

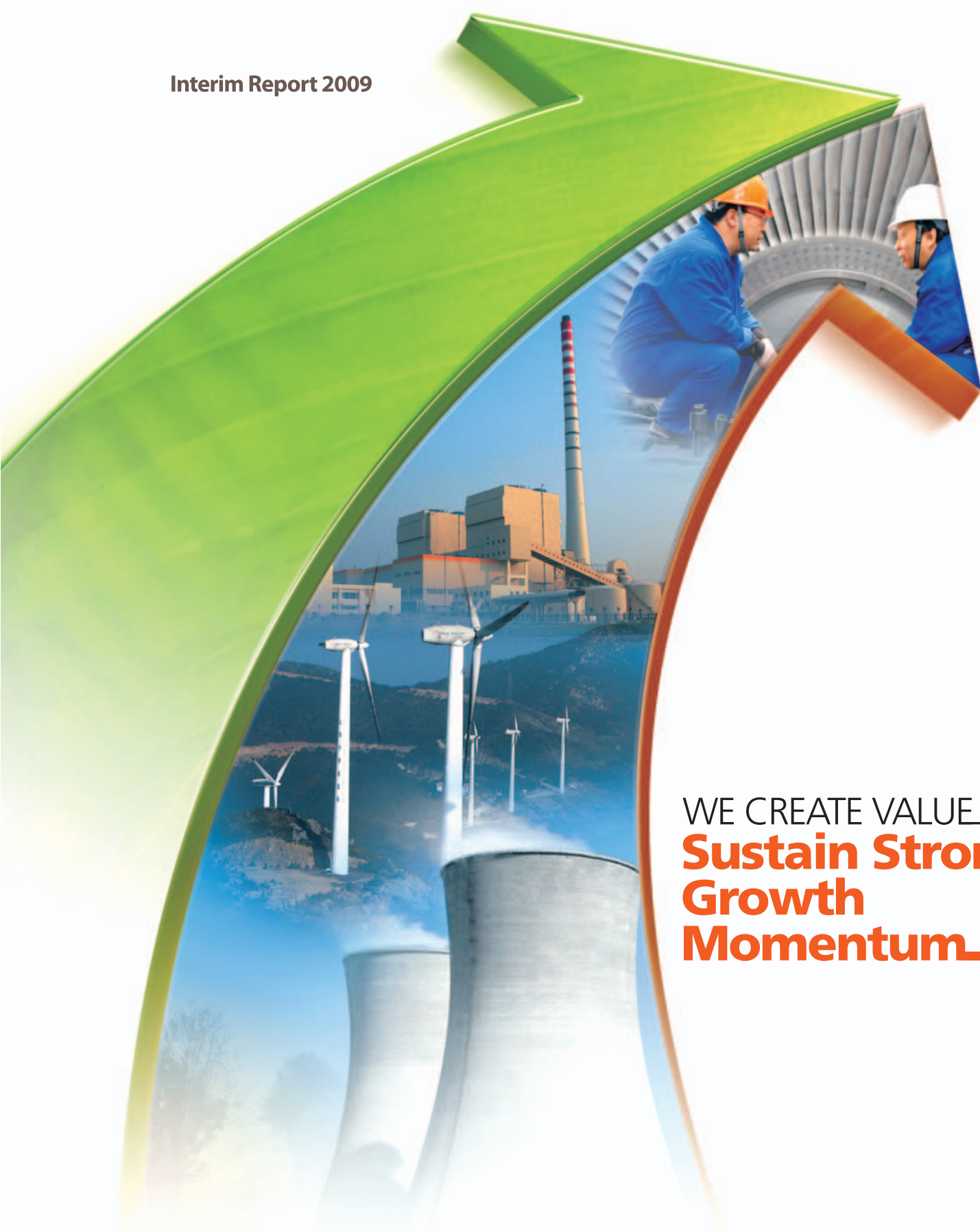


華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Stock Code: 836)

Interim Report 2009



WE CREATE VALUE
**Sustain Strong
Growth
Momentum** →

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MAXIMIZING VALUE

SUSTAINING THE POWER

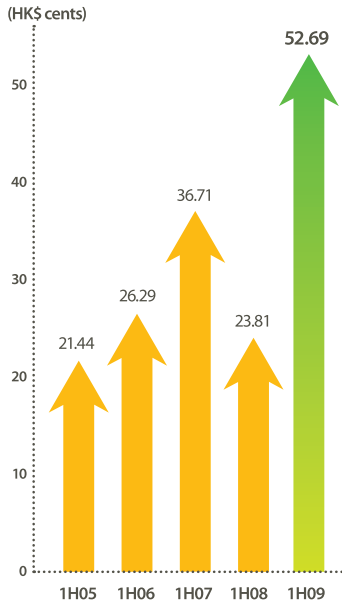
STRONG GROWTH MOMENTUM

Performance Highlights

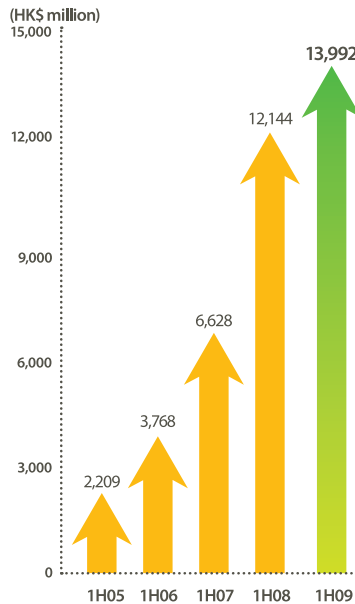
	1H2009	1H2008	1H2007	1H2006	1H2005
Earnings per share (HK cents)					
Basic	52.69	23.81	36.71	26.29	21.44
Diluted	51.41	23.28	35.10	25.81	21.29
Turnover (HK\$'000)					
	13,992,295	12,143,757	6,628,010	3,767,656	2,208,773
Profit attributable to owners of the Company (HK\$'000)					
Subsidiaries	2,147,701	877,499	1,212,040	720,489	424,779
Associates	302,626	327,991	333,303	337,621	375,364
Jointly controlled entity	—	—	—	—	106,727
Others	(182,319)	(199,596)	(133,891)	(56,160)	(90,362)
Total	2,268,010	1,005,894	1,411,452	1,001,950	816,508
Generation volume of operating power plants (MWh)					
Total gross generation	49,870,688	52,507,535	37,585,705	26,819,508	23,231,209
Total net generation	46,605,132	49,111,384	35,218,775	25,184,623	21,848,634
Condensed consolidated statement of financial position (HK\$'000)					
Non-current assets	72,452,713	61,898,078	36,929,846	24,871,779	18,980,783
Current assets	14,843,059	12,862,129	6,561,684	6,127,631	4,934,780
Current liabilities	(24,764,292)	(20,345,896)	(10,723,976)	(6,168,687)	(3,320,607)
Non-current liabilities	(29,738,712)	(24,809,112)	(14,033,439)	(10,180,832)	(8,660,042)
Minority interests	(3,551,403)	(2,954,361)	(1,972,160)	(1,114,553)	(1,041,958)
Equity attributable to owners of the Company	29,241,365	26,650,838	16,761,955	13,535,338	10,892,956
Total assets	87,295,772	74,760,207	43,491,530	30,999,410	23,915,563
Bank balances and cash	5,779,062	5,238,644	2,893,094	4,016,461	2,780,251
Bank and other borrowings	42,087,162	33,788,480	19,125,562	12,767,282	10,382,668
Key financial ratios					
Current ratio (times)	0.60	0.63	0.61	0.99	1.49
Quick ratio (times)	0.54	0.57	0.55	0.93	1.42
Net debt to shareholders' equity (%)	124.2	107.1	96.8	64.7	69.8
EBITDA interest coverage (times)	5.44	3.87	5.21	5.09	5.03
Attributable operational generation capacity (MW)					
Eastern China	4,490	4,403	3,380	2,676	1,926
Central China	3,277	2,995	2,961	1,911	1,323
Southern China	3,201	3,096	1,863	1,086	954
Northeastern China	1,525	1,509	—	—	—
Northern China	1,197	927	537	537	460
Total	13,690	12,930	8,741	6,210	4,663

