

FINANCIAL HIGHLIGHTS

- Operating revenue for the six months ended 30th June 2001 amounted to approximately Rmb3,134,598,000, representing an increase of 19.72% as compared to the corresponding period last year.
- Net profit was approximately Rmb728,280,000, representing an increase of 11.92% as compared to the corresponding period last year.
- Basic earnings per share were Rmb0.141, representing an increase of Rmb0.015 as compared to the corresponding period last year.

I. INTERIM RESULTS

The Board of Directors of Beijing Datang Power Generation Company Limited (the "Company") hereby announces the unaudited operating results of the Company and its subsidiaries for the six months ended 30th June 2001 (the "Period") prepared in conformity with International Accounting Standards. The operating results have been reviewed and confirmed by the Audit Committee of the Company.

The Company's operating revenue for the Period amounted to approximately Rmb3,134,598,000, representing an increase of 19.72% as compared to the corresponding period last year. Net profit was approximately Rmb728,280,000, representing an increase of 11.92% as compared to the corresponding period last year. Basic earnings per share were Rmb0.141, representing an increase of Rmb0.015 as compared to the corresponding period last year.

The Board of Directors is satisfied with the above results. Please refer to the unaudited condensed consolidated financial statements as set out on page 10 to 26 for details.



II. REVIEW AND ANALYSIS OF OPERATIONS

During the Period, the Company benefited from the significant growth in electricity demand driven by China's domestic economic growth, as the country achieved a GDP growth of 7.9%. Net operating revenue registered a growth of 19.72% as compared to the corresponding period last year, while net profit grew by 11.92%.

(1) Operating conditions

During the Period, the Company's installed capacity amounted to 4,650MW. Electricity generation amounted to 12,447,333MWh, representing a growth of 22.28% as compared to the corresponding period last year. On-grid electricity increased by 22.26% to 11,563,345MWh. The growth in electricity generation and on-grid electricity was mainly attributable to the Company's expanded installed capacity and the increase in electricity demand driven by domestic economic growth.

(2) Cost control

During the Period, the Company continued to pursue effective management over operating plants and proactive and stringent cost controls. A responsibility system with economic targets to achieve was conscientiously implemented during the Period. A strong focus was placed on enhancing equipment operational safety standards and on articulately organizing the overhaul programs for generating units so as to upgrade equipment operational quality. Meanwhile, the Company continued to adopt measures in energy conservation. Quality inspection of received coal was enhanced with strengthened efforts in demanding compensation for sub-standard supplies. As a result of effective management, the Company's coal consumption for electricity generation decreased by 3g/KWh, as compared to the corresponding period last year, while the unit fuel cost basically remained at the same level as 2000.

(3) Business expansion

During the Period, the Company continued to pursue a proactive, expansionary strategy on the back of its technical, professional and financial strengths, fully capitalizing on the opportunities arising from the restructuring and realignment of the power market:

- (i) The Board of Directors of the Company approved the acquisition of an 80% equity interest in Shanxi Datong Pingwang Heat and Power Company Limited, a company that constructs and operates two 200MW units in Shanxi Province.
- (ii) The Board of Directors of the Company approved the increase of equity interest from 15% to 70% in Yunnan Datang Honghe Power Generation Company Limited (previously named as Yunnan Kaiyuan Power Generation Company Limited), a company that constructs and operates two 300MW units in Yunnan Province, and the investment in and establishment of Gansu Datang Liancheng Power Generation Company Limited (55% owned by the Company), a company that constructs and operates two 300MW units in Gansu Province. The two aforesaid investments were approved at the extraordinary general meeting of the Company convened on 14th August 2001.
- (iii) The Company's projects under construction continued with smooth progress:
 - Unit 8 of Zhang Jia Kou Power Plant Phase II (300MW), the first unit of Panshan Power Plant Phase II (2 x 600MW) and the hydroelectric power units of Fengning Hydropower Plant (2 x 10MW) are successively scheduled for commercial operation in the second half of 2001.



- Construction of Inner Mongolia Tuoketuo Power Plant Phase I (2 x 600MW) has begun and civil construction work is well underway.

(4) Financial conditions

As at 30th June 2001, total assets and shareholders' equity of the Company and its subsidiaries amounted to approximately Rmb20,708,120,000 and Rmb13,142,571,000, respectively. The asset-liability ratio was 36.5%, representing an increase of 1.2% compared to that of 31st December 2000; the gearing ratio was 40.7% (total of short-term and long-term loans over equity), representing an increase of 1.4% compared to that of 31st December 2000.

As at 30th June 2001, short-term loans of the Company and its subsidiaries amounted to approximately Rmb489,600,000; long-term loans, including current portion of approximately Rmb210,746,000, amounted to approximately Rmb4,857,600,000.

As at 30th June 2001, net current assets of the Company and its subsidiaries amounted to approximately Rmb2,151,822,000; cash and bank deposits amounted to approximately Rmb3,818,989,000.

