

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS REVIEW FOR YEAR 2005

Growth of generation capacity

As at 31 December 2005, we had 14 power plants in commercial operation which gave us an attributable operational generation capacity of 4,940MW. As a comparison, our attributable operational generation capacity was 2,949MW as at 31 December 2004.

Our attributable operational generation capacity increased by 1,991MW or 67.5% from 2,949MW as at 31 December 2004, mainly as a result of the commencement of commercial operation of a number of greenfield power projects during the year, including:

- commencement of commercial operation of unit 2 of Yixing Power Plant in March 2005;
- commencement of commercial operation of unit 1 and unit 2 of Jiaozuo Thermal Power Plant in March and May 2005, respectively;
- commencement of commercial operation of unit 1 and unit 2 of Changshu Power Plant in March and June 2005, respectively; and
- commencement of commercial operation of Tangshan Thermal II Power Plant in May 2005.



The rapid capacity growth was also attributable to a number of acquisitions we completed during the year, including:

- acquisition of a 1.1% equity interest in Resources Shajiao C Investments Limited ("Resources Shajiao C") or a 0.44% effective equity interest in Shajiao C Power Plant in January 2005;
- acquisition of a 25% equity interest in Hengshui Hengxing Power Generation Company Limited ("Hengfeng Phase II") from our ultimate holding company, China Resources National Corporation ("CRNC") in January 2005. Unit 1 and unit 2 of Hengfeng Phase II commenced commercial operation in November 2004 and March 2005, respectively; and
- acquisition of a 12.5% equity interest in Resources Shajiao C or a 5% effective equity interest in Shajiao C Power Plant in December 2005.

In addition, during the year, the minority shareholder of China Resources Power Hunan Liyujiang Company Limited ("CR Liyujiang") injected two 65MW coal-fired generating units in the form of capital contribution to Liyujiang Phase II. The asset injection was completed on 1 July 2005.

The following table sets out the attributable operational capacity of our power plants in the context of geographical distribution as at 31 December 2005:

	Attributable operational capacity	
	(MW)	(%)
Eastern China	2,026	41.0
Central China	1,401	28.4
Southern China	1,053	21.3
Northern China	460	9.3
Total	4,940	100.0

Development of greenfield power plants

Our development strategy is to continue to identify suitable development opportunities in our target markets in order to maintain satisfactory growth of profitability and return on equity in the future.

In March 2005, we obtained approval from the PRC government for the construction of Gucheng Power Plant. Gucheng Power Plant consists of two 300MW coal-fired generation units and is located in Zhumadian City, Henan Province. The two units are expected to commence commercial operation in the second half of 2006. The Company owns a 65% equity interest in Gucheng Power Plant.

In September 2005, we obtained approval from the PRC government for the construction of Liyujiang B Power Plant. Liyujiang B Power Plant consists of two 600MW coal-fired generation units. Liyujiang B Power Plant is located in Hunan Province and according to the PRC government's West-to-East Power Transmission Plan, it will provide electricity to Guangdong Grid upon completion. The two units are expected to commence commercial operation in 2007. The Company is the sole shareholder of Liyujiang B Power Plant.

In November 2005, we obtained approval from the PRC government for the construction of Nansha Thermal Power Plant. Nansha Thermal Power Plant consists of one 180MW gas-fired generation unit. Located in Nansha District, Guangzhou City, Guangdong Province, Nansha Thermal Power Plant is expected to commence commercial operation in 2006. The Company owns a 70% equity interest in Nansha Thermal Power Plant.

Acquisition of power plants

In June 2005, we obtained the right to acquire a 51% stake in a gas-fired power plant in Beijing ("Beijing Thermal Power Plant"). Phase I of Beijing Thermal Power Plant consists of two 75MW gas-fired generation units. The two units are currently under construction and will commence commercial operation in the first half of 2006. We completed the acquisition of a 25% equity interest in Beijing Thermal Power Plant in August 2005 and completed the acquisition of the remaining 26% equity interest in March 2006.

Disposal of a jointly controlled entity

In September 2005, we entered into agreements with China Huaneng Group Hong Kong Limited and Bank of China Group Investment Limited for the disposal of a 10% effective equity interest in Huaneng International Power Development Corporation ("HIPDC"). Gain on disposal of the 10% effective equity interest in HIPDC amounted to approximately HK\$1,071.1 million. The Company intends to utilise the sale proceeds as general working capital and further investments in power plants as and when suitable opportunities arise.



Increase in generation volume

The total gross generation volume of our 14 operating power plants in 2005 amounted to 52,757,611MWh, representing an increase of 50.9% from 34,960,666MWh in 2004. The total net generation volume of our 14 operating power plants in 2005 amounted to 49,633,323MWh, representing an increase of 50.8% from 32,913,284MWh in 2004.

The increase in gross and net generation volume was primarily a result of the growth of attributable operational generation capacity from 2,949MW as at 31 December 2004 to 4,940MW as at 31 December 2005.

For the five power plants (namely, Shajiao C Power Plant, Wenzhou Telluride Phase II, Liyujiang Phase II, Hengfeng Power Plant and Xuzhou Power Plant) which were in commercial operation for the entire year of 2004 and 2005, gross generation volume and net generation volume decreased by 4.1% and 4.2%, respectively. This was partly due to the overhaul and maintenance work conducted in 2005 and also reflected that the demand and supply imbalance situation in our service areas gradually reduced in 2005.