Performance Highlights

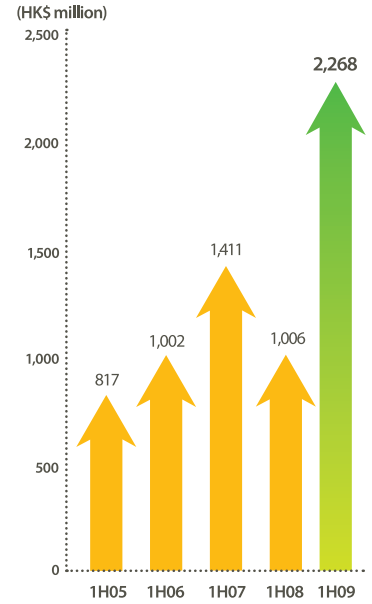
BASIC EARNINGS PER SHARE



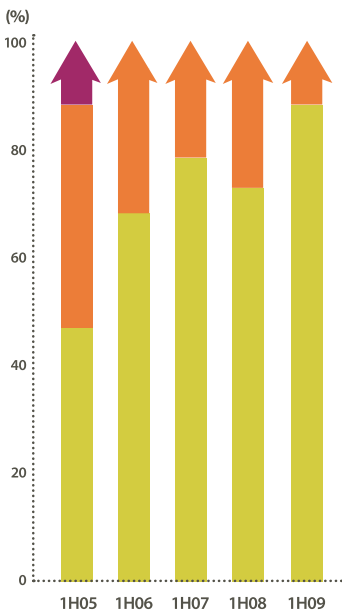
TURNOVER



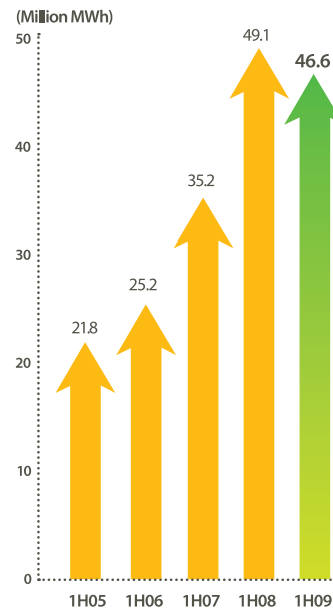
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY



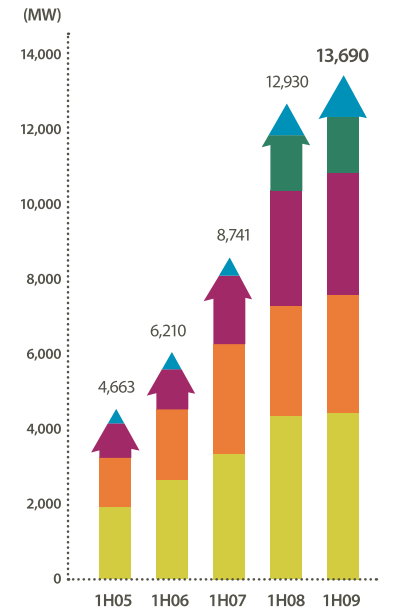
PERCENTAGE OF PROFIT CONTRIBUTION



NET GENERATION VOLUME OF OPERATING POWER PLANTS



ATTRIBUTABLE OPERATIONAL GENERATION CAPACITY



- Subsidiaries
- Associates
- Jointly controlled entity

- Eastern China
- Southern China
- Central China
- Northeastern China
- Northern China

Service Areas



Region	Power Plant	Scale	Installed Capacity	Equity	Attributable Capacity	
Jiangsu	Changshu	3x650	1,950	100%	1,950	
	Huaxin	2x330	660	72%	475	
	Yixing	2x60	120	55%	66	
	Yangzhou No.2	2x630	1,260	45%	567	
	Xuzhou	4x320	1,280	35%	448	
Guangdong	Liyujiang B	2x650	1,300	100%	1,300	
	Xingning	2x135	270	100%	270	
	Liyujiang	2x315	630	60%	378	
	Shajiao C	3x660	1,980	36%	713	
	Guangzhou	2x180	360	70%	252	
	Chengtian (Chaonan Phase I)	1x49.5	50	100%	50	
	Shalong (Chaonan Phase II)	1x49.5	50	100%	50	
	Shantou	1x29.25	29	100%	29	
	Dannan	1x24	24	55%	13	
	Huilixian'an ▲	1x49.5	50	100%	50	
	Dahao ▲	1x20	20	100%	20	
	Henan	Gucheng	2x300	600	100%	600
		Shouyangshan	2x600	1,200	85%	1,020
Dengfeng		2x320	640	85%	544	
Jiaozuo		2x135	270	60%	162	
Luoyang		2x50	100	51%	51	
Liaoning	Jinzhou	6x200	1,200	100%	1,200	
	Shenhai	3x200	600	54.115%	325	
Hebei	Tangshan	1x200	200	80%	160	
	Cangzhou	2x325	650	60%	390	
	Hengfeng	2x300	600	25%	150	
	Hengxing	2x300	600	25%	150	
	Caofeidian ▲	2x300	600	90%	540	
	Dongbaliang ▲	1x49.5	50	100%	50	
	Yueliangshan ▲	1x49.5	50	100%	50	
Weichang ▲	1x48	48	100%	48		
Hubei	Puqi	2x300	600	100%	600	
Anhui	Fuyang	2x640	1,280	55%	704	
Zhejiang	Wenzhou	2x300	600	40%	240	
Hunan	Lianyuan ▲	2x300	600	100%	600	
Yunnan	Yunpeng	3x70	210	70%	147	
Beijing City	Beijing Thermal	2x75	150	51%	77	
Shandong	Penglai	1x42.2	42	95%	40	
Gansu	Qiaowan Phase I ▲	1x201	201	100%	201	
Inner Mongolia Autonomous Area	Bayinxile ▲	1x49.5	50	100%	50	



1. Changshu Power Plant
2. Dannan Wind Farm
3. Shouyangshan Power Plant
4. Shenhai Thermal Power Plant
5. Cangzhou Power Plant



● Power plants in commercial operation
 ▲ Power plants under construction

Major Events 1H2009

MARCH

Penglai Wind Farm commenced commercial operation on 3 March 2009 with a total installed capacity of 42.2MW.

