK\$21,323,581,000. In addition, there was outstanding capital commitment amounting to HK\$26,601,542,000 (Note 31). The directors are of the opinion that, taking into account the current operation and business plan of the Group as well as the banking facilities (Note 27) available to the Group, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due for the coming twelve months from the balance sheet date. Therefore, the condensed consolidated interim financial information has been prepared on a going concern basis.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2013, as described in those annual financial statements.

(a) Standards, amendments, and interpretations to existing standards effective for the financial year beginning on or after 1 January 2014 and relevant to the Group:

- Amendment to HKAS 32 'Financial instruments: Presentation' on asset and liability offsetting. These amendments are to the application guidance in HKAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The change in accounting standard does not have any material impact on the Group.
- Amendment to HKAS 36, 'Impairment of assets' on recoverable amount disclosures. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The change in accounting standard does not have any material impact on the Group.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

3 ACCOUNTING POLICIES (Continued)

(a) Standards, amendments, and interpretations to existing standards effective for the financial year beginning on or after 1 January 2014 and relevant to the Group: (Continued)

- Amendment to HKAS 39 'Financial instruments: Recognition and measurement' - 'Novation of derivatives. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. The change in accounting standard does not have any material impact on the Group.
- HK21 'Levies'. This is an interpretation of HKAS 37, 'Provisions, contingent liabilities and contingent assets'. HKAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The change in accounting standard does not have any material impact on the Group.

(b) New standards and amendments to standards that have been issued but are effective for the financial year after 1 January 2014 and have not been early adopted by the Group:

		Effective for the financial year beginning on or after
HKAS 19 (Amendments)	'Regarding defined benefit plans'	1 July 2014
HKFRS 14	'Regulatory deferral accounts'	1 January 2016
HKFRS 11 (Amendments)	'Accounting for acquisitions of interests in joint operation'	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	'Clarification of acceptable methods of depreciation and amortisation'	1 January 2016
HKFRS15	'Revenue from contracts with customers'	1 January 2017
HKFRS 9	'Financial instruments'	Not yet determined

The management is in the process of making an assessment of the impact of the above standards, and amendments to standards. Management is not yet in a position to state what impact they would have, if any, on the Group's results of operations and financial positions.

4 ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013. In addition, the directors have made updates in their estimates that are required in determining the provision of impairment for certain mining rights of the coal mining segment (see Note 13).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2013.

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

5.2 Liquidity risk

The Group operates a central treasury function at corporate level whereby surplus cash of operating entities within the Group is gathered in a pool. The cash balance in the pool is then advanced to entities within the Group with cash needs. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions in order to meet the liquidity requirements of the Group in the short and longer terms.

As stated in Note 2, the Group had net current liabilities of approximately HK\$21,323,581,000 and outstanding capital commitment of HK\$26,601,542,000 as at 30 June 2014, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the Group had obtained sufficient short and long-term bank facilities at the end of the reporting period. In addition, there are positive operating cash flows generated by power plants owned by the Group in the PRC. In this regard, the directors of the Company consider that the Group's liquidity risk has been significantly reduced and they are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the coming twelve months from 30 June 2014.

5.3 Fair value estimation

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

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

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

5 FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2014:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	2,928	—	—	2,928
Available-for-sale investments (Note b)	—	—	1,365,944	1,365,944
Derivative financial instruments (Note b)	—	—	575,898	575,898
	2,928	—	1,941,842	1,944,770
Liabilities				
Derivative financial instruments (Note a)	—	140,403	—	140,403

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2013:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	2,956	—	—	2,956
Available-for-sale investments	—	—	1,375,876	1,375,876
	2,956	—	1,375,876	1,378,832
Liabilities				
Derivative financial instruments (Note a)	—	173,652	—	173,652

There were no transfers between levels 1, 2 and 3 during the period.

There were no changes in valuation techniques during the period.

- (a) Level 2 derivative financial instruments were interest rate swaps. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

5 FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

- (b) Level 3 instruments mainly included available-for-sale investments in unlisted equity securities and derivative financial instrument in form of call option of an unlisted company. As these investments are not traded in an active market, fair value of available-for-sale investments has been determined using price-earnings ratio model based on the average price-earnings ratio of listed companies which are similar companies. Fair value of derivative financial instrument was based on the intrinsic value and time value of the option, on which the underlying value has been determined using dividend discount model. The details of the assumptions used by the management and the sensitivity analysis are disclosed in Note 18.

The movement of level 3 instruments for the period ended 30 June 2014 were as follows:

	Available- for-sale investments HK\$'000	Derivative financial instrument HK\$'000	Total HK\$'000
Opening balance at 1 January	1,375,876	—	1,375,876
Exchange difference	(9,932)	—	(9,932)
Gains recognised in profit or loss	—	575,898	575,898
Closing balance at 30 June	1,365,944	575,898	1,941,842
Total unrealised gains for the period included in profit or loss for assets held at the end of the reporting period	—	575,898	575,898

The movement of level 3 instruments for the period ended 30 June 2013 were as follows:

	Available- for-sale investments HK\$'000	Derivative financial instrument HK\$'000	Total HK\$'000
Opening balance at 1 January	1,319,116	—	1,319,116
Exchange difference	2,603	—	2,603
Closing balance at 30 June	1,321,719	—	1,321,719
Total unrealised gains for the period included in profit or loss for assets held at the end of the reporting period	—	—	—

All the gains recognised in profit or loss in these periods are attributable to the change in unrealised gains (2013: nil) relating to those assets held at the end of the reporting period.

Unrealised gains relating to the derivative financial instrument are recognised within 'other gains - net' in the interim condensed consolidated statement of income. There were no such gains arising in 2013.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

5 FINANCIAL RISK MANAGEMENT (Continued)

5.4 Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every half a year, in line with the Group's reporting dates.

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

The fair values of financial assets and liabilities measured at amortised cost approximate their carrying amounts.

6 SEGMENT INFORMATION

The chief operating decision-makers mainly include executive directors and members of senior management of the Company. For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews operating results and financial information on a group company by company basis. Each such group company is identified as an operating segment. When the group company operates in similar business model with similar target group of customers, the Group's operating segments are aggregated.

With the development of renewable energy business and the acquisition of certain subsidiaries engaging in this business in 2013, management decided to disclose renewable energy as a separate reportable segment due to its importance since the second half year of 2013, instead of including it in the segment of "Generation of electricity and heat" in prior years. As a result, there are three reportable segments for financial reporting purposes, comprising coal-fired power, renewable energy and coal mining. The disclosure for the six months ended 30 June 2013 was adjusted accordingly.