The following three tables set out the gross generation, net generation and utilisation hours of our operating power plants for the year ended 31 December 2004 and 2005, respectively:

Gross generation

	2005 (MWh)	2004 (MWh)	Increase (Decrease) (%)
Shajiao C Power Plant	13,784,034	14,325,706	(3.8)
Changshu Power Plant	5,853,265	N/A	N/A
Wenzhou Telluride Phase II	4,427,520	4,722,083	(6.2)
Liyujiang Phase II	3,839,190	4,007,840	(4.2)
Hengfeng Power Plant	3,811,931	3,902,020	(2.3)
Xuzhou Phase II	3,730,820	1,307,477	N/A ^(note)
Dengfeng Power Plant	3,623,430	1,562,682	N/A ^(note)
Xuzhou Power Plant	3,605,219	3,784,326	(4.7)
Hengfeng Phase II	3,402,318	N/A	N/A
Puqi Power Plant	3,181,650	941,340	N/A ^(note)
Jiaozuo Thermal Power Plant	1,094,521	N/A	N/A
Tangshan Thermal II Power Plant	852,223	N/A	N/A
Luoyang Power Plant	796,860	407,192	N/A ^(note)
Yixing Power Plant	754,630	0	N/A ^(note)
	52,757,611	34,960,666	50.9

Net generation

	2005 (MWh)	2004 (MWh)	Increase (Decrease) (%)
Shajiao C Power Plant	12,876,107	13,403,485	(3.9)
Changshu Power Plant	5,568,971	N/A	N/A
Wenzhou Telluride Phase II	4,225,307	4,506,873	(6.2)
Liyujiang Phase II	3,610,275	3,757,170	(3.9)
Hengfeng Power Plant	3,612,597	3,700,210	(2.4)
Xuzhou Phase II	3,558,670	1,244,310	N/A ^(note)
Dengfeng Power Plant	3,389,694	1,459,170	N/A ^(note)
Xuzhou Power Plant	3,408,450	3,579,220	(4.8)
Hengfeng Phase II	3,191,855	N/A	N/A
Puqi Power Plant	3,028,690	902,152	N/A ^(note)
Jiaozuo Thermal Power Plant	991,958	N/A	N/A
Tangshan Thermal II Power Plant	772,335	N/A	N/A
Luoyang Power Plant	712,183	360,694	N/A ^(note)
Yixing Power Plant	686,231	0	N/A ^(note)
	49,633,323	32,913,284	50.8

Note: These power plants commenced commercial operation during 2004. Comparison of increase in generation volume is not meaningful.

Utilisation hours

	2005 (hours)	2004 (hours)
Shajiao C Power Plant	6,962	7,235
Changshu Power Plant	4,503^(note)	N/A
Wenzhou Telluride Phase II	7,379	7,870
Liyujiang Phase II	6,399	6,680
Hengfeng Power Plant	6,353	6,503
Xuzhou Phase II	6,218	2,179 ^(note)
Dengfeng Power Plant	6,039	2,604 ^(note)
Xuzhou Power Plant	6,009	6,307
Hengfeng Phase II	5,671^(note)	N/A
Puqi Power Plant	5,303	1,569 ^(note)
Jiaozuo Thermal Power Plant	4,054^(note)	N/A
Tangshan Thermal II Power Plant	4,261^(note)	N/A
Luoyang Power Plant	7,969	4,072 ^(note)
Yixing Power Plant	6,289^(note)	N/A

Note: Power plants commenced commercial operation during the reporting periods.

Tariff adjustment

In April and May 2005, the National Development and Reform Commission and various provincial pricing bureaus officially issued a number of notices approving the implementation of the "Fuel-Tariff Pass-through Mechanism" in Northern, Eastern, Southern and Central China where our operating power plants are located. The notices allowed coal-fired generation units to raise their on-grid tariffs to various extent with immediate effect.

The tariffs inclusive of value-added tax ("VAT") of our operating power plants were increased by an amount in a range from RMB15.7/MWh to RMB31.0/MWh. In addition, tariffs on excess output for our operating power plants were removed, except for Hengfeng Power Plant, Hengfeng Phase II and Wenzhou Telluride Phase II.

The following table sets out revised on-grid tariffs inclusive of VAT, as approved by the PRC government, for our operating power plants:

	On-grid tariff on planned dispatch (RMB/MWh)	Planned utilisation hours (Hours)	tariff on excess dispatch (RMB/MWh)	On-grid Effective date (2005)
Shajiao C Power Plant	437.9	N/A	N/A	1 May
Changshu Power Plant	386.0	N/A	N/A	1 May
Wenzhou Telluride Phase II	438.3	5,500	357.3	1 May
Liyujiang Phase II	430.5	N/A	N/A	1 May
Hengfeng Power Plant	369.0	5,500	250.0	1 May
Xuzhou Phase II	380.7	N/A	N/A	1 May
Dengfeng Power Plant	336.0	N/A	N/A	15 May
Xuzhou Power Plant	380.7	N/A	N/A	1 May
Hengfeng Phase II	339.0	5,500	250.0	1 May
Puqi Power Plant	451.6	N/A	N/A	1 May
Jiaozuo Thermal Power Plant	336.0	N/A	N/A	15 May
Tangshan Thermal II Power Plant	348.3	N/A	N/A	1 May
Luoyang Power Plant	321.0	N/A	N/A	15 May
Yixing Power Plant	465.0	N/A	N/A	1 May

Control of fuel costs

During the year of 2005, coal prices continued to rise in the PRC markets. Controlling fuel costs and fuel supply quality and maximising profitability of operating power plants were major challenges to the management teams of the Company and our operating power plants. We implemented a number of measures, including forming strategic alliances with major coal suppliers in the PRC, entering into long-term coal supply agreements, maintaining continuing communications with our suppliers and monitoring the fulfillment of coal supply contracts and fuel delivery schedules as well as the coal supply quality.

The average unit fuel cost for all of our operating power plants increased by 21.0% in 2005 compared to 2004. The unit fuel cost for our consolidated operating power plants increased by 17.5% in 2005 compared to 2004. On a weighted average basis, standard coal cost for all of our operating power plants increased by 19.5% in 2005 compared to 2004.

Environmental compliance

All of our projects have been conducted in full compliance with the requirements under PRC Environmental Protection Law, the regulations promulgated by the State Council and the environmental rules issued by the local government. For the year ended 31 December 2005, environmental fees paid by the operating power plants ranged from RMB0.6 million to RMB15.9 million and totaled RMB37.9 million for consolidated power plants.