Chaonan Wind Farm Phase I (Chengtian) commenced commercial operation on 25 March 2009 with a total installed capacity of 49.5MW.

APRIL

China Resources Power Holdings Company Limited ("CR Power") was ranked by *Forbes* Magazine as one of the "Forbes Global 2000" listed enterprises on 9 April 2009, ranked 1147th (2008: 1598th).

MAY

Hang Seng Indexes Company Limited announced on 8 May 2009 that CR Power is added as an index constituent with effect on 8 June 2009.

Unit 1 of Lianyuan Power Plant with installed capacity of 300MW commenced commercial operation on 22 May 2009.



**Jiangsu Nanre
Power Plant**

**Cangzhou
Power Plant**

**Fuyang
Power Plant**

Major Events 1H2009

JUNE

On 4 June 2009, CR Power announced a Rights Issue on the basis of one rights share for every ten existing shares held by shareholders. Total net proceeds of the Rights Issue amounted to approximately HK\$5.9 billion, of which approximately HK\$3.8 billion, representing the subscription monies payable by China Resources (Holdings) Company Ltd. ("CRH"), was paid by CRH, assuming an equal amount of debt owed by the Company to China Resources National Corporation, and the remaining HK\$2.1 billion was received in cash. The Rights Issue was strongly supported by the shareholders with 99.57% of the shares available under the Rights Issue were accepted by shareholders and in addition, excess application for rights shares amounted to 66.53% of the total Rights Issue shares available.

Chaonan Wind Farm Phase II (Shalong) commenced commercial operation on 16 June 2009 with a total installed capacity of 49.5MW.

The acquisition of 40% equity interest in China Resources Power (Jiangsu) Investment from an independent third party was completed on 23 June 2009.

Unit 1 of Caofeidian Power Plant with installed capacity of 300MW commenced commercial operation on 29 June 2009.

CR Power obtained approval from the PRC government for the construction of Qiaowan Phase I Wind Farm and Dahao Wind Farm. Qiaowan Phase I Wind Farm is located in the Jiuquan Area of Gansu Province, PRC, with an installed capacity of 201MW. Dahao Wind Farm is located in Haojiang District, Shantou City, Guangdong Province, PRC, with an installed capacity of 20MW.



**Cangzhou
Power Plant**

**Changshu
Power Plant**

**Changshu
Power Plant**

**Shantou
Wind Farm**

Company Profile

China Resources Power Holdings Company Limited (the “Company” or “CR Power”) is a fast-growing independent power producer which invests, develops, operates and manages power plants in the more affluent regions and regions with high GDP growth rate in China.

As at 30 June 2009, CR Power has 32 power plants in commercial operation. The total attributable operational generation capacity of the Company is 13,690MW, with 33% located in Eastern China, 24% located in Central China, 23% located in Southern China, 11% located in Northeastern China, and 9% located in Northern China.

Corporate Structure



* Under construction

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of the Group for the **six months ended 30 June 2009**.



A Shantou Wind Farm B Changshu Power Plant C Dengfeng Power Plant D Dengfeng Power Plant

Chairman's Statement

RESULTS HIGHLIGHTS

CR Power recorded a consolidated turnover of HK\$13,992 million for the six months ended 30 June 2009, an increase of 15.2% compared to the same period last year. Profit attributable to shareholders of the Company increased by 125.5% to HK\$2,268 million versus HK\$1,139 million for the same period last year.

Basic earnings per share were HK52.69 cents, an increase of 121.3% against HK23.81 cents for the same period last year. The Board has resolved to declare an interim dividend of HK6.0 cents per share.

REVIEW OF THE FIRST HALF OF 2009

As at 30 June 2009, we had 32 power plants in commercial operation with an attributable operational capacity of 13,690MW, representing an increase of 709MW or 5.5% from 12,981MW at the end of 2008. In the first half of 2009, a total of 4 power plants commenced commercial operation, including Penglai Wind Farm with an attributable capacity of 40MW, Chaonan Wind Farm (Phase I: Chengtian, Phase II: Shalong) which has a total attributable capacity of 99MW, a generation unit of Lianyuan Power Plant with an attributable capacity of 300MW and a generation unit of Caofeidian Power Plant with an attributable capacity of 270MW.

Impacted by the global financial crisis, China's power demand from the industrial sector continued to slow down during the first half of 2009. National power consumption decreased by 2.2% on a year-on-year basis, with an average utilization hour of 2,106 hours for the first half of 2009, which was 265 hours less than the same period last year. Our total net generation from subsidiary power plants recorded a marginal decrease of 0.9% to 31.5 billion kWh for the six months ended 30 June 2009 versus 31.8 billion kWh for the same period last year; while the total net generation of the group, including associated companies, decreased 5.1% to 46.6 billion kWh compared to last year's 49.1 billion kWh. The average utilization hours of our 22 coal-fired power plants, which were in commercial operation for the first half of 2008 and 2009, registered a decrease of 205 hours to 2,611 hours from 2,816 hours recorded in the same period last year.

IPPs and the coal companies in China have yet to reach a final agreement on contract coal price for 2009. Even though no agreement has been reached so far, coal prices in the country recorded a steady declining trend. The average unit fuel cost of our subsidiary power plants decreased by 3.5% to RMB 202.8/MWh compared to RMB 210.1/MWh for the same period last year or by 15.1% when compared to the average of 2008. Average standard coal cost of our subsidiary power plants decreased by 2.2% when compared to the same period last year or 13.4% when compared to the 2008 full year average. The net generation standard coal consumption rate of our subsidiary power plants was 336.4g/kWh for the first half of 2009, 4.6g/kWh lower than 341.0g/kWh recorded in the same period last year.

With a view to strengthen the Company's capital base, improve the Company's overall financial position, and better position the Company in capturing any development and expansion opportunities that may arise in the future, including the development and acquisition of additional coal reserves in China, development of renewable energy plants and construction of large-scale efficient coal-fired generation units, we announced a rights issue on 4 June 2009 on the basis of one rights share for every ten existing shares held by our shareholders (the "Rights Issue"). Total net proceeds of the Rights Issue amounted to approximately HK\$5.9 billion, of which approximately HK\$3.8 billion, representing the subscription monies payable by China Resources (Holdings) Company Ltd. ("CRH"),

Chairman's Statement

was paid by CRH assuming an equal amount of debt owed by the Company to China Resources National Corporation, and the remaining HK\$2.1 billion was received in cash. The Rights Issue was strongly supported by the shareholders with 99.57% of the shares available under the Rights Issue were accepted by shareholders and in addition, excess application for Rights Issue amounted to 66.53% of the total Rights Issue shares available.

As at 30 June 2009, total bank and other borrowings of the Company amounted to HK\$42.1 billion, an increase of 11.7% compared to HK\$37.7 billion as at 30 June 2008. Finance costs for the first half of 2009 decreased by 14.3% to HK\$749.8 million compared to HK\$875.2 million for the first half of 2008. Average interest rate decreased from 5.74% for the first half of 2008 to 4.54% for the first half of 2009.

