

(C : 1133)

INTERIM REPORT ANNUAL STATEMENT 2013

The Board of Directors of Harbour Energy Company Limited (the Company) has approved the financial statements of the Company and the consolidated financial statements of the Group for the period ended 30 June 2013, which have been audited by independent accountants in accordance with the applicable accounting standards of Hong Kong. Such financial statements have been audited by Chartered Certified Accountants (HK) CPA Limited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 30 June 2013

		30.6.2013 RMB'000 (in thousands)	30.6.2012 '000 (audited)
Revenue	3	9,468,102	11,163,078
Cost of sales		(7,647,119)	(8,741,619)
Operating profit		1,820,983	2,421,459
Other income and gains		116,302	140,836
Finance income		73,500	86,600
Dividend income		(249,470)	(268,909)
Administrative expenses	4	(1,196,936)	(1,517,126)
Other expenses		(46,843)	(30,522)
Finance costs		(98,130)	(23,214)
Share of profit of associates		14,914	17,075
Profit before income tax	6	434,320	826,199
Income tax	5	(81,694)	(131,541)
Profit		352,626	694,658

30.6.2013	30.6.2012
RMB'000	'000
()	(added)

A

Eligible assets of the Company
 Net-carry charges

375,225	701,034
<u>(22,599)</u>	<u>(6,376)</u>
<u>352,626</u>	<u>694,658</u>

E

Basic added



<u>RMB27.25</u>	<u>RMB50.92 ce</u>
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

30 June 2013

	30.6.2013 RMB'000 (unaudited)	30.6.2012 '000 (audited)
P	352,626	694,658
O		
I		
Capitalised expenses	(2,641)	12,127
Income tax expense	396	(1,819)
	(2,245)	10,308
T	350,381	704,966
A		
Exchange differences on translation of foreign operations	372,980	711,342
Net-cash flow effects	(22,599)	(6,376)
	350,381	704,966

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	30.6.2013 RMB'000 (unaudited)	31.12.2012 '000 (audited)
Non-current assets		
Intangible assets	4,448	4,629
Property, plant and equipment	6,438,122	6,412,038
Prepaid expenses and deposits	414,858	420,946
Intangible assets	229,798	233,393
Deferred tax assets	288,634	288,542
Intangible assets	597,772	583,840
Other non-current assets	364,371	357,964
	8,338,003	8,301,352
Current assets		
Intangible assets	12,430,608	12,356,211
Trade receivables	15,466,254	15,286,812
Bank receivables	1,626,187	1,278,348
Other receivables, deposits and prepayments	5,791,221	4,595,063
Prepaid expenses and deposits	12,300	12,300
Accounts receivable from related companies	2,507,129	2,079,367
Accounts receivable from related parties	121,810	111,832
Deferred tax assets	2,584	15,422
Trade receivables	1,675,300	1,601,800
Trade receivables	157,871	
Receivable from bank		14,631
Prepaid bank	359,311	331,446
Bank deposits	361,463	472,913
Cash and cash equivalents	8,150,981	8,174,912
	48,663,019	46,331,057

	30.6.2013	31.12.2012
	RMB'000	'000
	()	(a d ed)
C		
A	1,246,990	1,563,378
Tade a abe	16,830,655	17,260,173
B a abe	3,303,331	3,555,642
O e a abe, acc a, a ⁿ d	1,705,570	1,655,720
De ece ed	6,634,511	7,238,055
A	35,350	73,953
Ad a ⁿ ce f d c a ⁿ	400,478	400,478
B d e e ea	979,437	1,151,595
Ta a abe	186,208	901,855
Ob a ⁿ de f a ⁿ ce ea e, d e e ea	47,298	36,988
	31,369,828	33,837,837
N	17,293,191	12,493,220
T	25,631,194	20,794,572
N		
De ece ed	6,377,345	4,655,159
Ad a ⁿ ce f d c a ⁿ	1,365,908	1,357,108
B d e afe e ea	900,251	981,317
Ob a ⁿ de f a ⁿ ce ea e, d e afe e ea	117,509	136,391
C a e b d	2,993,280	396
Defe ed a ab e		
	11,754,293	7,130,371
NE A E	13,876,901	13,664,201
CAPT AL AND RE ER E		
S a e ca a	1,376,806	1,376,806
Re e e	10,712,410	10,477,111
T a e\ a b abe e\ a e de f e C a ⁿ	12,089,216	11,853,917
N-c d e e	1,787,685	1,810,284
TOTAL EQ T	13,876,901	13,664,201

The amended HKFRSs are effective for the reporting periods ended on or after 1 January 2014.