PROSPECTS FOR YEAR 2006

The PRC government believes that the PRC economy will continue to grow in 2006 with a GDP growth target of 8%. The China Power Industry Association forecasts that the demand for electricity will continue to grow in 2006 at an average rate of 12% nation wide. We expect that in our service areas where our power plants are located, demand for electricity will continue to be strong. However, with the increase of new generation capacity in China, the demand and supply imbalance situation which caused significant electricity shortage in a number of provinces in 2004 and 2005 will ease. We believe, in most of our service areas, the demand and supply for electricity will reach equilibrium in 2006.

We believe the year of 2006 will continue to bring opportunities and challenges.

A number of our power plants are expected to commence commercial operation in 2006, including:

- two 75MW gas-fired generation units of Beijing Thermal Power Plant;
- two 600MW coal-fired generation units of Shouyangshan Power Plant;
- two 300MW coal-fired generation units of Gucheng Power Plant;
- two 135MW coal-fired generation units of Xingning Power Plant; and
- one 180MW gas-fired generation unit of Nansha Power Plant.

We will ensure the construction of all these power plants will be completed according to or earlier than our schedules and that these power plants will fully achieve or outperform our cost targets and our requisite quality standards.

In 2006, we will continue to identify and develop new projects in line with our development strategies and investment principles in our target markets. Apart from applying for the PRC government's approval to develop new power plants, we will also continue to explore acquisition opportunities in our target markets.

In January 2006, we completed the acquisition of a 55% equity interest in Shantou Dan Nan Wind Power Co., Ltd ("Shantou Dan Nan"). Shantou Dan Nan is a sino-foreign co-operative joint venture that owns a 100% interest in Nanao Wind Power Project. The joint venture period will expire in December 2017. Nanao Wind Power Project is located in Shantou, Guangdong Province and commenced commercial operation in 1998 with a total installed capacity of 24MW.

For operational power plants, we will monitor the coal price movement in the PRC market and endeavour to control our unit fuel cost.

OPERATING RESULTS

The following table sets forth certain information relating to our results of operations for the year ended 31 December 2004 and 2005, extracted from the audited consolidated financial statements of the same period:

Consolidated Income Statement For the Year Ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
Turnover	5,927,328	1,898,317
Operating expenses		
Fuel	(3,231,148)	(911,382)
Repairs and maintenance	(110,972)	(25,636)
Depreciation and amortisation	(587,734)	(192,345)
Others	(727,294)	(368,372)
Total operating expenses	(4,657,148)	(1,497,735)
Other income	72,265	30,684
Profit from operations	1,342,445	431,266
Finance costs	(381,220)	(123,082)
Share of results of associates	854,993	957,792
Share of result of jointly controlled entity	194,815	249,916
Amortisation of goodwill of associates	—	(26,411)
Release of negative goodwill of associates	—	3,706
Gain on disposal of jointly controlled entity	1,071,081	—
Profit before taxation	3,082,114	1,493,187
Taxation	(11,371)	(378)
Profit for the year	3,070,743	1,492,809
Attributable to:		
Equity holders of the Company	2,858,225	1,195,735
Minority interests	212,518	297,074
	3,070,743	1,492,809
Dividends	724,031	327,518
Earnings per share		
– basic	75.04 cents	31.40 cents
– diluted	74.37 cents	31.25 cents

Consolidated Balance Sheet
As at 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
Non-current assets		
Property, plant and equipment	17,560,738	11,980,670
Prepaid lease payments	228,067	102,017
Interests in associates	3,890,134	3,878,246
Interest in jointly controlled entity	—	1,185,109
Goodwill	107,718	105,639
Negative goodwill	—	(52,735)
Investment in an investee company	19,220	—
Amount due from an associate	124,930	—
Pledged bank deposits	37,225	—
Deferred taxation assets	5,695	7,876
Derivative financial instruments	25,813	—
	21,999,540	17,206,822
Current assets		
Inventories	291,586	154,355
Trade receivables, other receivables and prepayments	1,578,689	651,476
Amount due from minority shareholders of subsidiaries	133,305	—
Amounts due from associates	31,350	83,270
Amounts due from group companies	9,718	604
Pledged bank deposits	499	62,729
Bank balances and cash	4,411,484	3,246,554
	6,456,631	4,198,988
Current liabilities		
Trade payables, other payables and accruals	3,452,396	1,180,168
Amount due to a fellow subsidiary	774	778
Amounts due to an associate	188	—
Amounts due to minority shareholders of subsidiaries	30,418	1,240
Bank and other borrowings - repayable within one year	1,983,026	2,457,679
	5,466,802	3,639,865
Net current assets	989,829	559,123
Total assets less current liabilities	22,989,369	17,765,945
Non-current liabilities		
Loans from a minority shareholder of a subsidiary	—	18,786
Bank and other borrowing - repayable over one year	9,062,241	6,601,870
Deferred taxation liabilities	12,582	3,228
	9,074,823	6,623,884
	13,914,546	11,142,061
Capital and reserves		
Share capital	3,810,044	3,808,080
Share premium and reserves	9,282,855	6,350,093
	13,092,899	10,158,173
Minority interests	821,647	983,888
	13,914,546	11,142,061

Consolidated Cash Flow Statement
For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	3,082,114	1,493,187
Adjustments for:		
Amortisation of prepaid lease payments	9,333	4,848
Depreciation for property, plant and equipment	578,401	182,980
Effect on foreign exchange rate change	—	(7,007)
Recognition of share-based payments	106,256	112,121
Interest expense	381,220	123,082
Interest income	(45,524)	(20,635)
Amortisation of goodwill of subsidiaries	—	5,869
Release of negative goodwill of subsidiaries	—	(1,352)
Share of results of associates	(854,993)	(957,792)
Share of result of jointly controlled entity	(194,815)	(249,916)
Amortisation of goodwill of associates	—	26,411
Release of negative goodwill of associates	—	(3,706)
Loss on disposal of property, plant and equipment	—	51
Gain on disposal of jointly controlled entity	(1,071,081)	—
Operating cash flows before movements in working capital	1,990,911	708,141
Increase in inventories	(133,666)	(144,288)
Increase in trade receivables, other receivables and prepayments	(802,388)	(465,420)
Increase in amount due from a minority shareholder of a subsidiary	(51,306)	—
Decrease in amounts due from associates	—	656
(Increase) decrease in amounts due from group companies	(4,841)	1,479
Increase in trade payables, other payables and accruals	404,768	361,757
Decrease in amount due to a fellow subsidiary	(4)	(5)
Increase (decrease) in amounts due to an associate	188	(6,401)
Decrease in amounts due to shareholders of an associate	—	(3,978)
Increase in amounts due to minority shareholders of subsidiaries	29,178	1,240
NET CASH FROM OPERATING ACTIVITIES	1,432,840	453,181

