



大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.



唐 **DTP**
大唐发电

Powering Onwards with
Ten Years' Achievement

Interim Report 2005



Powering Onwards with Ten Years' Achievement

Datang Power has come a long way since its establishment over ten years ago. With the Beijing-Tianjin-Tangshan region as its principal service area and focusing on coal-fired generation, throughout these years the Company has gradually advanced beyond the North China region to move into the West and the economically developed coastal area. It is now building large-scale coal-fired power plants along the southeastern coast and developing hydropower projects in the southwestern region, mapping out a strategic deployment of its power generation sources. During the past ten years or so, Datang Power has built outstanding results and excellent operating strengths, now equipped with total installed capacity exceeding 10,000 MW and generating more than 50 million MWh of electricity a year.

Datang Power will further capitalise on the unprecedented opportunities presented in the power industry. It will pro-actively pursue a resource securing strategy focusing on coal, a development strategy actively exploring hydropower projects and an expansion strategy moving into regions with market advantages. In so doing, Datang Power aims to continuously enhance its integral capabilities, provide safe and high-quality electricity to the society, and secure a rapid, sustainable development for the Company.



Contents

2	Interim Results
3	Management Discussion and Analysis
11	Share Capital and Dividends
14	Purchase, Sale and Redemption of the Company's Listed Securities
15	Significant Events
16	The Code on Corporate Governance Practices
17	The Model Code for Securities Transactions by Directors of Listed Issuers
18	Audit Committee
19	Condensed Consolidated Balance Sheet (Unaudited)
21	Condensed Consolidated Income Statement (Unaudited)
22	Condensed Consolidated Statement of Changes in Equity (Unaudited)
23	Condensed Consolidated Statement of Cash Flows (Unaudited)
24	Notes to the Condensed Financial Statements (Unaudited)

Interim Results

Operating Highlights

- On-grid electricity amounted to approximately 32.842 million MWh, representing an increase of approximately 39.29% as compared to the corresponding period of the previous year.
- Consolidated operating revenue amounted to approximately RMB8,589 million, representing an increase of approximately 42.16% as compared to the corresponding period of the previous year.
- Consolidated net profit* amounted to approximately RMB1,119 million, representing an increase of approximately 0.55% as compared to the corresponding period of the previous year.
- Basic earnings per share amounted to approximately RMB0.22.

The board of directors (the "Board") of Datang International Power Generation Company Limited (the "Company") hereby announces the unaudited operating results of the Company and its subsidiaries prepared in conformity with the International Financial Reporting Standards for the six months ended 30 June 2005 (the "Period"), together with the unaudited consolidated operating results of the corresponding period of the previous year for comparison. Such operating results have been reviewed and confirmed by the audit committee of the Company (the "Audit Committee").

Consolidated operating revenue of the Company and its subsidiaries for the Period amounted to approximately RMB8,589 million, representing an increase of approximately 42.16% as compared to the corresponding period of the previous year. Consolidated net profit for the Period amounted to approximately RMB1,119 million, representing an increase of approximately 0.55% as compared to the corresponding period of the previous year. Basic earnings per share for the Period was approximately RMB0.22, at the same level as that of the corresponding period of the previous year.

*Note: Consolidated net profit represents net profit attributable to shareholders of the Company.



Management Discussion and Analysis

The Company and its subsidiaries are engaged in the development, construction and operation of power plants and the sale of electricity and thermal power.

For the six months ended 30 June 2005, net profit of the Company and its subsidiaries amounted to approximately RMB1,119 million, representing an increase of approximately 0.55% as compared to the corresponding period of the previous year. Earnings per share was approximately RMB0.22, at the same level as that of the corresponding period of the previous year.

1. Production

During the Period, the installed capacity (managed capacity) of operating units owned by the Company and its subsidiaries totalled 11,360MW. In addition, total power generation of the Company and its subsidiaries amounted to approximately 34.868 million MWh, representing an increase of approximately 38.79% as compared to the corresponding period of the previous year. Total on-grid electricity amounted to approximately 32.842 million MWh, representing an increase of approximately 39.29% as compared to the corresponding period of the previous year. The increase in power generation and on-grid electricity was mainly attributable to:

- (1) Continued increase in power demand: The increase in nationwide power consumption by approximately 13.91% for the Period;
- (2) Increase in power generation capacity: With two operating units of the Company's subsidiaries put into commercial operation during the Period, together with the operating units of the Company's subsidiaries put into operation in the second half of last year, the managed capacity of the Company has increased by 3,250MW as compared to the corresponding period of the previous year;
- (3) Safe and stable operation of existing operating units of the Company at high operation levels: The equivalent availability factor reached approximately 91.59% during the Period; and

Management Discussion and Analysis (cont'd)

- (4) Secured fuel supply: During the Period, due to the tight supply of coal and substantial growth in power generation, the Company has actively explored coal resources and entered into sincere cooperation with coal mines. In addition, the Company has taken pro-active steps to smoothen the coordination on coal transportation with relevant railway departments, so as to ensure continuous coal supply for the operation of the power plants of the Company and its subsidiaries.

Power generation of the Company's major power plants during the Period was as follows:

Name of power plant	Power generation (billion kWh)
Power plants wholly-owned by the Company (Gaojing Thermal Power Plant, Douhe Power Plant, Zhangjiakou Power Plant and Xiahuayuan Power Plant)	16.598
Tianjin Datang International Panshan Power Generation Company Limited ("Panshan Power Company")	3.950
Inner Mongolia Datang International Tuoketuo Power Generation Company Limited ("Tuoketuo Power Company")	7.984
Hebei Datang International Tangshan Thermal Power Company Limited ("Tangshan Thermal Power Company")	2.175
Hebei Datang International Huaze Hydropower Development Company Limited ("Huaze Hydropower Company")	0.011
Gansu Datang International Liancheng Power Generation Company Limited ("Liancheng Power Company")	1.632
Shanxi Datang International Yungang Thermal Power Company Limited ("Yungang Thermal Power Company")	1.540
Shanxi Datang International Shentou Power Generation Company Limited ("Shentou Power Company")	0.980



Management Discussion and Analysis (cont'd)

2. Operational management

The Company and its subsidiaries achieved consolidated operating revenue of approximately RMB8,589 million during the Period, representing an increase of approximately 42.16% as compared to the corresponding period of the previous year, and consolidated net profit of approximately RMB1,119 million, representing an increase of approximately 0.55% as compared to the corresponding period of the previous year.