Appendix HKAS 1 Presentation of Financial Statements

The amendments to HKAS 1 are effective for reporting periods beginning on or after 1 January 2014. The amendments to HKAS 1, as amended, are effective for reporting periods beginning on or after 1 January 2014. The amendments to HKAS 1 are effective for reporting periods beginning on or after 1 January 2014.

However, the amendments to HKAS 1 are effective for reporting periods beginning on or after 1 January 2014. The amendments to HKAS 1, as amended, are effective for reporting periods beginning on or after 1 January 2014. The amendments to HKAS 1 are effective for reporting periods beginning on or after 1 January 2014.

The amendments to HKFRSs are effective for reporting periods beginning on or after 1 January 2014. The amendments to HKFRSs, as amended, are effective for reporting periods beginning on or after 1 January 2014.

HKFRS 13 Fair Value Measurement

HKFRS 13 is effective for reporting periods beginning on or after 1 January 2013. HKFRS 13 is effective for reporting periods beginning on or after 1 January 2013. HKFRS 13 is effective for reporting periods beginning on or after 1 January 2013.

The amendments to HKFRSs are effective for reporting periods beginning on or after 1 January 2013. The amendments to HKFRSs, as amended, are effective for reporting periods beginning on or after 1 January 2013.

The amendments to HKFRSs are effective for reporting periods beginning on or after 1 January 2013. The amendments to HKFRSs, as amended, are effective for reporting periods beginning on or after 1 January 2013.

Amendments to HKFRS 7 and HKFRS 9	Materiality: Effective Date of HKFRS 9 and Transition (2)
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Interim Financial Reporting (1)
HKFRS 9	Financial Instruments (2)
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities (1)
Amendments to HKAS 36	Recognition and Measurement of Deferred Tax Assets (1)
Amendments to HKAS 39	Recognition and Measurement of Hedging Instruments (1)
HK(IFRIC)-I 21	Leases (1)

(1) Effective for annual periods beginning on or after 1 January 2014
(2) Effective for annual periods beginning on or after 1 January 2015

The amendments to HKFRSs are effective for reporting periods beginning on or after 1 January 2013. The amendments to HKFRSs, as amended, are effective for reporting periods beginning on or after 1 January 2013.

3. REVENUE AND EGMEN INFORMATION

The following table summarizes the revenue and expense information by geographical area for the periods indicated below:

	30 June 2013					
	Malaysia	Malaysia	Europe	Asia	AC/DC	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
SEGMENT REVENUE						
Revenue from operations	5,690,920	1,544,989	687,966	392,151	1,152,076	9,468,102
Interest revenue	775,392					775,392
Revenue from operations	<u>6,466,312</u>	<u>1,544,989</u>	<u>687,966</u>	<u>392,151</u>	<u>1,152,076</u>	<u>10,243,494</u>
Revenue from other	<u>1,051,918</u>	<u>356,656</u>	<u>154,091</u>	<u>68,337</u>	<u>189,150</u>	<u>1,820,152</u>
Extraordinary income						831
Revenue from operations from GSE operations						1,820,983
Unallocated head office and corporate expenses						(1,303,447)

(c) According to the Circular Letter [2008] No. 897, the net income of the company shall be determined according to the provisions of the Income Tax Law of the People's Republic of China and the relevant provisions of the State Administration of Taxation. According to the provisions of Article 6 of the Income Tax Law of 2008, the company shall be treated as a resident enterprise for income tax purposes. The company's net income shall be determined according to the provisions of the Income Tax Law of 2008 and the relevant provisions of the State Administration of Taxation. The company's net income shall be determined according to the provisions of the Income Tax Law of 2008 and the relevant provisions of the State Administration of Taxation.

6. PROFIT BEFORE TAXATION

Profit before tax is calculated as follows (in RMB '000):

	30.6.2013	30.6.2012
	RMB'000	'000
Decrease of exchange rate, and other	330,974	288,636
Amortisation of intangible assets	6,088	6,104
Amortisation of goodwill	17,800	16,143
Allowance for doubtful debts	12,739	66,483
Impairment of investment	219,017	422,444
Interest and other income	(115,716)	(117,411)
(Gain)/Loss on disposal of assets, and other	(2,905)	1,080
	330,974	288,636

7. DIVIDEND

	30.6.2013	30.6.2012
	RMB'000	'000
Final dividend declared for 2012 of RMB0.10 per share	137,681	192,753
Final dividend declared for 2011 of RMB0.14 per share	137,681	192,753

The dividend is payable to the shareholders of the company on 30 June 2013 (30 June 2012).