The bases of segmentation or measuring segment profit or loss have no changes from the annual financial statements as at 31 December 2013.

Segment profit represents the profit earned by each segment without allocation of central corporate expenses, interest income, finance costs, gains on disposal of investments, share of results of associates, share of results of joint ventures, and fair value change on derivative financial instruments. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment information about these operating divisions is presented below.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

6 SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2014:

	Coal-fired power HK\$'000	Renewable energy HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue					
External sales	31,594,141	2,272,327	1,959,574	—	35,826,042
Inter-segment sales	—	—	121,392	(121,392)	—
Total	31,594,141	2,272,327	2,080,966	(121,392)	35,826,042
Segment profit/(loss)	8,827,316	1,286,385	(1,809,298)	—	8,304,403
Central corporate expenses					(331,029)
Interest income					92,650
Fair value changes on derivative financial instruments					575,030
Gains on disposal of equity investments					275,868
Finance costs					(1,548,313)
Share of results of associates					306,107
Share of results of joint ventures					278,341
Profit before income tax					7,953,057

For the six months ended 30 June 2013:

	Coal-fired power HK\$'000	Renewable energy HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue					
External sales	28,322,671	1,700,409	2,324,027	—	32,347,107
Inter-segment sales	—	—	12,142	(12,142)	—
Total	28,322,671	1,700,409	2,336,169	(12,142)	32,347,107
Segment profit	6,818,725	1,038,692	688,131	—	8,545,548
Central corporate expenses					(296,815)
Interest income					111,226
Fair value changes on derivative financial instruments					522
Losses on disposal of equity investments					(20,067)
Finance costs					(1,704,337)
Share of results of associates					829,151
Share of results of joint ventures					233,295
Profit before income tax					7,698,523

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

6 SEGMENT INFORMATION (Continued)

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, interests in joint ventures, pledged bank deposits, and cash and cash equivalents managed by corporate offices, derivative instruments, deferred income tax assets and other unallocated corporate assets; and
- all liabilities are allocated to operating segments other than bank and other borrowings, derivative financial instruments, deferred income tax liabilities, current income tax liabilities, and other unallocated corporate liabilities.

Segment information about the Group's assets and liabilities is presented below:

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Segment assets		
– Coal-fired power	112,948,664	111,990,978
– Renewable energy	34,444,091	26,072,291
– Coal mining	44,177,483	51,853,163
Total segment assets	191,570,238	189,916,432
Investments in associates	11,994,948	12,995,773
Investments in joint ventures	2,278,818	1,873,202
Pledged bank deposits, and cash and cash equivalents	9,296,839	6,633,049
Deferred income tax assets	702,945	494,493
Derivative financial instruments	575,898	—
Other corporate assets, mainly representing assets held by head office and investment holding companies	2,499,402	1,951,954
Consolidated assets	218,919,088	213,864,903
	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Segment liabilities		
– Coal-fired power	20,471,907	26,938,037
– Renewable energy	2,449,386	3,998,277
– Coal mining	9,362,438	5,723,075
Total segment liabilities	32,283,731	36,659,389
Borrowings	97,177,495	87,751,606
Derivative financial instruments	140,403	173,652
Deferred income tax liabilities	2,580,221	2,569,573
Current income tax liabilities	1,038,175	1,322,159
Other corporate liabilities, mainly representing liabilities of head office and investment holding companies	633,069	655,643
Consolidated liabilities	133,853,094	129,132,022

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

7 OTHER INCOME

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Sales of scrap materials	341,378	251,543
Interest income	92,650	111,226
Government grant (Note a)	71,829	117,624
Dividend income (Note b)	26,178	151,965
Service fee income	23,689	18,581
Management fee income	18,395	12,857
Others	96,783	97,794
	670,902	761,590

Note:

- (a) During the period ended 30 June 2014, the Group received grants from certain PRC governmental authorities to subsidise supply of heat at high operating costs amounting to HK\$15,521,000 (six months ended 30 June 2013: HK\$26,892,000). There were no ongoing obligations or conditions attached with these grants and, therefore, the Group recognised the grants upon receipt.

During the period ended 30 June 2014, the Group received grants from various PRC municipal governments for encouraging the operations of certain of its PRC subsidiaries for the increase in supply of electricity, amounting to HK\$32,284,000 (six months ended 30 June 2013: HK\$63,771,000), and for the development of environmentally friendly electricity generation facilities amounting to HK\$12,667,000 (six months ended 30 June 2013: HK\$19,923,000), respectively. There were no ongoing obligations or conditions attached to these grants and, therefore, the Group recognised the grants upon receipt.

During the period ended 30 June 2014, the Group also received grants from certain PRC governmental departments for coalbed methane extraction, amounting to HK\$1,395,000 (six months ended 30 June 2013: HK\$2,256,000) without any ongoing obligations or conditions attached. The Group also recognised the grants as income upon receipt.

During the period ended 30 June 2014, deferred government grants relating to assets amounting to HK\$9,962,000 (six months ended 30 June 2013: HK\$4,782,000) are credited to other income on a straight-line basis over the expected lives of the related assets.

- (b) During the periods ended 30 June 2014 and 2013, all dividend income was derived from unlisted investments.

8 OTHER GAINS – NET

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Fair value changes on derivative financial instruments (Note 18)	575,030	522
Net exchange (losses)/gains	(276,745)	464,223
Gains/(losses) on disposal of equity investments	275,868	(20,067)
Others	26,282	4,162
	600,435	448,840

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

9 FINANCE COSTS

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Interests on bank borrowings		
– wholly repayable within five years	1,189,547	1,085,317
– not wholly repayable within five years	412,907	353,372
Interests on corporate bonds		
– wholly repayable within five years	300,501	113,676
– not wholly repayable within five years	112,073	311,205
Interests on loans from related parties		
– wholly repayable within five years	15,451	36,052
Others	108,671	97,537
	2,139,150	1,997,159
Less: Interests capitalised in property, plant and equipment	(590,837)	(292,822)
	1,548,313	1,704,337

10 INCOME TAX EXPENSE

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Current income tax		
– PRC enterprise income tax	2,222,255	1,555,245
Deferred income tax	(200,442)	2,750
	2,021,813	1,557,995

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected annualised earnings.