OUTLOOK FOR THE SECOND HALF OF 2009

Power demand in China has started to pick up since June, with national power generation and consumption increasing by 4.7% and 4.3% on a year-on-year basis, respectively. For CR Power, power demand in the coastal regions such as Guangdong and Jiangsu, where we had 22% and 25% of our attributable operational capacity as at 30 June 2009 respectively, was growing faster than other parts of China where we are located. Total net generation of our operating power plants in Guangdong and Jiangsu registered an increase of 21.3% and 13.3% on a year-on-year basis respectively in June. Although the increase in net generation was partially attributed to the weather condition, we believe it is also related to the recovery of the power consumption from the industrial sector in the country. We remain positive on the industry outlook in the second half of the year.

Coal prices in the country have been relatively stable lately after the significant drop from its peak level in July/August 2008. With coal inventory level in the country staying at relatively high levels and resumption of coal production by small coal mines in Shanxi and Henan provinces, we expect coal prices to be relatively stable for the second half of the year.

With a view to secure our coal supply for our power plants, maintain better control over the most important cost component in our operations and enhance our bargaining power over external coal suppliers, we will continue to identify and develop new coal projects in our target markets, such as Shanxi Province and Inner Mongolia.

Our total attributable operational capacity will continue to increase in the second half of 2009, through the completion of the acquisition of China Resources Power (Jiangsu) Investment Company Limited ("Jiangsu Investment") and commissioning of greenfield projects. We completed the acquisition of a 40% equity interest in Jiangsu Investment from an independent third party in June and completed the acquisition of the remaining 60% interest from our parent company in August.

We will continue to increase our investment in the renewable energy sector, particularly in wind farms, in 2009. As at 30 June 2009, our attributable operational capacity in wind power was 182MW. In addition, we are also studying solar energy and waste-to-energy opportunities in China. We believe our investment in the clean energy sector not only enable us to fulfill our corporate social responsibilities, but will also generate a steady stream of income for our shareholders.

Chairman's Statement

We believe our fast but prudent expansion strategy as well as our prudent financial management would enable us to continue to create and enhance shareholders' investment value.

APPRECIATION

I would like to take this opportunity to thank the Directors, management team and staff members for their contributions and dedications to the success of our Group. My gratitude also goes to our shareholders for their continuous support.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Song Lin', with a stylized flourish at the end.

Song Lin
Chairman

Hong Kong, 24 August 2009

Management's Discussion and Analysis

BUSINESS REVIEW FOR THE FIRST HALF OF 2009

Growth of generation capacity

As at 30 June 2009, we had 32 power plants in commercial operation with a total attributable operational generation capacity of 13,690MW. As a comparison, our attributable operational generation capacity was 12,930MW and 12,981MW, respectively, as at 30 June 2008 and 31 December 2008.

During the first half of 2009, Penglai Wind Farm, Chaonan Wind Farm (comprising two phases, Chengtian and Shalong) and unit 1 of Lianyuan Power Plant commenced commercial operation. In addition, unit 1 of Caofeidian Power Plant commenced commercial operation on 29 June 2009.

The following table sets out the attributable operational generation capacity of our power plants in the context of geographical distribution as at 30 June 2009:

	Attributable operational generation capacity	
	MW	%
Eastern China	4,490	32.8
Central China	3,277	24.0
Southern China	3,201	23.4
Northeastern China	1,525	11.1
Northern China	1,197	8.7
Total	13,690	100.0

Development of greenfield power plants

In June 2009, we obtained approval from the PRC government for the construction of Qiaowan Phase I Wind Farm and Dahao Wind Farm.

Qiaowan Phase I Wind Farm is located in the Jiuquan Area of Gansu Province, PRC, with an installed capacity of 201MW. Equipment for the wind farm will be sourced domestically. It is expected to commence commercial operation in 2010. Electricity generated will be supplied to the North-western power grid.

Dahao Wind Farm is located in Haojiang District, Shantou City, Guangdong Province, PRC, with an installed capacity of 20MW. Equipment for the wind farm will be sourced domestically. It is expected to commence commercial operation in 2009. Electricity generated will be supplied to the Guangdong provincial power grid.

Generation volume

Total gross generation volume of our 32 operating power plants amounted to 49,870,688MWh in the first half of 2009, representing a decrease of 5.0% from 52,507,535MWh in the first half of 2008. Total gross generation volume of our 26 consolidated operating power plants amounted to 33,665,662MWh in the first half of 2009, representing a decrease of 0.9% from 33,955,353MWh in the first half of 2008.

Total net generation volume of our 32 operating power plants amounted to 46,605,132MWh in the first half of 2009, representing a decrease of 5.1% from 49,111,384MWh in the first half of 2008. Total net generation volume of our 26 consolidated operating power plants amounted to 31,463,569MWh in the first half of 2009, representing a decrease of 0.9% from 31,759,981MWh in the first half of 2008.

Management's Discussion and Analysis

The decrease in gross and net generation volume was primarily due to the slowdown of economic growth in China, and in particular a reduction in electricity consumption by the industrial sector. For the first half of 2009, power generation in China recorded a decrease of 1.7% compared to the same period of last year, among which coal-fired generation units recorded a decrease of 4.8% as compared to the same period last year.

For the 22 coal-fired power plants which were in commercial operation for the entire first half of 2008 and 2009, gross and net generation volume for the first half of 2009 decreased by 7.7% from the first half of 2008. The average full-load equivalent utilisation hours for the first half of 2009 of these 22 coal-fired power plants amounted to 2,611 hours, representing a decrease of 7.3% from 2,816 hours for the first half of 2008.

Fuel costs

Average unit fuel cost for our consolidated operating power plants in the first half of 2009 was RMB202.8/MWh, representing a decrease of 3.5% compared to the first half of 2008. Average standard coal cost for our consolidated operating power plants in the first half of 2009 decreased by 2.2% compared to the first half of 2008 and decreased by 13.4% compared to the full year average of 2008. This is mainly because coal prices remained relatively stable in the first quarter of 2008 until it started to increase in April and May 2008 and reached its historic peak level in July and August 2008. Therefore, for the first half of 2009 when compared on the same period basis, coal prices only decreased slightly.

Environmental expenses

For the six months ended 30 June 2009, environmental fees incurred by each of the operating power plants were in the range from RMB0.4 million to RMB16.2 million and the total amount of environmental fees incurred by our consolidated power plants was RMB74.7 million, as compared with RMB66.4 million for the six month period ended 30 June 2008. The increase is mainly because we acquired Shenhai Thermal Power Plant in April 2008.

PROSPECTS FOR THE SECOND HALF OF 2009

Electricity demand started to increase and show positive growth on a year-on-year basis in the month of June and July. We expect the second half of 2009 to show stronger year-on-year electricity consumption growth compared to the first half. As electricity consumption is closely related to the economic growth of the country, national power consumption will be directly impacted by the pace of economic recovery in the country, especially the recovery of the industrial sector. Our major challenge in the second half of 2009 is to maximize our generation volume and power plant utilization.