The increases in consolidated operating revenue and consolidated net profit were attributable to the following:

- (1) Increase in on-grid electricity and upward adjustments of electricity tariffs: During the Period, total installed capacity of the Company increased by 3,250MW as compared to the corresponding period of the previous year. Accordingly, on-grid electricity increased by approximately 39.29% as compared to the corresponding period of the previous year. As a result of the new tariff policy announced by the government of the People's Republic of China (the "PRC"), including the implementation of Coal-electricity Price Linkage Mechanisms, the average on-grid tariff (tax included) of the Company's operating power units has increased as compared to the corresponding period of the previous year.
- (2) Commitment to stringent cost controls and energy conservation measures: Compared to the corresponding period of the previous year, due to surging coal prices and declining thermal output, the unit fuel cost of power generation has increased by approximately 28.48% and this was the main factor affecting the Company's profits growth. Facing the severe pressure from fuel supply and costs, the Company has intensified its work on energy conservation, while exercising stringent controls on all cost components. During the Period, coal consumption for power generation of the operating units of the Company was 350.57g/kWh, a decrease of 3.61g/kWh from the corresponding period of the previous year. With a significant increase in on-grid power generation, controllable costs were effectively contained, and the operating pressure of lowered profits due to the significant increase in fuel costs was relieved.



Management Discussion and Analysis (cont'd)

3. Business expansion

During the Period, business expansion of the Company and its subsidiaries was as follows:

- (1) Unit 2 (300MW) of Liancheng Power Company was put into commercial operation in February; Units 1 and 2 (2 x 500MW) of Shentou Power Company were put into commercial operation in February and July, respectively.
- (2) The following construction projects will commence operation during 2005:
 - Units 5 and 6 (2 x 600MW) of Tuoketuo Power Company.
 - Unit 1 (50MW) of Yunnan Nalan Hydropower Project, which is being constructed by Yunnan Datang International Nalan Hydropower Development Company Limited ("Nalan Hydropower Company").
 - The Board has approved the development and construction of Wangtan Power Generation Project. Wangtan Power Generation Project involves the construction of two 600MW coal-fired units and relevant approval has been obtained from the National Development and Reform Commission (the "NDRC"). Wangtan Power Generation Project is located in Tangshan of Hebei Province, nearby Bohai Bay.



Management Discussion and Analysis (cont'd)

- (3) Projects under construction and pre-construction works progressed effectively:
- Units 1 and 2 (2 x 300MW) of Yunnan Datang International Honghe Power Generation Company Limited ("Honghe Power Company") which are under construction and are expected to commence operation in 2006.
 - Unit 1 (60MW) of Yayangshan Hydropower Project, which is developed, constructed and operated by Yunnan Datang International Lixianjiang Hydropower Development Company Limited ("Lixianjiang Hydropower Company"), is under construction and is expected to commence operation in 2006.
 - Zhejiang Wushashan Power Generation Project, which is located in Wushashan of Zhejiang Province, has been approved by the NDRC. The project involves the construction of four 600MW coal-fired units and has commenced construction.
 - Guangdong Chaozhou Power Generation Project, which is controlled and developed by the Company, has been approved by the NDRC. The project comprises two 600MW coal-fired units and is located in Chaozhou of Guangdong Province. At present, the project has commenced construction.
 - Fujian Ningde Power Generation Project, which is controlled and developed by the Company, has been approved by the NDRC. The project comprises two 600MW coal-fired units and is located in Ningde of Fujian Province. At present, the project has commenced construction.
 - Chongqing Datang Pengshui Hydropower Development Company Limited ("Pengshui Hydropower Company") plans to construct five 350MW hydropower units in the downstream area of Wujiang, Pengshui County, Chongqing City, in the east of the main Chongqing Grid. The project is pending approval from the NDRC. Relevant preparations for the construction are underway.

Management Discussion and Analysis (cont'd)

4. Financial analysis

(1) Operating results

During the Period, the Company and its subsidiaries achieved consolidated net profit of approximately RMB1,119 million, representing an increase of approximately 0.55% as compared to the corresponding period of the previous year. Basic earnings per share was approximately RMB0.22, at the same level as that of the corresponding period of the previous year.

- **Operating revenue:** The consolidated operating revenue of the Company and its subsidiaries for the Period amounted to approximately RMB8,589 million, representing an increase of approximately RMB2,547 million or 42.16% as compared to the corresponding period of the previous year. The increase in operating revenue was mainly resulted from increasing on-grid electricity and average on-grid tariffs. On-grid electricity rose approximately 39.29% as compared to the corresponding period of the previous year. As the government of the PRC announced a new tariff policy, including the implementation of the Coal-electricity Price Linkage Mechanisms, the average on-grid tariff (tax included) of the commercially operating units of the Company has increased.
- **Operating costs:** Consolidated operating costs of the Company and its subsidiaries for the Period amounted to approximately RMB6,438 million, representing an increase of approximately RMB2,301 million or approximately 55.62% as compared to the corresponding period of the previous year. Among such increase, actual fuel costs were approximately RMB3,730 million, representing an increase of approximately RMB1,669 million or approximately 81.01% as compared to the corresponding period of the previous year.
- **Finance costs:** Finance costs for the Period increased by approximately RMB213 million, or an increase of approximately 134.55% as compared to the corresponding period of the previous year.

Management Discussion and Analysis (cont'd)

(2) *Financial position*

As at 30 June 2005, total consolidated assets of the Company and its subsidiaries amounted to approximately RMB56,748 million, representing an increase of approximately RMB7,273 million as compared to 31 December 2004. Total consolidated liabilities amounted to approximately RMB37,347 million, representing an increase of approximately RMB6,951 million as compared to 31 December 2004. Minority interests amounted to approximately RMB2,307 million, representing an increase of approximately RMB339 million as compared to 31 December 2004. The Company's shareholders' equity amounted to approximately RMB17,093 million, representing a decrease of approximately RMB17 million as compared to 31 December 2004. The increase in total assets was mainly resulted from the implementation of the expansion strategy by the Company and its subsidiaries and the corresponding increase in investments in construction-in-progress.