No provision for Hong Kong income tax has been made as the Group had no taxable profit in Hong Kong for both periods.

PRC enterprise income tax has been calculated based on the estimated assessable profits in accordance with the relevant tax rates applicable to subsidiaries in the PRC. Companies in the PRC are generally subject to an enterprise income tax rate of 25%. Certain of the Company's PRC subsidiaries enjoy a preferential income tax rate or exemption, ranging from 12.5% to 25%, pursuant to the relevant tax laws and regulations in the PRC.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

11 EARNINGS PER SHARE

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

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Profit attributable to owners of the Company	6,063,754	5,330,636
	Number of ordinary shares for six months ended 30 June	
	2014	2013
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,754,356,560	4,735,192,882
Effect of dilutive potential ordinary shares: – share options	12,457,136	23,528,627
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,766,813,696	4,758,721,509

12 DIVIDENDS

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Dividend recognised as distribution during the period: Final dividend paid in respect of the 2013 financial year of HK\$0.67 (2013: HK\$0.45) per share on 4,755,697,602 shares (2013: 4,744,311,000 shares) (a)	3,186,316	2,134,940
Dividend proposed after the end of the interim reporting period: Interim dividend proposed in respect of the current financial period (b)	383,607	382,616

(a) During the period ended 30 June 2014, dividends recognised as distributions amounted to HK\$3,186,316,000 (six months ended 30 June 2013: HK\$2,134,940,000). They were stated after elimination of HK\$25,461,000 (six months ended 30 June 2013: HK\$17,101,000) paid for shares held by the Medium to Long-term Performance Evaluation Incentive Plan, which is a share award scheme of the Group.

(b) Subsequent to the end of this reporting period, an interim dividend of HK\$0.08 per share (2013: HK\$0.08 per share) was proposed by the board of directors on 18 August 2014. The proposed interim dividend for 2014 is based on 4,795,084,777 shares in issue as at 18 August 2014. This interim dividend, amounting to HK\$383,607,000 (2013: HK\$382,616,000), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year ending 31 December 2014.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

13 PROPERTY, PLANT AND EQUIPMENT/MINING RIGHTS

	Property, plant and equipment HK\$'000	Mining rights HK\$'000	Total HK\$'000
Six months ended 30 June 2014:			
Opening balance at 1 January 2014	131,579,042	21,381,263	152,960,305
Additions	11,260,067	1,721	11,261,788
Depreciation and amortisation	(3,904,057)	(141,648)	(4,045,705)
Disposals	(79,934)	(37,222)	(117,156)
Impairment (Note a)	—	(1,936,442)	(1,936,442)
Currency translation difference	(1,222,562)	(137,081)	(1,359,643)
Closing balance at 30 June 2014	137,632,556	19,130,591	156,763,147
Six months ended 30 June 2013:			
Opening balance at 1 January 2013	103,660,633	14,051,781	117,712,414
Additions	4,912,262	342,900	5,255,162
Acquisition of subsidiaries	9,927,379	7,073,012	17,000,391
Depreciation and amortisation	(3,556,042)	(130,608)	(3,686,650)
Disposals	(292,002)	(68)	(292,070)
Currency translation difference	1,851,608	251,255	2,102,863
Closing balance at 30 June 2013	116,503,838	21,588,272	138,092,110

The additions in the period were mainly due to expansion of operations in the PRC.

Note a:

The impairment charge of HK\$1,936,442,000 reported for the six months ended 30 June 2014 relates to the impairment provision made against the carrying amounts of certain mining rights held by a subsidiary located in Shanxi Province, which is engaged in the coal mining business. The impairment loss was mainly attributable to falling coal prices in the PRC market which have led to decrease in estimated cash inflow to be generated from the production of these coal mines throughout their estimated operating periods. The recoverable amounts of these mining rights, which were determined based on value in use calculation, have been estimated by the directors using calculations of pre-tax cash flow projections developed based on financial budgets compiled by management covering a five-year period. Cash flows beyond the five-year period are extrapolated without considering any growth rate. The impairment charge has been recognised as "operating expenses".

The key assumptions used for value-in-use calculations are as follows:

Real discount rate	12.5%–17.75%
Average growth rate of coal prices for the coming 5 years	8.2%–16.97%

Should the discount rate have been 1% higher while holding other variables constant, the Group would have recognized an impairment against mining rights by HK\$172,344,000.

Should the coal prices have been 5% lower while holding other variables constant, the Group would have recognized an impairment against mining rights by HK\$181,656,000.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

14 INVESTMENTS IN ASSOCIATES

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Opening balance at 1 January	12,995,773	19,060,119
Share of profits	306,107	829,151
Dividends	(906,809)	(152,767)
Impairment charge	—	(23,361)
Capital contribution to an associate	—	232,838
Conversion of an associate into a subsidiary	—	(6,183,273)
Disposal of 5% interest of an associate	—	(606,203)
Disposal of an associate	(295,419)	—
Other comprehensive income	(56,982)	104,824
Currency translation differences	(47,722)	79,077
Closing balance at 30 June	11,994,948	13,340,405

15 INVESTMENTS IN JOINT VENTURES

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Opening balance at 1 January	1,873,202	1,728,980
Acquisition of a subsidiary	—	82,631
Capital contribution to a joint venture (Note a)	219,763	—
Share of profits	278,341	233,295
Dividends	(73,129)	—
Other comprehensive income	(12,905)	22,291
Currency translation differences	(6,454)	(38,281)
Closing balance at 30 June	2,278,818	2,028,916

- (a) In January 2014, the Group and an independent third party entered into an investment agreement to incorporate a company, namely Fujian Hui'an Quanhui Power Limited Liability Company ("Hui'an Quanhui"). Pursuant to the memorandum of association, the Group holds 50% of equity interests of Hui'an Quanhui. As Hui'an Quanhui is jointly controlled by the Group and the third party by virtue of contractual arrangements between the two parties, Hui'an Quanhui has been accounted for as a joint venture of the Group.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

16 GOODWILL

The movements in the carrying amount of goodwill during the periods are as follows:

	Goodwill HK\$'000
At 1 January 2013	
Cost	4,188,280
Accumulated impairment loss	(274,000)
Net book amount	3,914,280
Six months ended 30 June 2013	
Opening net book amount	3,914,280
Impairment charge	(600,000)
Currency translation differences	39,584
Closing net book amount	3,353,864
At 30 June 2013	
Cost	4,227,864
Accumulated impairment loss	(874,000)
Net book amount	3,353,864
At 1 January 2014	
Cost	4,367,210
Accumulated impairment loss	(1,240,269)
Net book amount	3,126,941
Six months ended 30 June 2014	
Opening net book amount	3,126,941
Currency translation differences	(9,281)
Closing net book amount	3,117,660
At 30 June 2014	
Cost	4,357,457
Accumulated impairment loss	(1,239,797)
Net book amount	3,117,660

Goodwill is allocated to the cash generating units ("CGUs") of the Company's subsidiaries operating power plants and coal mining in different provinces in the PRC.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

16 GOODWILL (Continued)

Six months ended 30 June 2014	Opening HK\$'000	Impairment HK\$'000	Exchange difference HK\$'000	Closing HK\$'000
Coal-fired power segment				
– Jinzhou Power Company	881,423	—	—	881,423
– Shenyang Power Company	528,774	—	—	528,774
– Other companies	1,491,197	—	(9,053)	1,482,144
Renewable energy segment	30,746	—	—	30,746
Coal mining segment	194,801	—	(228)	194,573
Total	3,126,941	—	(9,281)	3,117,660
Six months ended 30 June 2013	Opening HK\$'000	Impairment HK\$'000	Exchange difference HK\$'000	Closing HK\$'000
Coal-fired power segment				
– Jinzhou Power Company	1,337,977	(400,000)	31,040	969,017
– Shenyang Power Company	806,155	(200,000)	16,267	622,422
– Other companies	1,406,187	—	(13,872)	1,392,315
Renewable energy segment	29,812	—	536	30,348
Coal mining segment	334,149	—	5,613	339,762
Total	3,914,280	(600,000)	39,584	3,353,864

17 AVAILABLE-FOR-SALE INVESTMENTS

The available-for-sale investments represent investment in unlisted equity securities issued by nine (2013: nine) limited liability entities registered in the PRC. According to the assessment of directors of the Company, the fair values of these investments approximate their carrying amounts as at 30 June 2014. The movement of the available-for-sale investments has been disclosed in Note 5.3.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

18 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are analysed as follows:

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Assets:		
Call option (Note a) Non-current	575,898	—
Liabilities:		
Cash flow hedges - Interest rate swaps (Note b) Current	34,474	—
Non-current	105,929	173,652
	140,403	173,652

- (a) In 2010, the Group and an independent third party (the "Joint Venturer") entered into a share subscription agreement ("Share Subscription Agreement") and pursuant to which they formed a company, namely Resources J Energy Investment Limited ("Resources J").

Pursuant to a Call Option Agreement entered into between the Group and the Joint Venturer dated 19 August 2010, the Joint Venturer granted the Group a call option at a consideration of HK\$1 to acquire 16% equity interest ("Call Option Shares") in Resources J at a pre-determined consideration. The consideration is determined based on the capital contributed by the Joint Venturer attributable for the Call Option Shares plus interest accrued at a compound annual interest rate at 5.5%, reduced by the dividend received by the Joint Venturer in respect of the Call Option Shares and the interest on dividend received by the Joint Venturer in respect of the Call Option Shares. The call option can be exercised on any business day within the period from 17 December 2015 to 1 January 2016 ("Call Option Period").

This call option is categorised as derivative financial instruments and the fair value changes should be recognised in profit and loss in subsequent periods. During the period ended 30 June 2014, HK\$575,898,000 was recognised arising from the assessed fair value change of the call option. The fair value of the call option is determined based on the intrinsic value and time value of the option, using the dividend discount model. The fair value change has been recognised as "other gains - net" in the consolidated statement of income.

The real discount rate used to compute the underlying value is 12%. Should the discount rate have been 1% higher/lower while holding other variables constant, the impact on profit or loss would have been decreased/increased by approximately HK\$46,273,000 and HK\$52,479,000, respectively. The higher the discount rate, the lower the assessed fair value.

In addition, pursuant to Put Option Agreement entered into between the Group and the Joint Venturer dated 19 August 2010, the Group granted the Joint Venturer two put options at a consideration of HK\$1. The first put option is to sell the 16% equity interest ("First Put Option Shares") in Resources J at a predetermined consideration. The first put option may be exercised on any business day within the period of 15 business days starting on the date that the Call Option Period expires, from 2 January 2016 to 17 January 2016. The second put option is to sell the 34% equity interest ("Second Put Option Shares") in Resources J at a pre-determined consideration. The second put option may only be exercised on any business day within a period of 15 business days starting on the 5th anniversary date of the commencement of the commercial operation of China Resources Power (Hezhou) Co., Limited ("CRP Hezhou"), when the first and the second power generation units of CRP Hezhou having passed the 168-hour reliability test, as supported by certain document(s) issued by Southern Grid or its authorised branch, or any other competent authority in China after the test is passed.

Notes To The Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

18 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The consideration is pre-determined based on the capital contributed by the Joint Venturer attributable for the First/Second Put Options Shares plus the interest at a compound annual interest at 5.5%, reduced by the dividend received by the Joint Venturer in respect of the First/Second Put Option Shares and the interest on dividend received by the Joint Venturer in respect of the First/Second Put Option Shares. In the opinion of the directors of the Company, the fair value of the two put options was assessed not to be significant as at 30 June 2014.

- (b) The Group uses interest rate swaps (net quarterly settlement) to minimise its exposure to interest expenses of certain of its floating-rate Hong Kong Dollar/United States Dollar bank borrowings by swapping floating interest rates to fixed interest rates.

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2014 were HK\$8,002,000,000 (31 December 2013: HK\$8,202,000,000). At 30 June 2014, the fixed interest rates vary from 1.12% to 2.325% (31 December 2013: 1.12% to 2.325%), and the main floating rates are HIBOR and LIBOR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 30 June 2014 will be continuously released to the statement of income until the repayment of the bank borrowings.