We have yet to reach a final agreement for the pricing of the contract coal for 2009, despite repeated efforts made by both power and coal industries. We believe coal prices will remain relatively stable for most of the second half as coal production volume growth outpaced power consumption growth so far this year and is likely to continue for some time. Depending on the pace of economic recovery in the PRC and seasonal factors, coal prices may show more fluctuations towards the end of the year.

In our target markets, we will continue to identify and develop new power projects in line with our business strategies, including both large-scale, efficient coal-fired generation units as well as renewable and clean energy projects. We have received a number of preliminary approvals from National Development and Reform Commission to construct new power plants in the PRC. Subject to the final government approval and further internal examination of the technical and financial aspects of the projects, we may proceed with the construction of a number of new power projects in the second half of 2009.

In addition, we will continue to develop our coal mine projects in the PRC in order to secure our long-term fuel supply at competitive costs. We aim to participate in the consolidation of the coal mining industry in certain parts of China as well as continue to identify and develop greenfield projects.

We will also monitor our capital structure and balance sheet to ensure that we will always have a stable capital structure to support the Group's operations and various development plans.

Management's Discussion and Analysis

OPERATING RESULTS

The results of operations for the six months ended 30 June 2009, which have been reviewed by the auditors and the audit committee of the Company, are as follows:

Condensed consolidated income statement

	For the six months ended	
	30 June 2009 HK\$'000 (unaudited)	30 June 2008 HK\$'000 (unaudited)
Turnover	13,992,295	12,143,757
Operating expenses		
Fuel	(7,545,897)	(7,820,611)
Repair and maintenance	(254,356)	(143,756)
Depreciation and amortisation	(1,439,606)	(1,376,581)
Others	(1,723,702)	(1,277,319)
Total operating expenses	(10,963,561)	(10,618,267)
Other income	93,125	207,917
Fair value gain on derivative financial instruments	20,662	32,605
Fair value gain on financial assets at fair value through profit or loss	2,662	—
Profit from operations	3,145,183	1,766,012
Finance costs	(749,812)	(875,204)
Share of results of associates	338,411	346,840
Profit before taxation	2,733,782	1,237,648
Taxation	(148,332)	(98,189)
Profit for the period	2,585,450	1,139,459
Attributable to:		
Owners of the Company	2,268,010	1,005,894
Minority interests	317,440	133,565
	2,585,450	1,139,459
Earnings per share		
– basic (HK cents)	52.69	23.81
– diluted (HK cents)	51.41	23.28

Management's Discussion and Analysis

Condensed consolidated statement of comprehensive income

	For the six months ended	
	30 June 2009 HK\$'000 (unaudited)	30 June 2008 HK\$'000 (unaudited)
Profit for the period	2,585,450	1,139,459
Other comprehensive income and expense:		
Exchange differences from translation	(50,927)	1,339,251
Share of changes in translation reserve of associates	(5,754)	349,199
Fair value change on cash flow hedges	39,689	11,149
Transfer to consolidated income statement in relation to discontinued cash flow hedges	—	14,432
Other comprehensive income and expense for the period	(16,992)	1,714,031
Total comprehensive income for the period	2,568,458	2,853,490
Total comprehensive income for the period attributable to		
– owners of the Company	2,251,893	2,542,126
– minority interests	316,565	311,364
	2,568,458	2,853,490

Management's Discussion and Analysis

Condensed consolidated statement of financial position

	As at 30 June 2009 HK\$'000 (unaudited)	As at 31 December 2008 HK\$'000 (audited)
Non-current assets		
Property, plant and equipment	53,309,314	50,318,595
Prepaid lease payments	1,039,622	1,021,098
Mining rights	192,831	197,061
Exploration and resources rights	239,723	239,989
Interests in associates	7,872,003	6,381,116
Goodwill	3,207,440	3,207,440
Investments in investee companies	146,571	128,416
Deposit paid for acquisition of subsidiaries	2,095,603	981,418
Deposit paid for investment in an associate	77,942	77,942
Deposit paid for investment in an investee company	52,710	—
Deposit paid for acquisition of property, plant and equipment	782,723	406,311
Deposit paid for acquisition of mining/exploration rights	2,604,322	2,584,496
Deposit paid for land use rights	134,032	125,118
Loan due from an associate	567,320	—
Pledged bank deposits	37,201	37,201
Deferred taxation assets	93,356	94,777
	72,452,713	65,800,978
Current assets		
Inventories	1,419,910	1,857,595
Trade receivables, other receivables and prepayments	5,635,118	4,796,957
Amounts due from minority shareholders of subsidiaries	11,317	150,379
Amounts due from associates	1,479,305	1,292,759
Amounts due from group companies	225,102	144,923
Financial assets at fair value through profit or loss	5,621	2,962
Restricted bank balances	91,462	91,564
Pledged bank deposits	196,162	44,641
Bank balances and cash	5,779,062	5,467,088
	14,843,059	13,848,868

Management's Discussion and Analysis

	As at 30 June 2009 HK\$'000 (unaudited)	As at 31 December 2008 HK\$'000 (audited)
Current liabilities		
Trade payables, other payables and accruals	9,321,318	7,976,704
Amounts due to associates	391,535	960,264
Amounts due to group companies	1,372,560	1,607,791
Amounts due to minority shareholders of subsidiaries	499,428	428,534
Taxation payable	82,411	34,099
Bank and other borrowings - repayable within one year	13,068,290	9,484,736
Derivative financial instruments	28,750	—
	24,764,292	20,492,128
Net current liabilities	(9,921,233)	(6,643,260)
Total assets less current liabilities	62,531,480	59,157,718
Non-current liabilities		
Bank and other borrowings - repayable after one year	29,018,872	28,186,707
Accrued retirement benefit cost	293,151	316,594
Derivative financial instruments	298,164	387,265
Deferred taxation liabilities	128,525	106,289
	29,738,712	28,996,855
	32,792,768	30,160,863
Capital and reserves		
Share capital	4,243,374	4,212,797
Share premium and reserves	24,997,991	23,002,308
	29,241,365	27,215,105
Minority interests	3,551,403	2,945,758
	32,792,768	30,160,863

Management's Discussion and Analysis

Condensed consolidated statement of cash flows

	For the six months ended	
	30 June 2009 HK\$'000 (unaudited)	30 June 2008 HK\$'000 (unaudited)
Net cash from operating activities	6,596,662	2,944,050
Net cash used in investing activities		
Dividend received from associates	19,073	276,327
Purchase and deposit paid for acquisition of property, plant and equipment	(5,881,324)	(7,292,453)
Loan advanced to associates	(670,645)	(386,338)
Capital contribution to associates	(41,742)	(125,691)
Acquisition of subsidiaries	—	(999,866)
Deposit paid for acquisition of subsidiaries	(2,340,685)	(1,324,166)
Other investing cash outflows	(196,423)	(103,278)
	(9,111,746)	(9,955,465)
Net cash from financing activities		
New bank and other borrowings raised	16,037,434	9,822,868
(Repayment to) advances from group companies	(96,442)	1,212,539
Repayment to associates	(567,519)	—
Capital contribution from minority shareholders	395,740	17,952
Repayment of bank and other borrowings	(11,593,381)	(4,775,750)
Interest paid	(1,017,316)	(988,004)
Dividend paid	(339,039)	(830,928)
Dividend paid to minority shareholders of subsidiaries	(106,660)	(492,988)
Other financing cash inflows	154,166	76,249
	2,866,983	4,041,938
Net increase (decrease) in cash and cash equivalents	351,899	(2,969,477)
Cash and cash equivalents at beginning of the period	5,467,088	7,887,134
Effect of foreign exchange rate changes	(39,925)	320,987
Cash and cash equivalents at end of the period	5,779,062	5,238,644
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	5,779,062	5,238,644

Management's Discussion and Analysis

Overview

For the six months ended 30 June 2009, our net profit increased by 125.5% to HK\$2,268.0 million from HK\$1,005.9 million for the same period last year. Our turnover increased by 15.2% from HK\$12,143.8 million for the first half of 2008 to HK\$13,992.3 million for the first half of 2009.