(3) *Liquidity*

As at 30 June 2005, the asset-to-liability ratio (i.e. the ratio between total liabilities and total assets, excluding minority interests) for the Company and its subsidiaries was approximately 65.81%. The net debt-to-equity ratio (i.e. (loans + convertible bonds – cash and cash equivalents – short-term bank deposits with a maturity over three months – investments held for trading)/shareholders' equity excluding minority interests) was approximately 175.51%.

As at 30 June 2005, total cash and cash equivalents and bank deposits with a maturity of over 3 months of the Company and its subsidiaries amounted to approximately RMB2,806 million, among which an equivalent of approximately RMB1,257 million was in foreign currencies. The Company and its subsidiaries had no entrusted deposits or overdue fixed deposits during the Period.

As at 30 June 2005, short-term loans of the Company and its subsidiaries amounted to approximately RMB11,619 million, at annual interest rates ranging from 4.52% to 5.84%. Long-term loans (excluding those due within 1 year) amounted to approximately RMB18,708 million and long-term loans due within 1 year amounted to approximately RMB1,378 million, at annual interest rates ranging from 2.88% to 6.12%, of which an amount equivalent to approximately RMB2,377 million was US dollars denominated



Management Discussion and Analysis (cont'd)

loans. The convertible bond issued by the Company was US dollars denominated and is equivalent to RMB1,102 million. The Company and its subsidiaries pay regular and active attention to foreign exchange market fluctuations and prudently assess foreign currency risks.

As at 30 June 2005, the Company has provided loan guarantees to its subsidiaries amounting to approximately RMB11,639 million; and loan guarantees to its associates amounting to approximately RMB621 million. Save as disclosed herein, the Company did not provide any guarantee to other companies.

5. Major works to be completed during the second half of 2005

To date, the Company's investments in Units 5 and 6 of the Phase III project of Tuoketuo Power Company, the Chaozhou Power Project, the Wushashan Power Project and the Wangtan Power Generation Project, which comprise a total of twelve 600MW generation units for a total of 7,200MW, have been approved and their respective constructions have commenced. However, the operating conditions of the Company are still difficult, given the fuel prices hovering at a high level and ever-increasing demand for environmental protection which will affect the earnings of the Company. As such, the Company will strengthen its management and overcome the unfavourable factors, aiming at increasing production and revenue and achieving greater economic efficiency. In the second half of 2005, the Company will focus on the following:

1. Implement the production safety accountability system to ensure safe and steady operation of power generating units of the Company and its subsidiaries;
2. Enhance fuel management to ensure fuel supply for power generation;
3. Enhance efforts in cost management, striving for revenue increase and cost saving; and
4. Focus on the management of the projects under construction, and ensure that the Phase III project of Tuoketuo Power Company (2 x 600MW coal-fired unit), the Wangtan Power Generation Project (2 x 600MW coal-fired unit), and Nalan Hydropower Project Unit 1 (50MW) will commence operation in accordance with schedule within this year.

Share Capital and Dividends

(1) Share capital

No new shares were issued by the Company during the Period. As at 30 June 2005, total share capital of the Company amounted to RMB5,162,849,000, consisting of 5,162,849,000 shares of the Company of RMB1.00 each.

(2) Substantial shareholders of the Company

As far as the directors of the Company (the "Directors") are aware, as at 30 June 2005, the interests or short positions of the person or entities in the shares or underlying shares of the Company to be disclosed to the Company under section 336 of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong) are as follows:

Name of shareholder	Class of share	No. of shares held	Percentage to	Percentage to	Percentage to
			total issued share capital of the Company (%)	total issued domestic shares (%)	total issued H shares (%)
China Datang Corporation	Domestic shares	1,828,768,200(L)	35.43	49	-
Beijing Energy Investment (Group) Company	Domestic shares	671,792,400(L)	13.01	18	-
Hebei Construction Investment Company	Domestic shares	671,792,400(L)	13.01	18	-
Tianjin Jinneng Investment Company	Domestic shares	559,827,000(L)	10.84	15	-
J.P. Morgan Chase & Co.	H shares	143,696,517(L) 97,890,871(P)	2.78 1.90	-	10.04(L) 6.84(P)
Alliance Capital Management L.P.	H shares	142,659,571(L)	2.76	-	9.97(L)

Share Capital and Dividends (cont'd)

Name of shareholder	Class of share	No. of shares held	Percentage to total issued share capital of the Company (%)	Percentage to total issued domestic shares (%)	Percentage to total issued H Shares (%)
UBS AG	H shares	140,192,400(L)	2.72	-	9.79(L)
		53,342,424(S)	1.03		3.73(S)
Templeton Asset Management Limited	H shares	84,472,320(L)	1.64	-	5.90(L)
Schroder Investment Management (S'pore) Limited	H shares	75,470,000(L)	1.46	-	5.28(L)

(L) = Long positions (S) = Short positions (P) = Lending Pool

Save as disclosed above, as far as the Directors are aware, as at 30 June 2005, there is no person or entity holding interests or short positions in the share or underlying shares of the Company are required to make disclosure in accordance with the requirements of the SFO.

(3) Dividends

In accordance with the proposal made at the meeting of the Board held on 28 March 2005 and approved at the annual general meeting of the Company convened on 21 June 2005, an annual dividend of RMB0.22 per share for year 2004 was declared, and that the dividends concerned would be distributed to shareholders of the Company whose name appeared on the register of members of the Company on 20 May 2005. The above-mentioned dividends have been distributed before 30 June 2005, among which domestic-share dividends were distributed in and paid by Renminbi while H-share dividends were distributed in Renminbi and paid by Hong Kong dollars.

The Board does not recommend the payment of any interim dividend for year 2005.



Share Capital and Dividends (cont'd)

(4) Interests of Directors and Supervisors in Share Capital

As at 30 June 2005, none of the Directors, supervisors and chief executive of the Company have any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").