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. As at 30 June 2014, deposits amounting to HK\$814,600,000 had been pledged to secure bank acceptance bills. For the six months ended 30 June 2014, the gross fair value gain and fair value loss from the interest rate swaps under cash flow hedge amounted to HK\$34,693,000 (six months ended 30 June 2013: HK\$123,864,000) and HK\$576,000 (six months ended 30 June 2013: Nil), respectively, which resulted in a net fair value gain of HK\$34,117,000 (six months ended 30 June 2013: HK\$123,864,000) being deferred in equity. The amounts are expected to be released to the statement of income when the related hedged interest expense arising from borrowings is charged to the statement of income on a quarterly basis. Fair value gain and fair value loss of interest rate swaps for the ineffective portion of the instruments amounted to HK\$738,000 (six months ended 30 June 2013: HK\$1,854,000) and HK\$1,606,000 (six months ended 30 June 2013: HK\$1,332,000), respectively. The net loss in fair value amounting to HK\$868,000 (six months ended 30 June 2013: net gain of HK\$522,000) had been recognised in statement of income in the current period.

The above derivatives are measured at their respective fair values by making reference to the market value provided by the respective financial institutions issuing such instruments.

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19 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

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

The following is an ageing analysis based on the invoice dates of the trade receivables at the end of the reporting period:

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Trade receivables:		
0 - 30 days	7,625,079	9,240,964
31 - 60 days	518,787	684,262
Over 60 days	2,327,715	2,287,630
	10,471,581	12,212,856

As at 30 June 2014, included in trade receivables was amount of HK\$86,725,000 (31 December 2013: HK\$239,086,000) from fellow subsidiaries or associates and is aged over 60 days.

Included in the prepayment balance of the Group are prepayments for purchase of coal and fuel amounting to HK\$358,537,000 (31 December 2013: HK\$473,282,000). In addition, other receivables and prepayments included input value added tax of HK\$3,706,120,000 (31 December 2013: HK\$3,046,098,000) and prepayment for income tax of HK\$28,502,000 (31 December 2013: HK\$151,231,000), respectively.

The balances of trade receivables and other receivables are unsecured, non-interest bearing and receivable on demand.

20 LOANS TO ASSOCIATES

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Current (a)	931,022	839,447
Non-current (b)	1,654,502	—
	2,585,524	839,447

(a) As at 30 June 2014, loans to associates comprise an amount of approximately HK\$420,787,000 due from Jiangsu Zhenjiang Generator Co., Ltd ("Jiangsu Zhenjiang Generator") and an amount of approximately HK\$510,235,000 due from China Resources (Xuzhou) Electric Power Co., Ltd ("Xuzhou Electric Power"). They are denominated in RMB and unsecured, with annual interest rates ranging from 5.60% to 5.85%, and repayable within one year.

(b) As at 30 June 2014, the amount was due from Taiyuan China Resources Coal Co., Ltd. ("Taiyuan China Resources Coal"). The loan is denominated in RMB, unsecured, with annual interest rate of 6.765% and repayable within three years.

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21 LOANS TO JOINT VENTURES

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Current	370,461	369,903

As at 30 June 2014, loans to joint ventures are unsecured and comprise amounts of RMB273,178,000 and RMB23,847,000, equivalent to approximately HK\$340,417,000 and HK\$30,044,000 (31 December 2013: HK\$339,572,000 and HK\$30,331,000) respectively due from two joint ventures of Shanxi China Resources-Danling Energy, with annual interest rates ranging from 6.37% to 8.02%. The amounts of HK\$306,365,000 (31 December 2013: HK\$339,572,000) are overdue.

22 PLEDGED AND RESTRICTED BANK DEPOSITS

Pledged and restricted bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group and deposits restricted for special purpose. As at 30 June 2014, deposits amounting to HK\$814,600,000 had been pledged to secure bank acceptance bills. Deposits amounting to HK\$238,982,000 were restricted for environmental protection and industry transformation use with the approval of certain governments. Deposits amounting to HK\$107,086,000 were restricted for bank loans drawn down.

23 SHARE CAPITAL

	30 June 2014		31 December 2013	
	Number of shares ('000)	HK\$'000	Number of shares ('000)	HK\$'000
Authorised: (Note a)				
Ordinary shares of HK\$1 each (Note b)	—	—	10,000,000	10,000,000

Ordinary shares, issued and fully paid:

	Number of shares '000	Share capital HK\$'000
Balance at 1 January 2014	4,791,457	4,791,457
Issue upon exercise of share options	2,759	2,759
Transition to no-par value regime on 3 March 2014 (Note c)	—	17,259,481
Balance at 30 June 2014	4,794,216	22,053,697
Balance at 1 January 2013	4,762,863	4,762,863
Issue upon exercise of share options	19,631	19,631
Balance at 30 June 2013	4,782,494	4,782,494

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

23 SHARE CAPITAL (Continued)

- (a) Under the Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists.
- (b) In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the holders of the shares as a result of this transition.
- (c) In accordance with the transitional provisions set out in section 37 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, any amount standing to the credit of the share premium account has become part of the Company's share capital.

24 CAPITAL RESERVE

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Opening balance at 1 January	168,376	162,835
Transfers (a)	109,405	128,089
Transfers upon utilisation (b)	(69,290)	(108,103)
Closing balance at 30 June	208,491	182,821

- (a) Pursuant to certain regulations in the People's Republic of China (the "PRC") relating to the mining industry, the Group is required to transfer to the capital reserve account an amount being calculated based on the volume of coal ore extracted each year and at the applicable rate per tonne of coal ore. Pursuant to the relevant provisions of the PRC Companies Law, the fund can only be used for future improvement of the mining facilities and enhancement of safety production environment. The fund is not available for distribution to shareholders of the Company.
- (b) During the period ended 30 June 2014, HK\$69,290,000 (six months ended 30 June 2013: HK\$108,103,000) of the reserve set up was utilised in the relevant assets and expenditures as stated in Note a. The corresponding amount was then transferred from this reserve account to retained earnings.

25 SHARE OPTIONS

As at 30 June 2014, the Company has a share option scheme for granting options to eligible directors of the Company and employees of the Group and other participants in order to acquire ordinary shares of the Company.

The options granted are exercisable within a period of ten years from the dates of grant and there is a general vesting period of five years. 20% of the share options will be allowed to exercise upon each of the first five anniversaries of the dates of grant.

Details of the share options outstanding during the current period are as follows:

	Outstanding at 1 January 2014	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2014
Exercise price:				
– HK\$3.919 per share	3,504,440	(549,720)	—	2,954,720
– HK\$4.175 per share	641,340	(254,500)	—	386,840
– HK\$4.641 per share	4,776,840	(453,500)	—	4,323,340
– HK\$6.925 per share	3,613,520	(617,280)	—	2,996,240
– HK\$12.21 per share	9,921,540	(883,640)	—	9,037,900
Number of share option	22,457,680	(2,758,640)	—	19,699,040

The weighted average closing price of the Company's shares at dates on which the options were exercised during the period was HK\$20.71.