The increase in net profit is mainly attributable to the following factors:

- Tariff adjustments — the PRC government announced two tariff hikes in July and August 2008, respectively. On average, our operational power plants received tariff increases of RMB42/MWh, inclusive of valued-added tax ("VAT").
- Decrease in fuel costs — Fuel costs for the first half of 2009 amounted to HK\$7,545.9 million, decreased by 3.5% from HK\$7,820.6 million for the first half of 2008. Average unit fuel cost for our consolidated operating power plants in the first half of 2009 was RMB202.8/MWh, showing a decrease of 3.5% compared to the first half of 2008. Average standard coal cost for our consolidated operating power plants in the first half of 2009 decreased by 2.2% compared to the first half of 2008.
- Contribution from Liyujiang Phase II and Liyujiang B Power Plant — Due to extreme weather conditions in central and southern part of China, Liyujiang Phase II and Liyujiang B Power Plant suspended operations for almost three months in the first half of 2008. For the first half of 2009, both plants carried on normal power generation operations, which contributed to the increase in revenue and net profit of the Group.

Basis of preparation of the condensed consolidated financial statements

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group had net current liabilities as at 30 June 2009 with short-term bank borrowings which can be renewed on an annual basis at the discretion of the Company within limits approved by banks. The Directors are of the opinion that, taking into account the available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

Principal accounting policies

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

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations issued by the HKICPA which are effective for the financial year beginning on 1 January 2009. Except as described below, the accounting policies used in the interim financial information are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2008, included in the annual report of the Group for the year ended 31 December 2008. The adoption of these new standards has resulted in the following changes. The adoption of the other new and revised standards, amendments and interpretations had no material effect on how the results and financial position for the current and prior accounting periods have been prepared and presented.

Presentation of financial statement

In the current period, the Group has adopted Hong Kong Accounting Standard ("HKAS") 1 (Revised) "Presentation of financial statements" which has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. The adoption of HKAS 1 (Revised), however, has no impact on the reported results or financial position of the Group.

Management's Discussion and Analysis

Segment information

In the current period, the Group has adopted Hong Kong Financial Reporting Standard ("HKFRS") 8 "Operating segments". HKFRS 8 requires the presentation of operating segments in a manner consistent with the internal reports that are regularly reviewed by the Group's chief operating decision maker. HKFRS 8 replaces HKAS 14 "Segment reporting" which required an entity to identify two sets of segments (business and geographical). The adoption of HKFRS 8 has no impact on the measures of the segment results and segment assets and has not resulted in redesignation of the Group's reportable segments.

Segment information

The Group is currently engaged in two operating divisions – sales of electricity (inclusive of supply of heat generated by co-generation power plants) and coal mining.

Segment information about these businesses is presented below.

For the six months ended 30 June 2009

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue				
External sales	13,558,449	433,846	—	13,992,295
Inter-segment sales	—	48,564	(48,564)	—
Total	13,558,449	482,410	(48,564)	13,992,295
Result				
Segment result	3,038,197	84,482	—	3,122,679
Unallocated corporate expenses				(93,945)
Other income				93,125
Share of results of associates				338,411
Finance costs				(749,812)
Fair value gain on derivative financial instruments				20,662
Fair value gain on financial assets at fair value through profit or loss				2,662
Profit before taxation				2,733,782

Management's Discussion and Analysis

For the six months ended 30 June 2008

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue				
External sales	11,633,515	510,242	—	12,143,757
Inter-segment sales	—	189,296	(189,296)	—
Total	11,633,515	699,538	(189,296)	12,143,757
Result				
Segment result	1,509,078	144,493	—	1,653,571
Unallocated corporate expenses				(128,081)
Other income				207,917
Share of results of associates				346,840
Finance costs				(875,204)
Fair value gain on derivative financial instruments				32,605
Profit before taxation				1,237,648

Turnover

Turnover represents the net amount received and receivable for sales of electricity, heat generated by co-generation power plants and sales of coal, net of VAT, during the year.

Turnover for the six months ended 30 June 2009 was HK\$13,992.3 million, representing a 15.2% increase from HK\$12,143.8 million for the six months ended 30 June 2008. The increase in turnover was mainly due to tariff hikes announced by the PRC government in the second half of 2008.

Operating expenses

Operating expenses mainly comprise fuel costs, repair and maintenance, depreciation and amortisation, and other administrative costs such as staff costs, environmental fees, office rent, entertainment expenses, insurance expenses, traveling expenses, write-off of pre-operating expenses, and professional fees. Operating expenses amounted to HK\$10,963.6 million for the six months ended 30 June 2009, representing a 3.3% increase from HK\$10,618.3 million for the six months ended 30 June 2008.

The increase in operating expenses was mainly due to an increase in staff costs, management expenses, repair and maintenance, and depreciation and amortisation, partially offset by a slight decrease in fuel costs.

Fuel costs for the six months ended 30 June 2009 amounted to HK\$7,545.9 million, representing a decrease of 3.5% from HK\$7,820.6 million for the six months ended 30 June 2008. Average unit fuel cost for our consolidated operating power plants in the first half of 2009 was RMB202.8/MWh, representing a decrease of 3.5% compared to the first half of 2008. Average standard coal cost for our consolidated operating power plants in the first half of 2009 decreased by 2.2% compared to the first half of 2008. Fuel costs accounted for approximately 68.8% of the total operating expenses for the first half of 2009, compared with 73.7% for the first half of 2008.

Management's Discussion and Analysis

Other income

Other income amounted to HK\$93.1 million for the six months ended 30 June 2009, representing a 55.2% decrease from HK\$207.9 million for the first half of 2008. Other income for the first half of 2009 mainly comprises interest income on bank balances, government grants, and income from sales of scrap materials. The decrease in other income is mainly due to the fact that Guangzhou Power Plant received VAT refund of HK\$59.5 million from the PRC government in the first half of 2008.

Fair value gain on derivative financial instruments

The Group uses derivative financial instruments (primarily interest rate swap) to hedge the exposure against changes in interest rate on bank borrowings. Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and subsequently re-measured to their fair values at each balance sheet date. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss as other gain or losses. Fair value gain on derivative financial instruments for the six months ended 30 June 2009 amounted to HK\$20.7 million and represented the gain relating to the ineffective portion of cash flow hedge.