Purchase, Sale and Redemption of the Company's Listed Securities

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



Significant Events

The relevant authorisation given to the Board in respect of the issue of not more than 1 billion A shares of the Company was renewed at the annual general meeting, the H shares class meeting and the domestic shares class meeting of the Company, which were held on 21 June 2005.



The Code on Corporate Governance Practices

To the knowledge of the Board, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules during the Period.



The Model Code for Securities Transactions by Directors of Listed Issuers

Upon specific enquiries made to all the Directors and in accordance with information provided, the Board confirmed that all Directors have complied with the provisions under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules during the Period.



Audit Committee

In accordance with the Listing Rules, the Company has set up an Audit Committee which comprises three independent non-executive Directors and two non-executive Directors. The Audit Committee is responsible for reviewing the Company's financial reporting procedures and internal controls.

The Audit Committee has reviewed with the management of the Company the accounting principles and methods adopted by the Company and its subsidiaries. It has also discussed matters regarding internal controls and the interim financial statements, including the review of the financial statements for the six months ended 30 June 2005.

The Audit Committee considered that the 2005 interim financial report of the Company and its subsidiaries complied with the applicable accounting standards, and that the Company has made appropriate disclosure thereof.

By order of the Board
Zhai Ruoyu
Chairman

Beijing, the PRC, 29 August 2005

Condensed Consolidated Balance Sheet (Unaudited)

As at 30 June 2005
(Amounts expressed in thousands of Renminbi ("RMB"))

	Note	30 June 2005	31 December 2004
ASSETS			
Non-current assets			
Property, plant and equipment, net		49,829,366	42,635,793
Investments in associates		785,178	514,415
Available-for-sale investments		313,023	336,700
Goodwill		33,561	33,561
Deferred housing benefits		214,055	149,385
Long-term deposit		100,000	100,000
Deferred tax assets		95,220	75,547
		51,370,403	43,845,401
Current assets			
Inventories		515,521	442,615
Other receivables and current assets		397,557	224,372
Accounts receivable		1,658,506	1,289,931
Short-term bank deposits over three months		20,000	210,409
Cash and cash equivalents	3	2,786,195	3,462,019
		5,377,779	5,629,346
Total assets		56,748,182	49,474,747

Condensed Consolidated Balance Sheet (Unaudited) (cont'd)

As at 30 June 2005
(Amounts expressed in thousands of Renminbi ("RMB"))

	Note	30 June 2005	31 December 2004
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Share capital		5,162,849	5,162,849
Reserves		11,930,633	11,947,568
		17,093,482	17,110,417
Minority interest		2,307,289	1,968,309
Total equity		19,400,771	19,078,726
Non-current liabilities			
Long-term loans	11	18,707,805	17,949,062
Convertible bonds	5	1,102,116	1,078,027
Deferred tax liabilities		181,204	155,328
		19,991,125	19,182,417
Current liabilities			
Accounts payable and accrued liabilities	4	4,129,553	3,625,869
Short-term loans	6 & 11	11,618,760	5,979,560
Current portion of long-term loans	11	1,378,001	1,106,875
Taxes payable		229,972	501,300
		17,356,286	11,213,604
Total liabilities		37,347,411	30,396,021
Total equity and liabilities		56,748,182	49,474,747

Condensed Consolidated Income Statement (Unaudited)

For the six months ended 30 June 2005
(Amounts expressed in thousands of RMB, except per share data)

	Note	Six months ended 30 June	
		2005	2004
Operating revenue	7	8,588,707	6,041,467
Operating costs	11 & 12	(6,438,097)	(4,137,151)
Operating profit		2,150,610	1,904,316
Share of loss of associates, net		(3,953)	(6,633)
Interest income		24,429	19,362
Finance costs	12	(371,495)	(158,386)
Profit before taxation		1,799,591	1,758,659
Taxation	8	(353,436)	(484,395)
Profit for the period		1,446,155	1,274,264
Attributable to:			
Equity holders of the Company		1,118,892	1,112,780
Minority interest		327,263	161,484
		1,446,155	1,274,264
Earnings per share for profit attributable to the equity holders of the Company during the period			
– basic (RMB)	9	0.22	0.22
– diluted (RMB)	9	0.21	0.21

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2005
(Amounts expressed in thousands of RMB)

	Attributable to equity holders of the Company									Minority interest (Note 2)	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Statutory public welfare fund	Discretionary surplus reserve	Restricted reserve	Other reserve	Retained earnings	Total reserves		
Balance as at 1 January 2004, as previously reported as equity	5,162,849	3,653,421	1,312,067	256,981	3,032,863	161,801	149,796	1,991,554	10,558,483	-	15,721,332
Balance as at 1 January 2004, as previously separately reported as minority interest	-	-	-	-	-	-	-	-	-	1,240,427	1,240,427
Balance as at 1 January 2004, as restated	5,162,849	3,653,421	1,312,067	256,981	3,032,863	161,801	149,796	1,991,554	10,558,483	1,240,427	16,961,759
Capital injection from minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	70,000	70,000
Dividends declared	-	-	-	-	-	-	-	(903,499)	(903,499)	(43,362)	(946,861)
Net profit	-	-	-	-	-	-	-	1,112,780	1,112,780	161,484	1,274,264
Transfer between reserves	-	-	-	(7,860)	516,937	(16,180)	-	(492,897)	-	-	-
Balance as at 30 June 2004	5,162,849	3,653,421	1,312,067	249,121	3,549,800	145,621	149,796	1,707,938	10,767,764	1,428,549	17,359,162
Balance as at 1 January 2005, as previously reported as equity	5,162,849	3,653,421	1,619,555	464,488	3,593,485	129,441	149,796	2,337,382	11,947,568	-	17,110,417
Balance as at 1 January 2005, as previously separately reported as minority interest	-	-	-	-	-	-	-	-	-	1,968,309	1,968,309
Balance as at 1 January 2005, as restated	5,162,849	3,653,421	1,619,555	464,488	3,593,485	129,441	149,796	2,337,382	11,947,568	1,968,309	19,078,726
Capital injection from minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	95,600	95,600
Dividends declared (Note 10)	-	-	-	-	-	-	-	(1,135,827)	(1,135,827)	(83,883)	(1,219,710)
Net profit	-	-	-	-	-	-	-	1,118,892	1,118,892	327,263	1,446,155
Transfer between reserves (Note 10)	-	-	-	-	1,281,770	(16,180)	-	(1,265,590)	-	-	-
Balance as at 30 June 2005	5,162,849	3,653,421	1,619,555	464,488	4,875,255	113,261	149,796	1,054,857	11,930,633	2,307,289	19,400,771



Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months ended 30 June 2005
(Amounts expressed in thousands of RMB)

	Note	Six months ended 30 June	
		2005	2004
Net cash from operating activities		1,485,162	1,086,070
Net cash used in investing activities	12	(8,239,468)	(6,308,297)
Net cash provided by financing activities	12	6,078,482	6,068,970
Net (decrease)/increase in cash and cash equivalents		(675,824)	846,743
Cash and cash equivalents, beginning of period		3,462,019	4,155,484
Cash and cash equivalents, end of period		2,786,195	5,002,227

Notes to the Condensed Financial Statements (Unaudited)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

1. Company organisation and principal activities

Datang International Power Generation Company Limited was incorporated in Beijing, the People's Republic of China (the "PRC"), on 13 December 1994 as a joint stock limited company. The Company listed its H Shares on the Stock Exchange of Hong Kong Limited and the London Stock Exchange Limited on 21 March 1997. The Company and its subsidiaries currently own and operate 10 coal-fired power plants and 1 hydropower plant. It is also developing various power plant projects through ventures with other parties.

The principal activity of the Company and its subsidiaries is power generation and power plant development in the PRC. Substantially all of the business of the Company and its subsidiaries are conducted within one industry segment.

As at 30 June 2005, the Company holds equity interests in the following subsidiaries and associates, all of which are limited liability companies established and operated in the PRC:

Company name	Date of establishment	Paid in Capital '000	Attributable interest	Principal activities
Subsidiaries				
Tuoketuo Power Company	17 November 1995	1,714,020	60%	Power generation
Panshan Power Company	6 August 1997	831,253	75%	Power generation

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

1. Company organisation and principal activities (cont'd)

Company name	Date of establishment	Paid in Capital '000	Attributable interest	Principal activities
Subsidiaries (cont'd)				
Huaze Hydropower Company	29 July 1998	59,161	90%	Hydropower generation
Shentou Power Company	8 December 1998	748,520	60%	Power generation
Yungang Thermal Power Company	14 July 2000	250,000	80%	Power generation
Honghe Power Company	27 April 2001	109,157	70%	Power generation (under construction)
Liancheng Power Company	18 August 2001	273,500	55%	Power generation
Tangshan Thermal Power Company	21 February 2002	380,264	80%	Power generation

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

1. Company organisation and principal activities (cont'd)

Company name	Date of establishment	Paid in Capital '000	Attributable interest	Principal activities
Subsidiaries (cont'd)				
Nalan Hydropower Company	30 October 2002	28,477	51%	Hydropower generation (under construction)
Lixianjiang Hydropower Company	8 November 2002	69,500	70%	Hydropower generation (under construction)
Shanxi Datang International Yuncheng Power Generation Company Limited	28 March 2003	81,700	51%	Power generation (pre-construction)
Jiangsu Datang International Lvsigang Power Generation Company Limited	18 September 2003	124,000	90%	Power generation (pre-construction)
Guangdong Datang International Chaozhou Power Generation Company Limited	15 November 2003	150,000	75%	Power generation (under construction)
Fujian Datang International Ningde Power Generation Company Limited	2 December 2003	250,000	55%	Power generation (under construction)

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

1. Company organisation and principal activities (cont'd)

Company name	Date of establishment	Paid in Capital '000	Attributable interest	Principal activities
Subsidiaries (cont'd)				
Chongqing Datang International Wulong Hydropower Development Company Limited	24 January 2005	50,000	51%	Hydropower generation (pre-construction)
Yunnan Datang International Wenshan Hydropower Development Company Limited	8 April 2005	60,000	60%	Hydropower generation (pre-construction)
Associates				
North China Electric Power Research Institute Company Limited ("NCEPR")	7 December 2000	100,000	30%	Power related technology services
Beijing Texin Datang Heat Company Limited ("Datang Texin")	27 April 2002	172,800	49%	Provision of heat transfer service
Pengshui Hydropower Company	28 August 2003	125,000	40%	Hydropower generation (under construction)

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

1. Company organisation and principal activities (cont'd)

Company name	Date of establishment	Paid in Capital '000	Attributable interest	Principal activities
Associates (cont'd)				
Ningxia Datang Daba Power Generation Company Limited ("Datang Daba")	31 October 2003	20,000	45%	Power generation (pre-construction)
Tongfang Investment Company Limited	8 May 2004	550,000	36.4%	Project investment and management
Tongmei Datang Tashan Coalmine Company Limited ("Tashan Coalmine")	15 July 2004	50,000	28%	Coal mining
Tangshan Huaxia Datang Fuel Company Limited	10 August 2004	20,000	30%	Fuel trading
Tongmei Datang Multiple Utilization Thermal Power Company Limited	28 May 2004	20,000	20%	Power generation (pre-construction)
China Datang Finance Company Limited	10 May 2005	100,000	20%	Provision of financial service

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

2. Principal accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual financial statements as at and for the year ended 31 December 2004 except that the Company and its subsidiaries have adopted the International Financial Reporting Standards ("IFRSs") which are effective for accounting period commencing on 1 January 2005.

The list of the new/revised IASs and IFRSs which are relevant to the operations of the Company and its subsidiaries is as follows. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Balance Sheet Date
IAS 16	Property, Plant, and Equipment
IAS 17	Leases
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 27	Consolidated and Separate Financial Statements
IAS 28	Investments in Associates
IAS 32	Financial Instruments: Disclosure and Presentation
IAS 33	Earnings per Share
IAS 39	Financial Instruments: Recognition and Measurement

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

2. Principal accounting policies (cont'd)

The adoption of IASs 1, 2, 8, 10, 16, 17, 21, 32, 33 and 39 did not result in substantial changes to the accounting policies of the Company and its subsidiaries.