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For the six months ended 30 June 2014

26 PERPETUAL CAPITAL SECURITIES

On 11 May 2011, China Resources Power East Foundation Co., Ltd., a subsidiary of the Group, issued US\$750,000,000 (equivalent to HK\$5,835,750,000) 7.25% Guaranteed Perpetual Capital Securities ("Perpetual Capital Securities") at an issue price of 100 per cent which is guaranteed by the Company. The Perpetual Capital Securities were issued for general corporate funding purposes. Coupon payments of 7.25% per annum on the Perpetual Capital Securities are paid semi-annually in arrears from 9 November 2011 and can be deferred at the discretion of the Group. The Perpetual Capital Securities have no fixed maturity and are redeemable at the discretion of the Group on or after 9 May 2016 at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon interest payments are unpaid or deferred, the Group undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

27 BORROWINGS

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Non-current		
Bank loans	59,755,774	55,824,634
Corporate bonds and notes	17,482,052	17,613,712
	77,237,826	73,438,346
Current		
Bank loans	19,939,669	14,313,260
	97,177,495	87,751,606

Movement in borrowings is analysed as follows:

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Opening balance at 1 January	87,751,606	80,267,035
Borrowings of subsidiaries acquired	—	3,502,699
Proceeds from new borrowings	18,663,936	15,478,613
Repayments of borrowings	(8,723,701)	(20,920,274)
Currency translation difference	(514,346)	944,887
Closing balance at 30 June	97,177,495	79,272,960

Certain bank loans were secured by the Group's land use rights, buildings, power generating plant and equipment with carrying values of HK\$40,219,000 (31 December 2013: HK\$40,942,000), HK\$949,141,000 (31 December 2013: HK\$971,465,000) and HK\$3,615,671,000 (31 December 2013: HK\$3,569,820,000) respectively.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

27 BORROWINGS (Continued)

Total interest expenses on borrowings for the six months ended 30 June 2014 is HK\$2,015,028,000 (30 June 2013: HK\$1,863,570,000), among which borrowing costs amounting to HK\$590,837,000 (30 June 2013: HK\$292,822,000) had been capitalised in qualifying assets.

As at 30 June 2014, the interest rate risk of the Group's borrowings of HK\$8,002,000,000 (31 December 2013: HK\$8,202,000,000) was hedged by using interest rate swaps (floating to fixed interest swaps) (see Note 18(b) for details).

As at 30 June 2014, the Group had HK\$166,965,799,000 of unutilized banking facilities granted by various financial institutions (31 December 2013: approximately HK\$175,337,614,000). These facilities are obtained for financing of ongoing investments and operations of the Group.

28 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

As at 30 June 2014, the ageing analysis of trade payables based on invoice date was as follows:

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Trade payables:		
0 - 30 days	7,412,808	5,730,765
31 - 90 days	769,355	1,829,807
Over 90 days	1,141,171	2,878,940
	9,323,334	10,439,512

29 AMOUNTS DUE TO ASSOCIATES

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Loan from an associate (Note a)	—	531,044
Amounts due to associates (Note b)	1,804,650	438,453
	1,804,650	969,497

(a) Loan from an associate was unsecured, with interest at the rate of 2.85% per annum as at 31 December 2013, and repayable on demand.

(b) Amounts due to associates as at 30 June 2014 are unsecured, non-interest bearing, and repayable on demand.

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30 AMOUNTS DUE TO OTHER RELATED COMPANIES

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Loan from an intermediate holding company (Note)	—	4,286,807
Dividends to non-controlling shareholders of subsidiaries	1,444,772	666,445
Amounts due to fellow subsidiaries	1,261	1,270
Amounts due to holding company	1,290	35,768
Amounts due to an intermediate holding company	35,768	6,911
	1,483,091	4,997,201

Note: As at 29 November 2013, the Company entered into a loan agreement with CRH, the amount was approximately HK\$4,286,807,000 and carried interest at HIBOR plus 1.4% per annum. The loan from CRH had been fully repaid in cash during the current period.

31 CAPITAL COMMITMENTS

	As at	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Contracted for but not provided in the financial information		
– Capital expenditure in respect of the acquisition of property, plant and equipment	20,066,796	22,687,076
– Capital expenditure in respect of acquisition of mining/exploration rights	5,815,585	7,293,017
Authorised but not contracted for		
– Capital expenditure in respect of acquisition of property, plant and equipment	719,161	—
	26,601,542	29,980,093

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

32 RELATED PARTY TRANSACTIONS AND BALANCES

- (a) The Company entered into two trademark licence agreements dated 17 October 2003 with CRNC and CRH, respectively, under which the Company was granted irrevocable, royalty free and non-exclusive licences to use certain trademarks and the rights to sub-license the same to any member of the Group in consideration of a nominal amount of HK\$1 each.
- (b) Other than disclosed elsewhere in the condensed consolidated interim financial information, the following transactions were carried out with related parties during the period:

Name of related company	Relationship	Nature of transactions	Six months ended 30 June	
			2014 HK\$'000	2013 HK\$'000
CRH	Intermediate holding company	Interest expense paid (Note 30)	8,973	28,611
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	4,519	2,128
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	2,886	4,190
Taiyuan China Resources Coal	Associate	Purchase of coal	—	150,073
		Interest income received (Note 20)	8,733	37,948
Certain subsidiaries of China Resources Cements Holdings Limited	Fellow subsidiary	Sales of by product	4,893	10,173
		Sales of coal	—	16,525
		Sales of carbon emission permit	12,976	—
China Resources Packaging Materials Co., Ltd.	Fellow subsidiary	Sales of coal	40,717	11,523
Jiangsu Zhenjiang Generator Co., Ltd	Associate	Sales of coal	528,862	916,404
		Sales of power	7,051	1,311
		Interest income received (Note 20)	12,328	3,855
		Providing agency service fee	5,245	—
		Purchase of power volume quota	55,958	—

Notes To The Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

32 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (b) Other than disclosed elsewhere in the condensed consolidated interim financial information, the following transactions were carried out with related parties during the period (Continued):