Consolidated Cash Flow Statement (cont'd)
For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000
INVESTING ACTIVITIES		
Proceeds on disposal of interest in jointly controlled entity	2,452,992	—
Dividends received from associates	1,240,474	405,098
Interest received	45,524	20,635
Decrease (increase) in pledged bank deposits	25,005	(23,483)
Purchase of property, plant and equipment	(3,909,487)	(5,902,866)
Acquisition of additional interest in an associate	(327,018)	—
Loan advanced to an associate	(147,061)	—
Capital contribution for the investment in associates	(151,942)	(88,641)
Acquisition of an associate	(61,315)	—
Loan advanced to a minority shareholder of a subsidiary	(81,999)	—
Investment in investee companies	(26,216)	—
Acquisition of additional interest in a subsidiary	(10,743)	—
Acquisitions of subsidiaries/business	(8,000)	(180,000)
Capital repatriated from associates	—	634,975
Dividend received from jointly controlled entity	—	57,915
Proceeds from disposal of property, plant and equipment	—	1,065
Repayment of amount due to immediate holding company	—	(77,563)
NET CASH USED IN INVESTING ACTIVITIES	(959,786)	(5,152,865)
FINANCING ACTIVITIES		
New bank and other borrowings raised	7,409,582	7,963,855
Capital contribution from minority shareholders	66,294	127,541
Proceeds on issue of shares	5,499	224
Repayment of bank loans	(5,676,145)	(3,198,410)
Interest paid	(505,351)	(327,736)
Dividend paid	(346,602)	(95,200)
Dividend paid to minority shareholders of subsidiaries	(310,164)	—
Repayment of loans raised from minority shareholders of subsidiaries	(18,786)	(239,473)
Loans raised from minority shareholders of subsidiaries	—	18,830
NET CASH FROM FINANCING ACTIVITIES	624,327	4,249,631
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,097,381	(450,053)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	3,246,554	3,695,900
EFFECT ON FOREIGN EXCHANGE RATE CHANGE	67,549	707
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, REPRESENTING BANK BALANCES AND CASH	4,411,484	3,246,554

Overview

The substantial increase in the results of operations is mainly attributable to the increase in the Group's operational attributable generation capacity as well as a gain on disposal of a 10% effective interest in HIPDC. Excluding the gain on disposal of the 10% effective interest in HIPDC, our net profit from ordinary business amounted to HK\$1,787.1 million, representing an increase of HK\$591.4 million or 49.5% from a net profit of HK\$1,195.7 million for 2004.

In particular, the increase in net profit from ordinary business is mainly attributable to the increase of our attributable operational capacity from 2,949 MW as at 31 December 2004 to 4,940 MW as at 31 December 2005. During the year,

- we acquired a 25% equity interest in Hengfeng Phase II and a total of 5.44% effective equity interest in Shajiao C Power Plant;
- unit 2 of Hengfeng Phase II, unit 2 of Yixing Power Plant, Jiaozuo Thermal Power Plant, Changshu Power Plant and Tangshan Thermal II Power Plant commenced commercial operation;
- the asset injection by the minority shareholder of CR Liyujiang of two 65MW coal-fired generating units was completed; and
- Luoyang Power Plant, Xuzhou Phase II, Dengfeng Power Plant and Puqi Power Plant had their first full year of operation after they commenced commercial operation in 2004.

In September 2005, we entered into a number of agreements for the disposal of a 10% effective equity interest in HIPDC. Gain on disposal amounted to approximately HK\$1,071.1 million.

As a result, net profit for the year increased by 139.0% to HK\$2,858.2 million from HK\$1,195.7 million in 2004.

Principal accounting policies

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as "HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the financial statements include applicable disclosure required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Companies Ordinance.

The financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

In the current year, the Group has applied, for the first time, a number of new HKFRSs issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2005. Details of the application of the HKFRSs and changes in the accounting policies are set out in the section headed "Application of Hong Kong Financial Reporting Standards/Changes in Accounting Policies" below.

Business segments

The Group is principally engaged in a single business segment, i.e., the development, investment and operation of power plants in the PRC.

Geographical segments

Nearly all of the Group's assets and liabilities are principally located in the PRC and the operations for the year were substantially carried out in the PRC. Accordingly, no geographical segment information for the year is presented.

Turnover

Turnover represents the amount received and receivable for electricity delivered, net of VAT, during the year. Turnover for the year ended 31 December 2005 was HK\$5,927.3 million, representing a 212.2% increase from HK\$1,898.3 million for the year ended 31 December 2004.

The significant increase in turnover was mainly due to the commencement of commercial operation of four power plants, namely Yixing Power Plant, Jiaozuo Thermal Power Plant, Changshu Power Plant and Tangshan Thermal II Power Plant (the "four power plants") during the year, resulting in their turnover being consolidated by the Group. In addition, three power plants, namely, Luoyang Power Plant, Dengfeng Power Plant and Puqi Power Plant which commenced commercial operation in 2004, had their first full year of operation. The significant increase in turnover was also attributable to tariff increases approved by the PRC government in May 2005.