As at 30th June 2001, there were no trust deposit or overdue fixed deposit.

(5) Future Prospects

The Chinese government will continue to adopt proactive financial policies in 2001 to drive economic growth by increasing domestic demand and accelerating the development of western regions. These measures will create favorable market conditions to the Company's future development and bring more development

opportunities to the Company. The Company will fully utilize its strengths and continue to develop and expand its international and domestic business operations on the back of its unique strengths.

In the second half of 2001, the Company will focus on the following:

1. Active use of capital and faster pace in mergers and acquisitions to expand the Company's production capacity, with a view to maximizing shareholder value;
2. Strengthening of safety management and the improvement of the quality of equipment maintenance and repair, to ensure the achievement of annual electricity generation targets;
3. Ongoing efforts to enhance financial management, to control and reduce operating costs; and
4. Focus on the management of projects under construction and the quality of installation work so as to ensure the commissioning of Unit 8 (300MW) of Zhang Jia Kou Power Plant Phase II, the first unit (600MW) of Panshan Power Plant Phase II and the hydroelectric power units of Fengning Hydropower Plant (2 x 10MW) will commence smoothly as scheduled.

III. SHARE CAPITAL AND DIVIDENDS

(1) Share Capital

No new shares were issued by the Company during the Period. As at 30th June 2001, the total share capital of the Company was Rmb5,162,849,000, divided into 5,162,849,000 shares of Rmb1.00 each.



(2) Substantial Shareholders

During the Period, substantial shareholders holding more than 10% of the shares of the Company were as follows:

<u>Name of shareholder</u>	<u>Class of shares</u>	<u>Number of shares</u>	<u>Percentage of shares capital (%)</u>
North China Power Group Company	Domestic Shares	1,828,768,200	35.43
Beijing International Power Development and Investment Company	Domestic Shares	671,792,400	13.01
Hebei Construction Investment Company	Domestic Shares	671,792,400	13.01
Tianjin Jinneng Investment Company	Domestic Shares	559,827,000	10.84

(3) Dividends

Pursuant to a resolution of the Board of Directors' meeting held on 6th March 2001 and as approved at the Annual General Meeting held on 29th April 2001, the Company declared a dividend of Rmb0.1 for the year 2000 payable to shareholders whose names appear on the Company's register of members on 30th March 2001. Such dividend had been distributed before 30th June 2001. Dividends paid to domestic shareholders were declared and paid in Rmb. Dividends paid to foreign shareholders were declared in Rmb and paid in Hong Kong Dollars.

The Board of Directors does not recommend any interim dividend for 2001.

(4) Shareholdings of the Directors and supervisors

At any time during the Period, none of the Directors, supervisors, their spouses and children under 18 years old held or owned the interest of any equity or debt securities of the Company or any of its associated corporations (as defined in the Securities (Disclosure of Interests) Ordinance) or was granted the right to subscribe for or purchase equity or debt securities of the Company or any of its associated corporations.

IV. USE OF PROCEEDS

The Company's shares were listed on The Stock Exchange of Hong Kong Limited and the London Stock Exchange on 21st March 1997. Net proceeds were approximately Rmb3,702 million. As at 30th June 2001, total proceeds had been utilized as follows:

- approximately Rmb1,253 million for investment in Phase II of Zhang Jia Kou Power Plant;
- approximately Rmb765 million for investment in Tianjin Datang Panshan Power Company Limited;
- approximately Rmb301 million for investment in Inner Mongolia Datang Tuoketuo Power Generation Company Limited;
- approximately Rmb1,383 million for acquisition of Unit 1 of Zhang Jia Kou Power Plant.

V. PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company had not purchased, sold or redeemed any of the its listed securities.



VI. SIGNIFICANT MATTERS

1. The Board of Directors of the Company was authorised to issue new shares equivalent to not more than 20% of the Company's issued share capital at the 2000 Annual General Meeting held on 29th April 2001.
2. At the Annual General Meeting held on 29th April 2001, the following people were re-elected as the 4th session of the Board of Directors of the Company: Zhai Ruoyu, Yu Hongji, Zhang Yi, Yang Hongming, Wang Xianzhou, Hu Shengmu, Yang Jiayi, Liu Haixia, Su Tiegang, Ye Yonghui, Tong Yunshang, Zhang Wantuo, Xu Daping, Wu Zhenao. The following people were re-elected as the 4th session of the Supervisory Committee of the Company: Zhang Jie, Shi Xiaofan, Fu Guoqiang. The above appointments have been effective from 1st July 2001.

VII. CODE OF BEST PRACTICE

During the Period, the Company had complied with the Code of Best Practice set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

VIII. AUDIT COMMITTEE

The audit committee has reviewed with the management of the Company the accounting principles, accounting standards and methods and discussed matters relating to auditing, internal control and financial reporting, including the unaudited condensed consolidated financial statements for the six months ended 30th June 2001.

By Order of the Board
Zhai Ruoyu
Chairman

Beijing, 14th August 2001