Profit from operations

Profit from operations represents profit from the Company and its subsidiaries before deduction of finance costs and minority interests. Profit from operations amounted to HK\$3,145.2 million for the six months ended 30 June 2009, representing a 78.1% increase from HK\$1,766.0 million for the six months ended 30 June 2008. The increase was mainly due to the tariff adjustment approved by the PRC government, decrease in fuel costs and profit contribution from Liyujiang Phase II and Liyujiang B Power Plant which suspended operations for almost three months in the first half of 2008.

Finance costs

Finance costs amounted to HK\$749.8 million for the six months ended 30 June 2009, representing a 14.3% decrease from HK\$875.2 million for the first half of 2008. Meanwhile, bank and other interest bearing borrowings balances increased from HK\$37,671.4 million as at 31 December 2008 to HK\$42,087.2 million on 30 June 2009. The decrease in finance costs is mainly due to (1) five consecutive interest rate cuts announced by People's Bank of China from September 2008 to December 2008, and (2) in accordance with Hong Kong Accounting Standards, interest expenses incurred on loans obtained by subsidiaries as well as holding company for the construction of power plants and coal mines are capitalised as part of construction costs, while in previous reporting periods, the Group only capitalised interest expenses on loans at the subsidiary level obtained for such purposes. Starting from 1 January 2009, it is compulsory that the Group capitalises all interest expenses including those incurred from loans obtained by holding company and provided to subsidiaries for the purpose of construction of power plants and coal mines.

Average interest rate (including capitalised interest expenses) for the Group decreased to 4.54% in the first half of 2009 from 5.74% in the first half of 2008.

	For the six months ended	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
Interest on bank and other borrowings		
– repayable within five years	555,889	731,974
– not repayable within five years	348,696	169,850
	904,585	901,824
Less: Interest on specific loans capitalised in property, plant and equipment	(154,773)	(26,620)
	749,812	875,204

Management's Discussion and Analysis

Share of results of associates

Share of results of associates mainly represents our share of post-tax results of associates, including Shajiao C Power Plant, Yangzhou No. 2 Power Plant, Xuzhou Power Plant, Wenzhou Telluride Phase II, Hengfeng Power Plant, Hengfeng Phase II and Yonghua Energy.

Share of results of associates in the first half of 2009 amounted to HK\$338.4 million, representing a 2.4% decrease compared to HK\$346.8 million in the first half of 2008. The decrease is mainly due to a decrease in share of results of Shajiao C Power Plant and Xuzhou Power Plant, partially offset by an increase in profit contribution from Yangzhou No. 2 Power Plant and Wenzhou Telluride Phase II.

Taxation

Taxation charge for the first half of 2009 was HK\$148.3 million, representing a 51.0% increase from HK\$98.2 million for the first half of 2008. The increase in PRC enterprise income tax mainly related to tax paid by Jinzhou Power Plant, Shenhai Thermal Power Plant and Huaxin Power Plant. Details of the taxation charge for the six months ended 30 June 2008 and 2009 are set out below:

	For the six months ended	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
The Company and its subsidiaries		
Current tax - PRC Enterprise Income Tax	128,713	88,643
Deferred taxation	19,619	9,546
	148,332	98,189

No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong for both periods.

PRC Enterprise Income Tax has been calculated based on the estimated assessable profits in accordance with the relevant tax rates applicable to certain subsidiaries in the PRC.

Profit for the period

	For the six months ended	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	1,417,216	1,366,646
Less: Depreciation of property, plant and equipment capitalised in construction in progress	(4,072)	(15,131)
	1,413,144	1,351,515
Amortisation of prepaid lease payments	22,030	21,131
Amortisation of mining rights	4,432	3,935
Total depreciation and amortisation	1,439,606	1,376,581
Loss on property, plant and equipment (note)	—	140,351
and after crediting:		
Interest income	36,550	51,408

Note: The loss represents property, plant and equipment written-off during the period ended 30 June 2008 due to damages, net of amount recovered.

Management's Discussion and Analysis

Profit for the period attributable to owners of the Company

As a result of the above, the Group's net profit for the first half of 2009 increased to HK\$2,268.0 million, representing a 125.5% increase compared to HK\$1,005.9 million for the first half of 2008.

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:

	For the six months ended	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
Profit attributable to owners of the Company	2,268,010	1,005,894
	Number of ordinary shares	
	1 January 2009 to 30 June 2009	1 January 2008 to 30 June 2008
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,304,295,133	4,224,263,167
Effect of dilutive potential ordinary shares:		
– share options	107,411,323	81,287,596
– issuable consideration shares for acquisition of subsidiaries	—	16,006,791
Weighted average number of ordinary shares for the purposes of diluted earnings per share	4,411,706,456	4,321,557,554

On 4 June 2009, the Company announced the rights issue ("Rights Issue") of 424,337,196 rights shares in the proportion of one rights share for every ten shares at HK\$14 per rights share. The subscription price was expressed in Hong Kong dollars. The offer period of the Right Issue closed for acceptance on 10 July 2009.

The number of shares for the purpose of calculating basic earnings per share for the period from 1 January 2008 to 30 June 2008 and for the period from 1 January 2009 to 30 June 2009 has been adjusted to reflect the rights issue of shares completed in July 2009.

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of HK6 cents per share for the six months ended 30 June 2009 (2008: HK5 cents per share).

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company on Friday, 18 September 2009. The register of members of the Company will be closed from Monday, 14 September 2009 to Friday, 18 September 2009 (both days inclusive), during which no share transfer will be registered. To qualify for the interim 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 4:30 p.m. on Friday, 11 September 2009. The dividend will be payable on or about 5 October 2009.

Capital structure management

The Group and the Company manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimizing of the debt and equity balances. The Group's and the Company's overall strategy remains unchanged from prior year.

Management's Discussion and Analysis

The capital structure of the Group consists of debt, which includes long-term bank borrowings, short-term bank borrowings and loan from our ultimate holding company (which was repaid in July 2009), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated profits.

The directors of the Company (the "Directors") review the capital structure on a periodic basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations from the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the repayment of existing debts.

Liquidity and financial resources and borrowings

The Group had net current liabilities of HK\$9,921.2 million as at 30 June 2009 with short-term bank borrowings which can be renewed on an annual basis at the discretion of the Company within limits approved by banks. The Directors are of the opinion that, taking into account the available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the condensed consolidated financial statements.

The bank balances and cash as at 30 June 2009 denominated in local currency and foreign currencies amounted to HK\$739.1 million, RMB4,372.8 million and US\$10.1 million, respectively.

