

# Balance Sheets

As at 31st December, 2006  
(Prepared in accordance with International Financial Reporting Standards)  
(Amounts expressed in thousands of RMB)

|  | Note    | The Company and<br>its subsidiaries |            | The Company                  |            |
|--|---------|-------------------------------------|------------|------------------------------|------------|
|  |         | As at 31st December,<br>2006        | 2005       | As at 31st December,<br>2006 | 2005       |
| <b>ASSETS</b>  |         |                                     |            |                              |            |
| <b>Non-current assets</b>                                |         |                                     |            |                              |            |
| Property, plant and equipment, net                       | 10      | 90,444,225                          | 78,997,297 | 43,787,388                   | 38,947,310 |
| Investments in associates                                | 11      | 5,418,213                           | 4,593,984  | 4,321,310                    | 3,884,659  |
| Investments in subsidiaries                              | 12      | —                                   | —          | 9,622,256                    | 8,849,746  |
| Available-for-sale investment                            | 13      | 1,458,759                           | 1,033,225  | 1,458,759                    | 1,033,225  |
| Land use rights  | 14      | 2,013,480                           | 1,679,765  | 1,182,279                    | 1,133,130  |
| Deferred income tax assets                               | 27      | 98,429                              | 64,075     | 48,316                       | 13,261     |
| Goodwill   | 15      | 671,796                             | 671,796    | 108,938                      | 108,938    |
| Other non-current assets                                 |         | 269,404                             | 336,379    | 84,411                       | 101,534    |
| Total non-current assets                                 |         | 100,374,306                         | 87,376,521 | 60,613,657                   | 54,071,803 |
| <b>Current assets</b>                                    |         |                                     |            |                              |            |
| Inventories, net   | 16      | 2,121,489                           | 2,311,357  | 1,234,859                    | 1,380,845  |
| Other receivables and assets, net                        | 17      | 615,488                             | 855,952    | 286,634                      | 556,245    |
| Accounts receivable, net                                 | 18      | 6,977,493                           | 6,022,426  | 4,085,487                    | 3,802,559  |
| Financial assets at fair value<br>through profit or loss |         | 100,180                             | —          | 100,180                      | —          |
| Due from HIPDC   | 7(a)(v) | —                                   | 21,847     | —                            | —          |
| Due from subsidiaries                                    | 7(a)(v) | —                                   | —          | 148,801                      | 23,715     |
| Due from other related parties                           | 7(a)(v) | 621                                 | —          | 400                          | —          |
| Restricted cash  |         | 203,863                             | 201,276    | 190,193                      | 173,855    |
| Temporary cash investment                                |         | —                                   | 2,652      | —                            | 2,652      |
| Cash and cash equivalents                                | 32(a)   | 3,207,192                           | 2,647,665  | 1,433,165                    | 713,396    |
| Total current assets                                     |         | 13,226,326                          | 12,063,175 | 7,479,719                    | 6,653,267  |
| Total assets   |         | 113,600,632                         | 99,439,696 | 68,093,376                   | 60,725,070 |