IAS 1 has affected the presentation of minority interest and other disclosures.

IAS 24 has extended the identification and disclosure of related parties to include state-owned enterprises and key management personnel of the Company as well as their close family members.

The adoptions of IASs 27 and 28 have resulted in changes in accounting policies for investments in subsidiaries and associates at company level. Until 31 December 2004, investments in subsidiaries and associates at company level are accounted for using the equity method. Subsequent to that date, the Company and its subsidiaries, at the Company level, restated such investments at cost less any accumulated impairment losses.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Company and its subsidiaries require retrospective application other than IAS 16 – the exchange of property, plant and equipment is accounted at fair value prospectively.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

3. Cash and cash equivalents

	30 June 2005 '000	31 December 2004 '000
Deposits with NCPG Finance Company Ltd.	271,736	250,466
Bank deposits	2,513,977	3,210,826
Cash in hand	482	727
	2,786,195	3,462,019

As at 30 June 2005, cash and cash equivalents of approximately RMB271,736,000 (2004 – RMB250,466,000) were deposited with NCPG Finance Company Ltd. at the prevailing market interest rate of 0.72% per annum (2004 – 0.72% per annum).

4. Accounts payable and accrued liabilities

	30 June 2005 '000	31 December 2004 '000
Construction costs and deposits payable to contractors	2,173,828	2,290,647
Fuel and material costs payable	1,146,004	678,689
Salary and welfare payable	184,507	148,090
Interest rate swap liability	116,376	119,885
Government grants	174,277	170,177
Others	334,561	218,381
	4,129,553	3,625,869

As at 30 June 2005, other than certain deposits for construction which were due between one and two years, substantially all accounts payable were due within one year.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

4. Accounts payable and accrued liabilities (cont'd)

As at 30 June 2005, the notional principal amount of the outstanding interest rate swap contracts of Tuoketuo Power Company was USD219,675,000 (2004 – USD213,911,000) and the related fixed rate and floating rate were 5.15% (2004 – 5.15%) and 2.89% (2004 – 1.86%) (LIBOR offered by British Bankers' Association as at 13 January 2005), respectively.

5. Convertible bonds

The liability component of convertible bonds as at 30 June 2005 was as follows:

	'000
Liability component as at 1 January 2005	1,078,027
Interest expense	28,863
Interest payment	(4,774)
Liability component as at 30 June 2005	1,102,116

The carrying amount of the liability component as at 30 June 2005 of the convertible bonds approximated its fair value.

6. Short-term Loans

The Company and its subsidiaries had short-term loans payable to NCPG Finance Company Ltd. totalling approximately RMB1,065,400,000 as at 30 June 2005 (2004 – RMB104,000,000).

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

7. Operating revenue

	Six months ended 30 June	
	2005	2004
	'000	'000
Electricity	8,541,200	6,035,508
Heat	47,507	5,959
	8,588,707	6,041,467

Pursuant to the power purchase agreements entered into between the Company and its subsidiaries and the regional or provincial grid companies, the Company and its subsidiaries are required to sell their entire net generation of electricity to these grid companies at approved tariff rates. For the six months ended 30 June 2005, most of the electricity generated by the Company and its subsidiaries was sold to North China Grid Company ("NCG") and its subsidiaries.

8. Taxation

	Six months ended 30 June	
	2005	2004
	'000	'000
PRC enterprise income tax		
– Current tax	347,233	469,356
– Deferred tax	6,203	15,039
	353,436	484,395

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

8. Taxation (cont'd)

Enterprise income tax is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expense items, which are not assessable or deductible for income tax purposes. Except for Tuoketuo Power Company and Huaze Hydropower Company, the applicable PRC enterprise income tax rate for the Company and its subsidiaries is 33%.

Pursuant to document Guo Ban Fa [2001] 73 issued by State Council of PRC and document Cai Shui [2001] 202 issued by State Administration of Taxation of PRC, Tuoketuo Power Company, as an enterprise set up in western area of the PRC and engaged in a business encouraged by the State, has been granted a tax concession to pay PRC income tax at a preferential rate of 15% from 2001 to 2010. As a newly set up domestic invested enterprise engaged in power generation in western area of PRC, Tuoketuo Power Company is also exempted from PRC enterprise income tax during the first and second years of operations and has been granted a tax concession to pay PRC enterprise income tax at 50% of preferential rate during the third to fifth years of operations. Tuoketuo Power Company started commercial operations in 2003. The applicable PRC enterprise income tax rates approved by the local tax authority in 2004 and 2005 are 0% .

Pursuant to document Ji Zheng Han [2003] 126 issued by People's Government of Hebei Province and document Ji Guo Shui Fa [2003] 179 issued by State Administration of Taxation of Hebei Province, Huaze Hydropower Company, as an enterprise set up in the autonomous county started from 1 January 2003, is exempted from PRC enterprise income tax during the first to third years since the first tax profit year and has been granted a tax concession to pay PRC enterprise income tax at 50% of the tax rate during the fourth to sixth year. Huaze Hydropower Company has the tax profit since the year 2003. The applicable PRC enterprise income tax rates approved by the local tax authority in 2004 and 2005 are 0%.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

9. Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2005 was based on net profit attributable to equity holders of the Company of approximately RMB1,118,892,000 (2004 – RMB1,112,780,000) and on the weighted average number of 5,162,849,000 shares (2004 – 5,162,849,000 shares) outstanding during the period.

The diluted earnings per share is calculated adjusting the weighted average number of ordinary share outstanding to assume conversion of all dilutive potential ordinary shares. The convertible bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expenses less the tax effect.