Name of related company	Relationship	Nature of transactions	Six months ended 30 June	
			2014 HK\$'000	2013 HK\$'000
China Resources (Xuzhou) Electric Power Co., Ltd	Associate	Sales of power	71,298	107,509
		Sales of coal	30,216	106,710
		Providing maintenance service	14,986	4,096
		Providing agency service fee	10,625	3,566
		Interest income received (Note 20)	9,779	8,791
CRP Hezhou	Joint venture	Providing maintenance service	9,519	5,322
		Providing agency service fee	18,477	—
Thriving Choice Limited	Fellow subsidiary	Interest expense paid	6,478	7,441
Nanjing Yanjiang Heating Power Co., Ltd	Associate	Sales of heat	47,133	—
Yangcheng Asia-america Daing railway operation Co., Ltd	Joint venture	Interest income received (Note 21)	11,872	6,264
Shanxi Lanhua Daning Electric Power Co., Ltd	Joint venture	Interest income received (Note 21)	987	199
China Resources Energy Service Co., Ltd	Fellow subsidiary	Energy management fee	21,341	—

- (c) As at 30 June 2014, the Group provided guarantees amounting to HK\$493,857,000 to secure bank loans of an associate, namely Guizhou Hualong Coal Mining Co., Ltd. In addition, the Group and a third party jointly provided guarantees amounting to HK\$168,100,000 to secure financial leasing of a joint venture, namely Shanxi Lanhua Daning Electric Power Co., Ltd.

- (d) The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Salary, wages and other benefits	13,323	10,003
Post-employment benefits	611	445
	13,934	10,448

- (e) Except those disclosed in Notes 20, 21, 29, 30 and above, the amounts due from associates, amounts due from/ to joint ventures, and amounts due from/to other related companies are unsecured, non-interest bearing and repayable on demand.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2014

32 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(f) Transactions/balances with other state-controlled entities

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the Chinese government (“state-controlled entities”). In addition, the Group itself is part of a larger group of companies under CRNC, ultimate holding company of the Company, which is controlled by the Chinese State government. Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the condensed consolidated interim financial information, the Group also conducts business with other state-controlled entities during the ordinary course of its business. The directors consider those state-controlled entities are independent third parties so far as the Group’s business transactions with them are concerned.

The Group operates power plants in the PRC and sells all its electricity to the power grid companies which are state-controlled entities in the PRC. The Group also purchases/sells significant amounts of coal from/to certain state-controlled entities. Furthermore, the Group has certain borrowings and deposits with certain banks which are state-controlled entities in its ordinary course of business. The Group has also entered into various transactions, including other operating expenses with other state-controlled entities which individually and collectively were insignificant during the period.

33 CONTINGENT LIABILITIES

As at 30 June 2014, the Group provided certain guarantees amounting to HK\$661,957,000 to its related parties. Details of guarantees have been disclosed in note 32(c).

34 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Save as already disclosed in the notes to the condensed consolidated interim financial information, the Group had no other significant subsequent event.

Disclosure of Interests

SHARE OPTIONS

Detailed terms of the Share Option Scheme were disclosed in the 2013 Annual Report.

Movement of the options granted under the Share Option Scheme during the six months ended 30 June 2014 is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2014	Number of options reclassified during the period	Number of options exercised during the period ⁽¹⁾	Number of options outstanding as at 30 June 2014	Date of expiry	Exercise price (HK\$)
Name of ex-Director							
Chen Ji Min ⁽²⁾	30 Mar 2007	203,600	(203,600)	—	—	29 Mar 2017	12.210
Aggregate total of employees	1 Sep 2004	641,340	—	(254,500)	386,840	31 Aug 2014	4.175
	18 Mar 2005	551,160	—	—	551,160	17 Mar 2015	3.919
	18 Nov 2005	4,776,840	—	(453,500)	4,323,340	17 Nov 2015	4.641
	5 Sep 2006	3,613,520	—	(617,280)	2,996,240	4 Sep 2016	6.925
	30 Mar 2007	9,717,940	—	(883,640)	8,834,300	29 Mar 2017	12.210
Aggregate total of other participants	18 Mar 2005	2,953,280	203,600	(549,720)	2,607,160	17 Mar 2015	3.919
		22,457,680	—	(2,758,640)	19,699,040		

Notes:

1. The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$20.71.
2. Mr. Chen Ji Min resigned as director on 11 June 2014. His interest in share options was reclassified during the period.
3. No option was granted, lapsed or cancelled under the Share Option Scheme during the period.

DIRECTORS' INTERESTS IN SECURITIES

Save as disclosed below and the section headed "SHARE OPTIONS", as at 30 June 2014, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein:

Disclosure of Interests

(A) The Company

Details of Shares in the Company held by the Directors as at 30 June 2014 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of the Company
Zhou Junqing	Beneficial Owner	470,864	Long	0.010%
	Interest of Spouse	20,000	Long	0.000%
Wang Yu Jun	Beneficial Owner	381,870	Long	0.008%
Wang Xiao Bin	Beneficial Owner	3,664,560	Long	0.076%
Zhang Shen Wen	Beneficial Owner	2,671,120	Long	0.056%
Du Wen Min	Beneficial Owner	480,240	Long	0.010%
Raymond Ch'ien Kuo Fung	Beneficial Owner	30,000	Long	0.001%
	Interest of spouse	4,000	Long	0.000%
Andrew Ma Chiu Cheung	Beneficial Owner	203,600	Long	0.004%

(B) China Resources Enterprise, Limited

China Resources Enterprise, Limited ("CRE") is an associated corporation of the Company (as defined under the SFO). Details of shares in CRE held by the Directors as at 30 June 2014 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CRE
Du Wen Min	Beneficial Owner	100,000	Long	0.004%
Zhang Shen Wen	Beneficial Owner	20,000	Long	0.001%

(C) China Resources Gas Group Limited

China Resources Gas Group Limited ("CR Gas") is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Gas held by the Directors as at 30 June 2014 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Gas
Zhou Junqing	Beneficial Owner	34,800	Long	0.002%
Zhang Shen Wen	Beneficial Owner	66,000	Long	0.003%
Du Wen Min	Beneficial Owner	54,000	Long	0.002%

Disclosure of Interests

(D) China Resources Land Limited

China Resources Land Limited ("CR Land") is an associated corporation of the Company (as defined under the SFO). Details of the shares in CR Land held by the Directors as at 30 June 2014 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Land
Zhou Junqing	Beneficial Owner	30,000	Long	0.001%
Du Wen Min	Beneficial Owner	640,000	Long	0.011%
Chen Ying	Beneficial Owner	500,000	Long	0.009%