Operating expenses

Operating expenses amounted to HK\$4,657.1 million for the year ended 31 December 2005, representing a 211.0% increase from HK\$1,497.7 million for the year ended 31 December 2004. Operating expenses mainly comprise fuel costs, repairs and maintenance, depreciation and amortisation, and other administrative costs such as staff costs, insurance, professional fee, discharge fee and write-off of pre-operating expenses. The significant increase in operating expenses was mainly due to the commencement of commercial operation of the four power plants in 2005, which resulted in various operating expenses being consolidated by the Group, as well as reflecting full year of operation for the power plants which commenced commercial operation in 2004 and increase in coal costs during the year.

Fuel costs for the year ended 31 December 2005 amounted to approximately HK\$3,231.1 million, representing an increase of 254.5% from HK\$911.4 million for year ended 31 December 2004. The increase in fuel costs was primarily due to the consolidation of the four power plants, full year of operation for the power plants which commenced commercial operation in 2004 as well as increase in coal prices. Fuel costs accounted for approximately 69.4% of the total operating expenses for the year ended 31 December 2005, compared to 60.9% for the year ended 31 December 2004.

As a result of the adoption of HKFRS 2 Share-based Payment, expenses in relation to share options granted to Directors of the Company, employees of the Group and other participants included in "Operating expenses - Others" amounted to HK\$112.1 million and HK\$106.3 million, respectively for the year ended 31 December 2004 and 2005. Please refer to the section headed "Application of Hong Kong Financial Reporting Standards/Changes in Accounting Policies" below.

Profit from operations

Profit from operations amounted to HK\$1,342.4 million for the year ended 31 December 2005, representing a 211.2% increase from HK\$431.3 million for the year ended 31 December 2004. The increase was mainly due to the commencement of commercial operation of the four power plants in 2005 and also reflecting full year of operation for the power plants which commenced commercial operation in 2004.

Finance costs

Finance costs amounted to HK\$381.2 million for the year ended 31 December 2005, representing a 209.7% increase from HK\$123.1 million for the year ended 31 December 2004. The increase in finance costs is mainly due to the commencement of commercial operation of the four power plants in 2005, as well as reflecting full year of operation for power plants which commenced commercial operation in 2004. Interest expenses incurred during the construction of the power plants are capitalised and included as part of total construction costs of power plants.

	2005 HK\$'000	2004 HK\$'000
Interest on bank and other loans		
– wholly repayable within five years	387,367	128,650
– not wholly repayable within five years	192,938	206,327
	580,305	334,977
Less: Interest capitalised	(199,085)	(211,895)
	381,220	123,082

Share of results of associates

Share of results of associates mainly reflected our share of post-tax results of Shajiao C Power Plant, Wenzhou Telluride Phase II, Xuzhou Power Plant, Xuzhou Phase II, Hengfeng Power Plant and Hengfeng Phase II.

Share of results of associates for the year ended 31 December 2005 amounted to HK\$855.0 million, representing a 10.7% decrease from HK\$957.8 million for the year ended 31 December 2004.

Share of results of associates for the year ended 31 December 2004 and 2005 included a gain from settlement of insurance claim in relation to our Shajiao C Power Plant of HK\$125.5 million and a recognition of discount on acquisition of an associate in the amount of HK\$40.4 million, respectively. Excluding the gain from settlement of insurance claim and the recognition of discount on acquisition of an associate, share of results of associates for 2005 decreased by HK\$17.7 million or 2.1% compared to 2004.

The decrease mainly reflected the increase in the coal costs of these power plants and the decrease in net generation volume of Shajiao C Power Plant, Wenzhou Telluride Phase II, Xuzhou Power Plant and Hengfeng Power Plant, which had offset the additional profit contribution from Xuzhou Phase II and Hengfeng Phase II.

Excluding the recognition of discount on acquisition of an associate in the amount of HK\$40.4 million, for the year ended 31 December 2005, Shajiao C Power Plant, Wenzhou Telluride Phase II, Xuzhou Power Plant, Xuzhou Phase II, Hengfeng Power Plant and Hengfeng Phase II accounted for approximately 55.3%, 14.4%, 6.5%, 12.6%, 5.2% and 6.3%, respectively of our total share of results of associates.

Share of result of jointly controlled entity

Share of result of jointly controlled entity represents our 40% share of post-tax results of BOCGI China Resources Power Co., Ltd., an investment holding company which held a 25% equity interest in HIPDC. In September 2005, we entered into a number of agreements for the disposal of our 10% effective interest in HIPDC.

Prior to the disposal, our share of result of the jointly controlled entity for the nine-month period ended 30 September 2005 amounted to HK\$194.8 million, representing a 22.0% decrease from HK\$249.9 million for the year ended 31 December 2004. The decrease is mainly due to the disposal of the 10% effective interest in HIPDC in September 2005.

Amortisation of goodwill of associates

There was no amortisation of goodwill of associates for the year ended 31 December 2005 as a result of the adoption of HKFRS 3, whereas there was an amortisation of goodwill of associates in the amount of HK\$26.4 million for the year ended 31 December 2004.

Release of negative goodwill of associates

No release of negative goodwill of associates was recognised in 2005 in accordance with HKFRS 3.

Gain on disposal of jointly controlled entity

In September 2005, we entered into a number of agreements in relation to the disposal of a 10% effective equity interest in HIPDC. Gain on disposal of jointly controlled entity amounted to approximately HK\$1,071.1 million.

Taxation

Taxation charge for the year ended 31 December 2005 was HK\$11.4 million, compared to HK\$0.4 million for the year ended 31 December 2004. The increase in taxation charge was mainly due to the increase in deferred tax attributable to the subsidiaries.

Details of the taxation charge for the year ended 31 December 2004 and 2005 are set out below:

	2005 HK\$'000	2004 HK\$'000
The charge comprises:		
PRC Enterprise Income Tax	—	—
Deferred taxation	11,371	378
	11,371	378

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits in Hong Kong for the reporting years.

PRC Enterprise Income Tax, if any, is provided for based on the estimated assessable profits in accordance with the relevant tax laws applicable to the subsidiaries in the PRC.

Pursuant to the relevant laws and regulations in the PRC, the Company's PRC subsidiaries are exempted from PRC Enterprise Income Tax for two years from their first profit-making year, followed by a 50% reduction for the next three years.