	Six months ended 30 June	
	2005	2004
Net profit attributable to shareholders (RMB '000)	1,118,892	1,112,780
Interest expense on convertible debt (net of tax) (RMB '000)	19,338	18,502
Net profit used to determine diluted earnings per share (RMB '000)	1,138,230	1,131,282
Weighted average number of ordinary shares in issue (shares in thousand)	5,162,849	5,162,849
Adjustments for assumed conversion of convertible debt (shares in thousand)	215,813	215,813
Weighted average number of ordinary shares for diluted earnings per share (shares in thousand)	5,378,662	5,378,662
Diluted earnings per share (RMB)	0.21	0.21

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

10. Profit appropriations

Dividends

On 28 March 2005, the Board of Directors proposed a dividend of RMB0.22 per share, totalling approximately RMB1,135,827,000 for the year ended 31 December 2004. The proposed dividend distribution was approved by the shareholders in their general meeting dated 21 June 2005.

During the period ended 30 June 2005, dividends of approximately RMB1,135,827,000 were paid, which represents RMB0.22 dividends paid per share.

Reserves

During the period, approximately RMB16,180,000 has been transferred from the restricted reserve, which is specifically set up to reflect the reduction of the statutory public welfare fund under PRC GAAP, to retained earnings. This amount represented amortization of deferred housing benefits for the six months ended 30 June 2005.

Pursuant to the Accounting System for Business Enterprises of the PRC, statutory public welfare fund is transferred to discretionary surplus reserve upon utilisation for the collective benefits of the employees. For the six months ended 30 June 2005, approximately RMB Nil (2004 – RMB7,860,000) of the statutory public welfare fund was transferred to discretionary surplus reserve.

On 28 March 2005, the Board of Directors proposed an appropriation of approximately RMB1,281,770,000 to the discretionary reserve for the year ended 31 December 2004. The proposed profit appropriation was approved by the shareholders in their general meeting dated 21 June 2005.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

11. Related parties and transactions

- (i) The related parties of the Company and its subsidiaries are as follows:

Name of related parties	Nature of relationship
Related parties in which the Company has no equity interest	
China Datang Corporation ("China Datang")	Substantial shareholder
Beijing Energy Investment (Group) Company	Shareholder
Hebei Construction Investment Company	Shareholder
Tianjin Jinneng Investment Company	Shareholder
State-owned enterprises	Related parties of the Company
Related parties in which the Company has equity interest	
NCEPR	Associate
Datang Texin	Associate
Pengshui Hydropower Company	Associate
Datang Daba	Associate
Tashan Coalmine	Associate

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

11. Related parties and transactions (cont'd)

- (ii) The following is a summary of the major related party transactions undertaken by the Company and its subsidiaries during the period:

	Note	Six months ended 30 June	
		2005 '000	2004 '000
Ash disposal fee to China Datang	(a)	28,946	28,946
Rental fee to China Datang	(b)	3,614	3,614
Technical supervision, assistance and testing service fee to NCEPR	(c)	14,408	17,646
Heat revenue from Datang Texin	(d)	19,826	5,959
Fuel management fee to China Datang	(e)	3,134	3,134
Sales of a project to China Datang	(f)	210,615	-
Acquisition of Tangshan Power Plant from China Datang	(g)	157,000	-

- (a) The ash disposal fee was determined based on ash disposal operating costs, taxes, depreciation of ash yards and a profit margin at 5% to 10% of the total costs incurred by China Datang.
- (b) For the six months ended 30 June 2005, the Company has leased buildings of 141,671 (2004 – 141,671) square metres from China Datang for an annual rental rate of approximately RMB7 million (2004 – RMB7 million).

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

11. Related parties and transactions (cont'd)

- (ii) The following is a summary of the major related party transactions undertaken by the Company and its subsidiaries during the period: (cont'd)
 - (c) NCEPR provides technical supervision, assistance and testing services to the Company and its subsidiaries in relation to the power generation equipment and facilities. Pursuant to the Technical Supervision Services Contract, such services are charged at a pre-determined rate based on the installed capacity of the Company and its subsidiaries.
 - (d) Part of the Company's sales of heat for the six months ended 30 June 2005 were made to Datang Texin. As at 30 June 2005, the balance due from Datang Texin amounted to RMB22,403,000 (2004 – RMB4,528,000), and was included in accounts receivable.
 - (e) In year 2005, China Datang provided fuel management and developing services to the Company. These services were charged at RMB0.50 per ton of coal purchased. As at 30 June 2005, there was no balance due to China Datang in this respect (2004 – RMB6,268,000).
 - (f) Based on the verbal agreement with China Datang, the Company transferred an office building project to China Datang. The transfer price was approximately RMB210,615,000, which represented the costs incurred by the Company in this project. On 24 August 2005, the company signed a formal contract with China Datang to confirm the price arrangement.
 - (g) In 2004, Tangshan Thermal Power Company, a subsidiary of the Company and China Datang entered into agreement under which Tangshan Thermal Power Company agreed to acquire the net assets of Tangshan Power Plant from China Datang. After obtaining all necessary government approvals on the transaction and the payment of the consideration of RMB157 million, the above acquisition became effective on 20 June 2005.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

11. Related parties and transactions (cont'd)

- (ii) The following is a summary of the major related party transactions undertaken by the Company and its subsidiaries during the period: (cont'd)
 - (h) As at 30 June 2005, NCG and the minority shareholders of the Company's subsidiaries had provided guarantees for the Company and its subsidiaries' loans totalling approximately RMB7,602 million (2004 – RMB8,192 million). Pursuant to the Entities Transfer Agreement, China Datang will assume all of NCG's obligations in relation to the guarantees provided for the Company and its subsidiaries. The legal procedures of this arrangement were still in process as at 30 June 2005.
 - (i) In addition to the transactions mentioned above, for the six months ended 30 June 2005, there are related companies owned/managed by certain management personnel of the Company and its subsidiaries, which provided property management, cleaning, transportation, and other services of approximately RMB16,655,000 (2004 – RMB17,516,000) to the Company and its subsidiaries.
 - (j) As at 30 June 2005, the Company had provided guarantees for loans of its associates, Datang Texin, Pengshui Hydropower Company, Datang Daba and Tashan Coalmine, according to the Company's shareholding percentage in its associates totalling approximately RMB621 million (2004 – RMB1,115 million).
 - (k) Transactions with state-owned Enterprises