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|--|---------|-------------------------------------|------------|------------------------------|------------|
|  |         | As at 31st December,<br>2006        | 2005       | As at 31st December,<br>2006 | 2005       |
| <b>EQUITY AND LIABILITIES</b>  |         |                                     |            |                              |            |
| <b>Capital and reserves attributable to equity holders of the Company</b>  |         |                                     |            |                              |            |
| Domestic shares, par value of RMB1.00 each, in form of legal person shares | 19      | —                                   | 8,500,000  | —                            | 8,500,000  |
| A shares, par value of RMB1.00 each  | 19      | 9,000,000                           | 500,000    | 9,000,000                    | 500,000    |
| Overseas listed foreign shares, par value of RMB1.00 each                  | 19      | 3,055,383                           | 3,055,383  | 3,055,383                    | 3,055,383  |
| Additional paid-in capital   |         | 8,988,973                           | 8,988,107  | 8,972,184                    | 8,972,184  |
| Dedicated capital  | 20      | 5,454,467                           | 4,899,429  | 5,454,467                    | 4,899,429  |
| Fair value gains from available-for-sale investment, net of tax            | 13 & 27 | 998,825                             | 636,964    | 998,668                      | 636,964    |
| Retained earnings  |         |                                     |            |                              |            |
| Proposed dividend  | 21      | 3,375,507                           | 3,013,846  | 3,375,507                    | 3,013,846  |
| Others   |         | 12,584,354                          | 10,443,745 | 10,083,097                   | 8,767,490  |
|  |         | <b>43,457,509</b>                   | 40,037,474 | <b>40,939,306</b>            | 38,345,296 |
| Minority interests in equity   |         | 7,151,183                           | 6,106,713  | —                            | —          |
| Total equity   |         | <b>50,608,692</b>                   | 46,144,187 | <b>40,939,306</b>            | 38,345,296 |
| <b>Non-current liabilities</b>   |         |                                     |            |                              |            |
| Long-term loans from Huaneng Group   | 22      | 2,800,000                           | 2,800,000  | 2,000,000                    | 2,000,000  |
| Long-term bank loans   | 22      | 32,065,840                          | 25,711,255 | 9,182,454                    | 7,475,460  |
| Other long-term loans  | 22      | 232,779                             | 351,009    | —                            | —          |
| Deferred income tax liabilities  | 27      | 1,078,897                           | 1,157,775  | 369,618                      | 336,441    |
| Other non-current liabilities  |         | 309,930                             | 168,328    | 203,279                      | 79,159     |
| Total non-current liabilities  |         | <b>36,487,446</b>                   | 30,188,367 | <b>11,755,351</b>            | 9,891,060  |

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|---|----------|-------------------------------------|------------|------------------------------|------------|
|   |          | As at 31st December,<br>2006        | 2005       | As at 31st December,<br>2006 | 2005       |
| <b>Current liabilities</b>                  |          |                                     |            |                              |            |
| Accounts payable and<br>other liabilities   | 23       | <b>8,375,705</b>                    | 6,905,240  | <b>4,718,096</b>             | 3,634,442  |
| Taxes payables                              | 24       | <b>1,180,318</b>                    | 1,131,284  | <b>665,022</b>               | 506,983    |
| Due to Huaneng Group                        | 7(a)(v)  | <b>44,592</b>                       | 50,720     | —                            | 6,129      |
| Due to HIPDC                                | 7(a)(v)  | <b>79,730</b>                       | 53,230     | <b>79,423</b>                | 53,230     |
| Due to a subsidiary                         | 7(a)(v)  | —                                   | —          | <b>960</b>                   | —          |
| Due to associates                           | 7(a)(vi) | <b>83,512</b>                       | —          | <b>77,327</b>                | —          |
| Due to other related parties                | 7(a)(v)  | <b>65,795</b>                       | 29,620     | <b>38,424</b>                | 14,918     |
| Salary and welfare payables                 |          | <b>441,590</b>                      | 251,949    | <b>263,443</b>               | 129,207    |
| Short-term bonds                            | 25       | <b>5,077,577</b>                    | 4,938,250  | <b>5,077,577</b>             | 4,938,250  |
| Short-term loans                            | 26       | <b>7,823,720</b>                    | 6,580,870  | <b>3,393,000</b>             | 2,200,000  |
| Current portion of<br>long-term bank loans  | 22       | <b>3,140,393</b>                    | 2,653,339  | <b>1,085,447</b>             | 1,005,555  |
| Current portion of<br>other long-term loans | 22       | <b>191,562</b>                      | 512,640    | —                            | —          |
| <b>Total current liabilities</b>            |          | <b>26,504,494</b>                   | 23,107,142 | <b>15,398,719</b>            | 12,488,714 |
| <b>Total equity and liabilities</b>         |          | <b>113,600,632</b>                  | 99,439,696 | <b>68,093,376</b>            | 60,725,070 |

These financial statements have been approved for issue by the Board of Directors on 3rd April, 2007.

**Huang Long**  
*Director*

**Na Xizhi**  
*Director*

The notes on pages 94 to 154 are an integral part of these financial statements.