(E) China Resources Cement Holdings Limited

China Resources Cement Holdings Limited ("CR Cement") is an associated corporation of the Company (as defined under the SFO). Details of the shares in CR Cement held by the Directors as at 30 June 2014 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Cement
Zhang Shen Wen	Beneficial Owner	100,000	Long	0.002%
Chen Ying	Beneficial Owner	230,000	Long	0.004%

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 June 2014, the Directors were not aware of any other persons (other than a Director or chief executive, whose interests are disclosed in the section headed "Directors' Interests in Securities" above) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO:

Name of substantial shareholders	Capacity	No. of issued ordinary shares held	Long/short position	Approximate % of shareholding as at 30 June 2014
CRH (Power) Limited	Beneficial owner	3,024,999,999	Long	63.10%
CRH	Interest in a controlled corporation	3,025,001,999	Long	63.10%
CRC Bluesky Limited	Interest of a controlled corporation	3,025,001,999	Long	63.10%
China Resources Co., Limited ("CRL")	Interest of a controlled corporation	3,025,001,999	Long	63.10%
China Resources National Corporation ("CRNC")	Interest of a controlled corporation	3,025,001,999	Long	63.10%

Note: CRH (Power) Limited is a 100% subsidiary of CRH, which is a 100% subsidiary of CRC Bluesky Limited, which is in turn owned as to 100% by CRL, which is in turn held as to 100% by CRNC. Each of CRH, CRNC, CRL and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in 3,024,999,999 Shares as those of CRH (Power) Limited. CRH, through another wholly-owned subsidiary, is interested in 2,000 Shares of the Company. Accordingly, each of CRNC, CRL and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in the 2,000 Shares as those of CRH.

Disclosure of Interests

MEDIUM TO LONG-TERM PERFORMANCE EVALUATION INCENTIVE PLAN

As an incentive to retain and motivate the employees, on 25 April 2008 (the "Adoption Date"), the Board resolved to adopt the Medium to Long-Term Performance Evaluation Incentive Plan (the "Plan") and the Company appointed BOCI-Prudential Trustee Limited as trustee to the Plan (the "Trustee"). Pursuant to the Plan, the Shares may be purchased by the Trustee from the market out of cash contribution by the Group and be held in trust for the selected employees until such Shares are vested with the selected employees in accordance with the provisions of the Plan. The Plan does not constitute a share option scheme pursuant to chapter 17 of the Listing Rules and is a discretionary Plan of the Company. The Board will implement the Plan in accordance with the terms of the Plan, including the provision of necessary funds to the Trustee for purchase of Shares up to 2% of the issued share capital of the Company as at the Adoption Date (i.e. 4,150,021,178 Shares). The Plan shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years unless terminated at the discretion of the Board at an earlier date.

From the Adoption Date up to 30 June 2014, the Trustee purchased accumulatively a total of 38,001,475 Shares, representing 0.92% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of approximately HK\$601,809,000 (including transaction costs). As at the date of this report, the purchased Shares have been held in trust by the Trustee on behalf of the Company for selected employees.

Corporate Governance and Other Information

CORPORATE GOVERNANCE

During the period ended 30 June 2014, the Company has applied all of the principles and complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards set out in the Model Code.

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2014.

BOARD COMPOSITION

As at 12 September 2014 (being the latest practicable date prior to printing of this Interim Report), the Board consists of 12 Directors, 4 of whom are Executive Directors, 4 are Non-executive Directors and 4 are Independent Non-executive Directors. The list of Directors are set out on page 73 of this Interim Report and are available on the Company's website.

AUDITORS AND AUDIT AND RISK COMMITTEE

The interim results for the six months ended 30 June 2014 have been reviewed by the Company's Audit and Risk Committee and PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the HKICPA.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the period ended 30 June 2014, the Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules and has five Independent Non-executive Directors including at least one with related financial management expertise and representing at least one-third of the Board as at 30 June 2014.

AUDIT AND RISK COMMITTEE

During the period ended 30 June 2014, the Company has complied with Rule 3.21 of the Listing Rules and has established the Audit and Risk Committee comprising five members, majority of whom are Independent Non-executive Directors, including at least one with related financial management expertise.

PUBLIC FLOAT

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

Corporate Information

Executive Directors	Zhou Junqing (Chairman & President) ^(Note) Wang Yu Jun ^(Note) Zhang Shen Wen (Vice Chairman) Wang Xiao Bin (Chief Financial Officer and Company Secretary)
Non-Executive Directors	Du Wenmin Wei Bin Chen Ying Wang Yan (appointed on 13 August 2014) Huang Daoguo (resigned on 13 August 2014)
Independent Non-Executive Directors	Andrew Ma Chiu Cheung Elsie Leung Oi-sie Raymond Ch'ien Kuo Fung Jack So Chak Kwong (appointed on 11 June 2014) Chen Ji Min (resigned on 11 June 2014) Anthony H. Adams (resigned on 18 July 2014)
Auditors	PricewaterhouseCoopers
Legal Advisor	Morrison & Foerster
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Registered Office	Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Note: As announced by the Company on 26 August 2014, Mr. Wang Yu Jun's role and duties as the President of the Company have been temporarily suspended and assumed by the Chairman of the Company, Ms. Zhou Junqing, while Mr. Wang remains as an executive director of the Company.

Information for Investors

SHARE LISTING AND STOCK CODE

The Company's shares are listed on The Stock Exchange of Hong Kong Limited. The stock code is 836.

FINANCIAL DIARY

Six-month financial period end	30 June 2014
Announcement of interim results	18 August 2014
Last day to register for interim dividend	19 September 2014
Book close	22 September 2014 to 25 September 2014
Payment of interim dividend	10 October 2014

SHAREHOLDER ENQUIRIES

For inquires about share transfer and registration, please contact the Company's Share Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong
Telephone: (852) 2862 8628
Facsimile: (852) 2865 0990

For inquires from investors and securities analysts, please contact:

Investor Relations Department
China Resources Power Holdings Company Limited
Room 2001-2002, 20th Floor, China Resources Building,
26 Harbour Road, Wanchai, Hong Kong
General line: (852) 2593 7530
IR hotline: (852) 2593 7550
Facsimile: (852) 2593 7531/2593 7551
E-mail: crp-ir@crc.com.hk

OUR WEBSITE

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