No provision for PRC Enterprise Income Tax has been made in the financial statements as all of the Company's PRC subsidiaries are exempted from PRC Enterprise Income Tax or are entitled to other tax exemption benefits provided under the prevailing PRC tax law.

Profit for the year

	2005 HK\$'000	2004 HK\$'000
Profit for the year has been arrived at after charging:		
Directors' remuneration		
– Fees	518	588
– Other emoluments	7,779	5,410
– Pension cost	124	120
– Share option benefits expenses	8,419	10,728
	16,840	16,846
Other staff costs	164,839	82,386
Pension costs, excluding directors	35,316	9,995
Share option benefits expense, excluding directors	97,837	101,393
	314,832	210,620
Less: Staff costs included in pre-operating expenses of subsidiaries	(6,210)	(3,862)
	308,622	206,758
Amortisation of goodwill of subsidiaries (included in other operating expenses)	—	5,869
Amortisation of prepaid lease payments	9,333	4,848
Auditors' remuneration	2,304	2,056
Depreciation of property, plant and equipment	578,401	182,980
Loss on disposal of property, plant and equipment	—	51
Minimum lease payments under operating leases in respect of:		
– land and buildings	51,191	1,264
– other assets	362	129
Share of tax of associates (included in share of results of associates)	126,173	146,120
Share of tax of jointly controlled entity (included in share of result of jointly controlled entity)	61,637	120,890
Write-off of pre-operating expenses of subsidiaries	32,385	25,512
and after crediting:		
Recognition of discount on acquisition of an associate (included in share of results of associates)	40,412	—
Release of negative goodwill of subsidiaries to income	—	1,352
Interest income	45,524	20,635
Expenses capitalised in construction in progress:		
Other staff costs	78,306	42,243
Pension costs	5,781	734
Depreciation	1,050	2,945
Minimum lease payments under operating leases in respect of:		
– land and buildings	—	411
– other assets	—	12

Profit for the year attributable to equity holders of the Company

As a result of the above, the Group's net profit from ordinary business for the year ended 31 December 2005 increased to HK\$1,787.1 million, representing a 49.5% increase from HK\$1,195.7 million for the year ended 31 December 2004.

Including gain on disposal of the jointly controlled entity of HK\$1,071.1 million, the Group's net profit for the year ended 31 December 2005 increased to HK\$2,858.2 million, representing a 139.0% increase from HK\$1,195.7 million for the year ended 31 December 2004.

Earnings per share

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

	2005 HK\$'000	2004 HK\$'000
Profit attributable to equity holders of the Company	2,858,225	1,195,735
Represented by:		
Profit from ordinary business	1,787,144	1,195,735
Gain on disposal of jointly controlled entity	1,071,081	—
	2,858,225	1,195,735
	Number of ordinary shares 2005	2004
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,808,876,816	3,808,004,351
Effect of dilutive potential ordinary shares on share options	34,583,272	17,854,883
Weighted average number of ordinary shares for the purposes of diluted earnings per share	3,843,460,088	3,825,859,234
	2005 HK cents	2004 HK cents
Basic earning per share		
– Profit from ordinary business	46.92	31.40
– Gain on disposal of jointly controlled entity	28.12	—
	75.04	31.40
Diluted earning per share		
– Profit from ordinary business	46.50	31.25
– Gain on disposal of jointly controlled entity	27.87	—
	74.37	31.25

	2005		2004	
	Basic HK cents	Diluted HK cents	Basic HK cents	Diluted HK cents
Reconciliation of earnings per share				
Reported figures before adjustments	75.89	75.21	34.34	33.87
Adjustments arising from the adoption of HKFRSs	(0.85)	(0.84)	(2.94)	(2.62)
Restated	75.04	74.37	31.40	31.25

Final and special dividends and closure of register of members

The Board of Directors resolved to declare a final dividend of HK10 cents per share and a special dividend of HK6 cents per share for the year ended 31 December 2005.

Subject to approval of shareholders at the forthcoming annual general meeting of the Company, the final dividend and the special 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 Friday, 26 May 2006. The register of members of the Company will be closed from Monday, 22 May 2006 to Friday, 26 May 2006 (both days inclusive), during which no share transfer will be registered. To qualify for the final dividend and special 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 4:00 p.m. on Friday, 19 May 2006. The dividends will be payable on or about 5 June 2006.

Liquidity and capital resources

The bank balances, cash and pledged bank deposits as at 31 December 2005 denominated in local currency and foreign currencies amounted to HK\$309 million, RMB1,616 million and US\$334 million.

For the year ended 31 December 2005, the Group's primary sources of funding included loans provided by the PRC domestic commercial banks, proceeds from bond issuance by the ultimate holding company which was lent to the subsidiaries of the Company, proceeds received from the disposal of a 10% effective interest in HIPDC, net cash inflow from operating activities and dividend received from associates, which amounted to HK\$4,527 million, HK\$2,883 million, HK\$2,453 million, HK\$1,433 million and HK\$1,240 million, respectively. The Group's funds were primarily used in repayment of short-term bank loans and purchase of property, plant and equipment for the construction of new power plants, which amounted to HK\$5,676 million and HK\$3,909 million, respectively.

Borrowings

The bank and other loans of the Group as at 31 December 2004 and 2005 were as follows:

	2005 HK\$'000	2004 HK\$'000
Secured bank loans	3,308,915	239,991
Unsecured bank loans	4,810,365	8,795,606
Unsecured other loans	—	23,952
Other loans ^(note)	2,925,987	—
	11,045,267	9,059,549

The maturity profile of the above loans is as follows:

	2005 HK\$'000	2004 HK\$'000
Within 1 year	1,983,026	2,457,679
More than 1 year, but not exceeding 2 years	824,538	499,708
More than 2 years, but not exceeding 5 years	2,900,378	1,873,903
More than 5 years	5,337,325	4,228,259
	11,045,267	9,059,549

The bank and other loans as at 31 December 2005 denominated in local currency and foreign currency amounted to HK\$1,000 million and RMB10,453 million, respectively.