8. EARNING PER SHARE

The basic and diluted earnings per share are calculated based on the weighted average number of shares outstanding during the period. The basic earnings per share for 2012 is RMB375,225,000 (2012: RMB701,034,000) and the diluted earnings per share for 2012 is RMB375,225,000 (2012: RMB701,034,000).

The weighted average number of shares outstanding during the period for 2012 is 1,376,806,000 (2012: 1,376,806,000) and the weighted average number of shares outstanding during the period for 2013 is 1,376,806,000 (2013: 1,376,806,000).

9. TRADE RECEIVABLE AND BILL RECEIVABLE

The carrying amount of trade receivables and bills receivable is based on the effective date of the trade receivable, based on the original invoice date. The carrying amount of trade receivables and bills receivable is based on the original invoice date.

The trade receivables and bills receivable are as follows:

	30.6.2013	31.12.2012
	RMB'000	'000
Within 1 year	10,514,358	9,967,661
1 to 2 years	2,553,117	2,871,100
2 to 3 years	2,118,357	1,569,410
Over 3 years	1,906,609	2,156,989
	17,092,441	16,565,160

10. TRADE PAYABLE

The trade payables are as follows:

	30.6.2013	31.12.2012
	RMB'000	'000
Within 1 year	13,419,213	14,130,384
1 to 2 years	2,680,649	2,471,225
2 to 3 years	282,428	147,336
Over 3 years	448,365	511,228
	16,830,655	17,260,173

MANAGEMENT DISCUSSION AND ANALYSIS OPERATING RESULTS

For the period ended 30 June 2013, the Group's operating results were RMB9,468.10 million, a decrease of 15.18% as compared to the corresponding period of the previous year. The Group's operating results were RMB11,110.0 million, a decrease of 46.48% as compared to the corresponding period of the previous year. The Group's operating results were RMB0.27 million, a decrease of RMB0.24 million as compared to the corresponding period of the previous year. Net income attributable to the shareholders of the Company was RMB12,089.22 million, a decrease of RMB235.30 million as compared to the corresponding period of the previous year; and the basic earnings per share was RMB8.78, a decrease of RMB0.17 as compared to the corresponding period of the previous year. The decrease in the Group's operating results was mainly due to the decrease in the operating results of the Group's subsidiaries.

INTERIM DIVIDEND

The Board has decided to pay a final dividend of RMB0.10 per share for the period ended 30 June 2013.

INDUSTRY DEVELOPMENT AND BUSINESS REVIEW

In the first half of 2013, the global economic recovery has been slow, and the Chinese economy has also experienced a period of adjustment. The Chinese government has implemented a series of measures to stimulate economic growth, and the PRC has achieved a steady economic recovery. The total installed capacity of power generation in the PRC has reached 90,000MW. According to the National Energy Administration (NEA), the total installed capacity of power generation in the PRC has reached 32,430MW, an increase of 25.5% as compared to the corresponding period of the previous year. Meanwhile, the demand for electricity has also increased significantly, and the power supply has become increasingly tight. The government has implemented a series of measures to increase the supply of electricity, and the power supply has become increasingly stable. The demand for electricity has also increased significantly, and the power supply has become increasingly tight. The government has implemented a series of measures to increase the supply of electricity, and the power supply has become increasingly stable.

Facing the challenges of the global economic recovery, the Group has actively adjusted its business strategy and strengthened its market competition. The Group has focused on the development of its core businesses, and has achieved significant results. The Group's operating results have shown a steady increase, and the Group's financial position has become increasingly stable. The Group has also implemented a series of measures to improve its operational efficiency, and has achieved significant results. The Group's operating results have shown a steady increase, and the Group's financial position has become increasingly stable.

NEW CONTRACTS

During the first half of the year, the Group has secured a number of new contracts, and the total value of new contracts has reached RMB25.194 billion. The Group's new contracts have shown a steady increase, and the Group's financial position has become increasingly stable. The Group has also implemented a series of measures to improve its operational efficiency, and has achieved significant results. The Group's operating results have shown a steady increase, and the Group's financial position has become increasingly stable.

EXPENSES FOR THE PERIOD

As at 30 June 2013, the Group's expenses for administrative expenses are accounted for RMB1,446.41 million, a decrease of RMB339.63 million or 19.02% as compared to the previous period.

ASSETS AND LIABILITIES

As at 30 June 2013, the Group's assets are accounted for RMB57,001.02 million, an increase of RMB2,368.61 million or 4.34% over the previous period, as compared to RMB48,663.02 million, of which 85.37% are non-current assets, and the non-current assets are RMB8,338.00 million, of which 14.63% are non-current assets.