China Datang, Beijing Energy Investment (Group) Company, Hebei Construction Investment Company and Tianjin Jinneng Investment Company ("Major Shareholders") are state-owned enterprises directly controlled by the PRC government. The PRC government is the Company's ultimate controlling party. State-owned enterprises and their subsidiaries, in addition to Major Shareholders, directly or indirectly controlled by the PRC government are also related parties of the Company. Neither Major Shareholders nor the PRC government publishes financial statements available for public use.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

11. Related parties and transactions (cont'd)

(ii) The following is a summary of the major related party transactions undertaken by the Company and its subsidiaries during the period: (cont'd)

(k) Transactions with state-owned Enterprises (cont'd)

The PRC government controls, a significant portion of the assets and a substantial number of entities in the PRC. For the purpose of related party transactions disclosure, the Company has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises, which can be summarised as follows:

(a) Revenue and expense

- (1) The Company and its subsidiaries sold 100% of its electricity and heat to state-owned enterprises.
- (2) The Company and its subsidiaries acquired approximately 79% of its fuel from state-owned enterprises.
- (3) The Company and its subsidiaries received interest income from mainly state-owned banks and paid interests on loans borrowed mainly from state-owned banks.
- (4) The Company had donated RMB66 million to Beijing Environmental Bureau in 2005.
- (5) The Company and its subsidiaries also had transactions with numerous state-owned enterprises which resulted in operating costs of the Company and its subsidiaries. The items include normal repair and maintenance, transportation, and utilities, etc.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

11. Related parties and transactions (cont'd)

(ii) The following is a summary of the major related party transactions undertaken by the Company and its subsidiaries during the period: (cont'd)

(k) Transactions with state-owned Enterprises (cont'd)

(b) Assets and liabilities

- (1) The Company and its subsidiaries acquired approximately 93% of its property, plant and equipment from state-owned enterprises.
- (2) The Company and its subsidiaries acquired approximately 90% of its inventories from state-owned enterprises.
- (3) The Company and its subsidiaries deposited most of its short-term bank deposits and cash at bank in state-owned financial institutions.
- (4) The Company and its subsidiaries borrowed most of its short-term and long-term bank loans in state-owned financial institutions.
- (5) The Company and its subsidiaries maintained receivables and payables amount with state-owned enterprises.

Many state-owned enterprises have multi-layered corporate structure. The ownership structure also changes over time as a result of transfers and privatization programs.

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

11. Related parties and transactions (cont'd)

(ii) The following is a summary of the major related party transactions undertaken by the Company and its subsidiaries during the period: (cont'd)

(k) Transactions with State-Owned Enterprises (cont'd)

(b) Assets and liabilities (cont'd)

Due to the pervasiveness of the Company and its subsidiaries' transactions with the state-owned enterprises' employees on corporate business, the key management personnel and their close family members of state-owned enterprises, and other related parties, there is no feasible way or a reliable system to track such transactions and ensure the completeness of the disclosure. Management believes that meaningful information relative to related party transaction has been adequately disclosed.

(iii) Key management compensation

	Six months ended 30 June	
	2005	2004
	'000	'000
Salaries and other short-term employee benefits	1,644	916
Post-employment benefits	154	109
Other long-term benefits	991	319
Total	2,789	1,344

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

12. Supplemental financial information

(a) Condensed consolidated balance sheet

	30 June 2005 '000	31 December 2004 '000
Net current liabilities	(11,978,507)	(5,584,258)
Total assets less current liabilities	39,391,896	38,261,143
	Six months ended 30 June	
	2005 '000	2004 '000
Additions to property, plant and equipment	8,488,241	6,886,757

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

12. Supplemental financial information (cont'd)

(b) Condensed consolidated income statement

	Six months ended 30 June	
	2005 '000	2004 '000
Interest expenses	724,612	406,271
Less: amount capitalised in property, plant and equipment	(381,275)	(213,778)
	343,337	192,493
Exchange loss, net	1,411	1,840
Fair value loss/(gain) on an interest rate swap	26,747	(35,947)
Finance costs	371,495	158,386
Cost of inventories		
– Fuel	3,730,166	2,060,780
– Spare parts and consumable supplies	38,071	29,450
Depreciation and amortisation	1,294,391	993,906
Dividend income	(27,261)	(18,702)
Donation to Beijing Environmental Bureau	66,000	–
Amortisation of deferred housing benefits	36,753	18,673

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

12. Supplemental financial information (cont'd)

(c) Condensed consolidated cashflow statement

	Six months ended 30 June	
	2005	2004
	'000	'000
Investing activities		
Additions to property, plant and equipment	(8,282,734)	(6,510,622)
Financing activities		
Addition of short-term loans	7,593,200	5,360,200
Repayment of short-term loans	(1,954,000)	(3,141,614)
Addition of long-term loans	3,621,467	4,606,429
Repayment of long-term loans	(2,591,598)	(359,888)

Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

13. Commitments

(a) Capital commitments

As at 30 June 2005, the Company had capital commitments related to investments in subsidiaries and associates amounting to RMB8,674 million (2004 – RMB6,374 million). In addition, capital commitments of the Company and its subsidiaries in relation to the construction and renovation of the electric utility plants not provided for in the balance sheet were as follows:

	30 June 2005 '000	31 December 2004 '000
Authorised and contracted for	23,885,114	17,142,577
Authorised but not contracted for	18,187,382	9,216,942
	42,072,496	26,359,519

(b) Operating lease commitments

As at 30 June 2005, operating lease commitments extending to November 2016 in relation to buildings were as follows:

	30 June 2005 '000	31 December 2004 '000
Amount repayable		
Within one year	7,253	9,599
Between one to five years	28,868	28,868
Over five years	46,910	50,519
	83,031	88,986



Notes to the Condensed Financial Statements (Unaudited) (cont'd)

For the six months ended 30 June 2005
(Amounts expressed in RMB)

14. Subsequent event

On 26 July 2005, the Company entered into a share transfer agreement with NCG in which the Company agreed to transfer its 16% equity interests in NCPG Finance Company Ltd. to NCG for RMB85,925,000. An amount of RMB35,105,000, which represented the difference between the purchase price and the book value, was recognised as a gain from the sale of investment upon disposal.