During the year ended 31 December 2005, the Group repaid bank and other loans amounting to HK\$5,676 million (2004: HK\$3,198 million) and obtained new bank and other loans amounting to HK\$7,410 million (2004: HK\$7,964 million), proceeds of which were used for general working capital and for financing the acquisition of property, plant and equipment.

Note:

During the year, the Group raised RMB3,000 million (approximately HK\$2,883 million) loans, being proceeds from bond issuance by CRNC, which were lent by CRNC through a PRC commercial bank to the Company's subsidiaries. The loans bear interest at 5.09% per annum and are due for repayment in 2015. For the year ended 31 December 2005, total interest accrued is approximately HK\$73,495,000.

Key financial ratios of the Group

	2005	2004 (restated)
Current ratio (<i>times</i>)	1.18	1.15
Quick ratio (<i>times</i>)	1.13	1.11
Net debt to equity (%)	50.4	56.6
EBITDA interest coverage (<i>times</i>)	6.98	5.47

Current ratio = balance of current assets at the end of the year / balance of current liabilities at the end of the year

Quick ratio = (balance of current assets at the end of the year - balance of inventories at the end of the year) / balance of current liabilities at the end of the year

Net debt to shareholders' equity = (balance of total bank and other borrowings at the end of the year - balance of bank balances, cash and pledged bank deposits at the end of the year) / balance of shareholders' equity at the end of the year

EBITDA interest coverage = (profit before taxation + interest expense + depreciation and amortisation) / interest expenditure (including capitalised interests)

Foreign exchange rate risk

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

RMB is not a freely convertible currency. Future exchange rates of RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and supply and demand of RMB. The appreciation or devaluation of RMB against HKD and USD may have positive or negative impact on the results of operations of the Group.

On 21 July 2005, the People's Bank of China announced that RMB would no longer be pegged to the USD and instead would be linked to a basket of currencies. The exchange rate of USD against RMB was adjusted from 8.2765 to 8.1100 yuan per USD immediately.

As at 31 December 2005, the Group had HK\$309 million and US\$334 million cash in deposit, and a HK\$1 billion long-term liability on its balance sheet, the remaining assets and liabilities of our power plants were denominated in RMB. The appreciation of RMB against HKD and USD has an overall positive impact on the Group.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 December 2005.

Charge of assets

As at 31 December 2005, Telluride International Energy Limited Partnership, a wholly owned subsidiary of the Company, pledged its equity interest in Zhejiang Wenzhou and a bank deposit amounting to HK\$37,724,000 (2004: HK\$39,429,000) to a bank as securities for the bank loans granted to Zhejiang Wenzhou Telluride Power Generating Company Limited of approximately HK\$413,980,000 (2004: HK\$476,883,000).

The deposits carry an annual average floating interest rate of 2.1%. The pledged bank deposits will be released upon the settlement of relevant bank borrowings. The fair values of bank deposits as at 31 December 2005 approximated to the corresponding carrying amounts.

As at 31 December 2005, bank loans were secured by the Group's land use rights and buildings with a carrying value of HK\$10,147,000 (2004: HK\$9,918,000). In addition, bank loans were secured by the Group's power generating plant and equipment with a carrying value of HK\$8,863,274,000 (2004: HK\$117,691,000). As at 31 December 2004, certain bank loans were secured by the Group's construction in progress with a carrying value of HK\$191,450,000.

Legal liabilities

The Group is not involved in any lawsuits, in which the Group is the named defendant.

Employees

As at 31 December 2005, the Company and its subsidiaries employed a total of approximately 3,000 employees.

APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new HKFRSs issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates and jointly controlled entity has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting years are prepared and presented.

(1) *Business combinations*

In the current year, the Group has applied HKFRS 3 Business Combinations. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous years, goodwill arising on acquisitions was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the balance sheet, the Group on 1 January 2005 eliminated the carrying amount of the related accumulated amortisation of HK\$11,738,000 with a corresponding decrease in the cost of goodwill. The Group has discontinued amortising such goodwill from 1 January 2005 and goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2004 have not been restated.

In the current year, the Group has also applied HKAS 21 The Effects of Changes in Foreign Exchange Rates which requires goodwill to be treated as assets and liabilities of the foreign operations and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1 January 2005 is treated as a non-monetary foreign currency item of the Group. Therefore, no prior period adjustment has been made. In the current year, the Group acquired some foreign operations, and goodwill arising on the acquisition of the foreign operations has been translated at the closing rate as at 31 December 2005. There is no material impact on the Group's translation reserve in respect of such transaction.

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment ("discount on acquisition") is recognised immediately in profit in the year in which the acquisition takes place. In previous years, negative goodwill was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill at 1 January 2005. Discount on acquisition in the amount of HK\$40,412,000 in relation to acquisition of an associate has been recognised and included as profit for the current year.

(2) Share-based payments

In the current year, the Group has applied HKFRS 2 Share-based Payment, which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors', employees' and other participants' share options of the Company, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. All the equity-settled share based payment arrangement of the Group was granted after 7 November 2002 and had not yet fully vested on 1 January 2005, and accordingly, the Group is required to apply HKFRS 2 retrospectively. Comparative figures have been restated.

(3) Financial instruments - Derivatives and hedging

From 1 January 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the non-derivative host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments, and if so, the nature of the item being hedged. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the year in which they arise.

There are three types of hedge relationships under HKAS 39, including fair value hedges, cash flow hedges and net investment hedges. The Group designates certain derivatives as hedging instruments to hedge against its exposure of changes in interest rates.

The Group has applied the relevant transitional provisions in HKAS 39. For hedges that meet the requirements of hedge accounting set out in HKAS 39, the Group has, from 1 January 2005 onwards, applied hedge accounting in accordance with HKAS 39 to account for such hedges. Derivative financial instruments with a fair value in the amount of HK\$25,813,000 were recognised as part of non-current assets and shareholders' equity as at 31 December 2005.

SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior year are as follows:

	2005 HK\$'000	2004 HK\$'000
Decrease in amortisation of goodwill of a subsidiary	5,869	—
Decrease in amortisation of goodwill of associates	34,430	—
Decrease in release of negative goodwill of associates	(6,843)	—
Expenses in relation to share options granted to employees	(106,256)	(112,121)
Recognition of discount on acquisition of an associate	40,412	—
Decrease in profit for the year	(32,388)	(112,121)

Analysis of decrease in net profit for the year by line items presented according to their function:

	2005 HK\$'000	2004 HK\$'000
Decrease in depreciation and amortisation	5,869	—
Increase in other operating expenses	(106,256)	(112,121)
Decrease in share of results of associates	(85,761)	(146,120)
Decrease in share of result of jointly controlled entity	(61,637)	(120,890)
Decrease in amortisation of goodwill of associates	34,430	—
Decrease in release of negative goodwill of associates	(6,843)	—
Decrease in taxation	187,810	267,010
Decrease in profit for the year	(32,388)	(112,121)

OPERATION STATISTICS BY POWER PLANTS

The tables below set out certain operation statistics of our power plants for the three years ended 31 December 2005:

Shajiao C Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	1,980	1,980	1,980
Average utilisation hours	6,962	7,235	6,566
Gross generation (MWh)	13,784,034	14,325,706	13,000,020
Net generation (MWh)	12,876,107	13,403,485	12,152,650
Equivalent availability factor (%)	97	94	90
Net generation standard coal consumption rate (grams/kWh)	322	322	323

Changshu Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	1,300	N/A	N/A
Average utilisation hours	N/A	N/A	N/A
Gross generation (MWh)	5,853,265	N/A	N/A
Net generation (MWh)	5,568,971	N/A	N/A
Equivalent availability factor (%)	92	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	327	N/A	N/A

Wenzhou Telluride Phase II

	2005	2004	2003
Installed capacity at year end (MW)	600	600	600
Average utilisation hours	7,379	7,870	7,481
Gross generation (MWh)	4,427,520	4,722,083	4,488,720
Net generation (MWh)	4,225,307	4,506,873	4,282,402
Equivalent availability factor (%)	96	98	91
Net generation standard coal consumption rate (grams/kWh)	329	332	335

Liyujiang Phase II

	2005	2004	2003
Installed capacity at year end (MW)	600	600	600
Average utilisation hours	6,399	6,680	N/A
Gross generation (MWh)	3,839,190	4,007,840	1,889,000
Net generation (MWh)	3,610,275	3,757,170	1,768,260
Equivalent availability factor (%)	81	86	98
Net generation standard coal consumption rate (grams/kWh)	351	366	368

Hengfeng Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	600	600	600
Average utilisation hours	6,353	6,503	6,350
Gross generation (MWh)	3,811,931	3,902,020	3,810,050
Net generation (MWh)	3,612,597	3,700,210	3,607,230
Equivalent availability factor (%)	96	92	91
Net generation standard coal consumption rate (grams/kWh)	342	344	347

Xuzhou Phase II

	2005	2004	2003
Installed capacity at year end (MW)	600	600	N/A
Average utilisation hours	6,218	N/A	N/A
Gross generation (MWh)	3,730,820	1,307,477	N/A
Net generation (MWh)	3,558,670	1,244,310	N/A
Equivalent availability factor (%)	100	100	N/A
Net generation standard coal consumption rate (grams/kWh)	351	355	N/A

Dengfeng Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	600	600	N/A
Average utilisation hours	6,039	N/A	N/A
Gross generation (MWh)	3,623,430	1,562,682	N/A
Net generation (MWh)	3,389,694	1,459,170	N/A
Equivalent availability factor (%)	92	99	N/A
Net generation standard coal consumption rate (grams/kWh)	360	363	N/A

Xuzhou Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	600	600	600
Average utilisation hours	6,009	6,307	6,044
Gross generation (MWh)	3,605,219	3,784,326	3,626,488
Net generation (MWh)	3,408,450	3,579,220	3,445,411
Equivalent availability factor (%)	91	93	95
Net generation standard coal consumption rate (grams/kWh)	347	347	345

Hengfeng Phase II

	2005	2004	2003
Installed capacity at year end (MW)	600	N/A	N/A
Average utilisation hours	N/A	N/A	N/A
Gross generation (MWh)	3,402,318	N/A	N/A
Net generation (MWh)	3,191,855	N/A	N/A
Equivalent availability factor (%)	90	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	342	N/A	N/A

Puqi Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	600	600	N/A
Average utilisation hours	5,303	N/A	N/A
Gross generation (MWh)	3,181,650	941,340	N/A
Net generation (MWh)	3,028,690	902,152	N/A
Equivalent availability factor (%)	90	63	N/A
Net generation standard coal consumption rate (grams/kWh)	342	348	N/A

Jiaozuo Thermal Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	270	N/A	N/A
Average utilisation hours	N/A	N/A	N/A
Gross generation (MWh)	1,094,521	N/A	N/A
Net generation (MWh)	991,958	N/A	N/A
Equivalent availability factor (%)	99	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	407	N/A	N/A

Tangshan Thermal II Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	200	N/A	N/A
Average utilisation hours	N/A	N/A	N/A
Gross generation (MWh)	852,223	N/A	N/A
Net generation (MWh)	772,335	N/A	N/A
Equivalent availability factor (%)	89	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	389	N/A	N/A

Luoyang Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	100	100	N/A
Average utilisation hours	7,969	N/A	N/A
Gross generation (MWh)	796,860	407,192	N/A
Net generation (MWh)	712,183	360,694	N/A
Equivalent availability factor (%)	93	67	N/A
Net generation standard coal consumption rate (grams/kWh)	439	516	N/A

Yixing Power Plant

	2005	2004	2003
Installed capacity at year end (MW)	120	N/A	N/A
Average utilisation hours	N/A	N/A	N/A
Gross generation (MWh)	754,630	N/A	N/A
Net generation (MWh)	686,231	N/A	N/A
Equivalent availability factor (%)	92	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	420	N/A	N/A