The total liabilities are accounted for RMB43,124.12 million, an increase of RMB2,155.91 million or 5.02% over the previous period, as compared to RMB31,369.83 million, of which 72.74% are current liabilities, and the current liabilities are RMB11,754.29 million, of which 27.26% are current liabilities. A

GEARING RATIO

As at 30 June 2013, the gearing ratio (calculated as debt divided by equity) is 0.97:1 as compared to 0.60:1 as at the end of 2012.

INCOME TAX

According to the relevant provisions of the Measures for the Recognition and Management of High-tech Enterprises (《高新技术企业认定管理办法》) and the Measures for the Recognition and Management of High-tech Enterprises (《高新技术企业认定管理工作指引》) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation of the PRC in 2008 and the Guidelines for the Recognition and Management of High-tech Enterprises (《高新技术企业认定管理工作指引》) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation in 2008, the Company and its subsidiaries are eligible for a 15% effective tax rate.

TAX

As at 30 June 2013, the tax payable is RMB 19,387.

PROFIT

The operating profit is RMB 1,490,000,000, which is 960,000,000 higher than that of 2012. The operating profit is RMB 290,000,000 higher than that of 2011, 40,000,000 higher than that of 2010, 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The operating profit is RMB 21,000,000 higher than that of 2007. The operating profit is RMB 1,490,000,000, which is 960,000,000 higher than that of 2012. The operating profit is RMB 290,000,000 higher than that of 2011, 40,000,000 higher than that of 2010, 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The operating profit is RMB 21,000,000 higher than that of 2007.

As at the end of the reporting period, the Total Full-Year Profit Before Tax is RMB 1,490,000,000, which is 960,000,000 higher than that of 2012, 290,000,000 higher than that of 2011, 40,000,000 higher than that of 2010, 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The Total Full-Year Profit Before Tax is RMB 21,000,000 higher than that of 2007. The Total Full-Year Profit Before Tax is RMB 1,490,000,000, which is 960,000,000 higher than that of 2012, 290,000,000 higher than that of 2011, 40,000,000 higher than that of 2010, 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The Total Full-Year Profit Before Tax is RMB 21,000,000 higher than that of 2007.

Factors affecting the profit are: 1. The operating profit is RMB 1,490,000,000, which is 960,000,000 higher than that of 2012, 290,000,000 higher than that of 2011, 40,000,000 higher than that of 2010, 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The operating profit is RMB 21,000,000 higher than that of 2007. 2. The operating profit is RMB 290,000,000 higher than that of 2011, 40,000,000 higher than that of 2010, 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The operating profit is RMB 21,000,000 higher than that of 2007. 3. The operating profit is RMB 40,000,000 higher than that of 2010, 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The operating profit is RMB 21,000,000 higher than that of 2007. 4. The operating profit is RMB 56,000,000 higher than that of 2009, and 100,000,000 higher than that of 2008. The operating profit is RMB 21,000,000 higher than that of 2007. 5. The operating profit is RMB 100,000,000 higher than that of 2008. The operating profit is RMB 21,000,000 higher than that of 2007. 6. The operating profit is RMB 21,000,000 higher than that of 2007.

The Board of Directors of the Company and the shareholders of the Company have approved the following resolutions:

THE SHAREHOLDING OF THE COMPANY

As at 30 June 2013, the following shareholders of the Company held 1,376,806,000 shares:

Name of Shareholder	Number of Shares	Percentage (%)	Shareholder Type
Habib Enterprise Corporation Limited	701,235,000	50.93%	Major Shareholder
HKSCC Nominees Limited	651,562,597	47.32%	Major Shareholder

DIRECTORS, EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT, INTEREST IN SHARE CAPITAL

As at 30 June 2013, the Directors, Executive Directors and Senior Management of the Company and the shareholders of the Company have approved the following resolutions:

MODEL CODE

The Company, as a listed company, has adopted the Model Code for Directors and Executive Directors of the Company. All Directors and Executive Directors of the Company have confirmed their compliance with the Model Code.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SECURITIES

During the period, the Company has not purchased, sold or redeemed any of its securities.

CONTINGENT LIABILITY

There are no contingent liabilities of the Company.

PLEDGE OF ASSETS

As at 30 June 2013, the Group had pledged assets of RMB32,465,000, RMB28,877,000 and RMB359,311,000 (as at 31 December 2012: RMB6,131,000, RMB24,786,000 and RMB331,446,000) in connection with the Group's financing activities.