The bank and other borrowings of the Group as at 31 December 2008 and 30 June 2009 were as follows:

	As at 30 June 2009 HK\$'000	As at 31 December 2008 HK\$'000
Secured bank loans	1,029,035	3,933,775
Unsecured bank loans	35,526,817	28,203,663
Other loans	5,531,310	5,534,005
	42,087,162	37,671,443

The maturity profile of the above loans is as follows:

	As at 30 June 2009 HK\$'000	As at 31 December 2008 HK\$'000
Within 1 year	13,068,290	9,484,736
More than 1 year, but not exceeding 2 years	2,540,010	3,753,912
More than 2 years, but not exceeding 5 years	12,542,116	12,063,789
More than 5 years	13,936,746	12,369,006
	42,087,162	37,671,443

The bank and other borrowings as at 30 June 2009 denominated in local currency and foreign currency amounted to HK\$8,424.0 million, RMB28,303.7 million and US\$198.6 million, respectively.

As at 30 June 2009, included in bank borrowings, amounts of HK\$9,937,019,000 bore interests at a range from HIBOR plus 0.30% to HIBOR plus 1.20% per annum and the remaining borrowings carried interest rates at a range from 3.09% to 7.60% per annum.

Management's Discussion and Analysis

In order to cap borrowings at fixed rates, the Group uses floating-to-fixed interest rate swaps to manage the cash flow interest rate risk exposure associated with the borrowings provided by international commercial banks. As at 30 June 2009, loans of HK\$4,935,000,000 which were provided using floating rates were swapped to fixed interest rates at a range from 3.36% to 4.52% per annum.

As at 30 June 2009, loans of HK\$3,380,766,000 (31 December 2008: HK\$3,382,837,000) and HK\$2,143,665,000 (31 December 2008: HK\$2,144,490,000) were lent by our ultimate holding company, China Resources National Corporation ("CRNC"), through banks in the PRC ("On-lent Loans"). The On-lent Loans bear interests at 5.09% and 4.05% per annum, respectively, and are repayable in 2015 and 2021, respectively. These loans were subsequently partially repaid in July 2009 by way of China Resources (Holdings) Company Limited ("CRH"), the immediate holding company of the Company, assuming HK\$3,850 million loan liability (representing the subscription monies payable by CRH by taking up its entitlements under the Rights Issue) and the remaining were repaid in cash.

As at 30 June 2009, the ratio of net debt to shareholders' equity was approximately 124.2%. In the opinion of the Directors, the Group has a healthy capital structure, which can support its future development plan and operations.

For the six months ended 30 June 2009, the Group's primary sources of funding included loans provided by the PRC domestic commercial banks and net cash inflow from operating activities, which amounted to HK\$16,037.4 million and HK\$6,596.7 million, respectively. The Group's funds were primarily used in repayment of short-term bank and other borrowings, purchase of properties, plants and equipment, deposits paid for acquisition of subsidiaries, payment of interest, loan advanced to associates and repayment to associates, which amounted to HK\$11,593.4 million, HK\$5,881.3 million, HK\$2,340.7 million, HK\$1,017.3 million, HK\$670.6 million and HK\$567.5 million, respectively.

Key financial ratios of the Group

	As at 30 June 2009 HK\$'000	As at 31 December 2008 HK\$'000
Current ratio (times)	0.60	0.68
Quick ratio (times)	0.54	0.59
Net debt to shareholders' equity (%)	124.2	118.3
EBITDA interest coverage (times)	5.44	3.62

Current ratio = $\frac{\text{balance of current assets at the end of the period}}{\text{balance of current liabilities at the end of the period}}$

Quick ratio = $\frac{(\text{balance of current assets at the end of the period} - \text{balance of inventories at the end of the period})}{\text{balance of current liabilities at the end of the period}}$

Net debt to shareholders' equity = $\frac{(\text{balance of total bank and other borrowings at the end of the period} - \text{balance of bank balances and cash at the end of the period})}{\text{balance of equity attributable to owners of the Company at the end of the period}}$

EBITDA interest coverage = $\frac{(\text{profit before taxation} + \text{interest expense} + \text{depreciation and amortisation})}{\text{interest expenditure (including capitalised interests)}}$

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 received from the Company's subsidiaries and associates are collected in either RMB, US Dollar ("USD") or Hong Kong Dollar ("HKD").

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

Management's Discussion and Analysis

As the functional currency of the Company and the Group is RMB and most of our revenue and expenditures are denominated in RMB, the Group does not use derivative financial instruments to hedge its exposure against changes in exchange rates of RMB against HKD and USD.

As at 30 June 2009, the Group had HK\$739.1 million and US\$10.1 million cash at bank, and HK\$8,424.0 million and US\$198.6 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2009.

Charge of assets

As at 30 June 2009, certain bank loans were secured by the Group's land use rights and buildings with a carrying value of HK\$82,620,000 and HK\$224,932,000, respectively. In addition, certain bank loans were secured by the Group's power generation plant and equipment with a carrying value of HK\$570,850,000.

Employees

As at 30 June 2009, the Group had approximately 23,000 employees.

The Group has employment contracts with all of its employees. The compensation of employees mainly includes salaries and performance-based bonuses. The Company has also implemented share option schemes and restricted share award scheme in order to attract and retain the best available personnel and to provide additional incentives to employees.

Report on Review of Interim Financial Information



Introduction

We have reviewed the interim financial information set out on pages 30 to 51 which comprises the condensed consolidated statement of financial position of China Resources Power Holdings Company Limited (the "Company") as of 30 June 2009 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
24 August 2009

Condensed Consolidated Income Statement

For the six months ended 30 June 2009

	NOTES	1.1.2009 to 30.6.2009 HK\$'000 (unaudited)	1.1.2008 to 30.6.2008 HK\$'000 (unaudited)
Turnover	4	13,992,295	12,143,757
Operating expenses			
Fuel		(7,545,897)	(7,820,611)
Repairs and maintenance		(254,356)	(143,756)
Depreciation and amortisation		(1,439,606)	(1,376,581)
Others		(1,723,702)	(1,277,319)
Total operating expenses		(10,963,561)	(10,618,267)
Other income		93,125	207,917
Fair value gain on derivative financial instruments	15	20,662	32,605
Fair value gain on financial assets at fair value through profit or loss		2,662	—
Profit from operations		3,145,183	1,766,012
Finance costs	5	(749,812)	(875,204)
Share of results of associates		338,411	346,840
Profit before taxation		2,733,782	1,237,648
Taxation	6	(148,332)	(98,189)
Profit for the period	7	2,585,450	1,139,459
Attributable to:			
Owners of the Company		2,268,010	1,005,894
Minority interests		317,440	133,565
		2,585,450	1,139,459
Earnings per share	9		
– basic (HK cents)		52.69	23.81
– diluted (HK cents)		51.41	23.28

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	1.1.2009 to 30.6.2009 HK\$'000 (unaudited)	1.1.2008 to 30.6.2008 HK\$'000 (unaudited)
Profit for the period	2,585,450	1,139,459
Other comprehensive income and expense:		
Exchange differences from translation	(50,927)	1,339,251
Share of changes in translation reserve of associates	(5,754)	349,199
Fair value change on cash flow hedges	39,689	11,149
Transfer to consolidated income statement in relation to discontinued cash flow hedges	—	14,432
Other comprehensive income and expense for the period	(16,992)	1,714,031
Total comprehensive income for the period	2,568,458	2,853,490
Total comprehensive income for the period attributable to		
– owners of the Company	2,251,893	2,542,126
– minority interests	316,565	311,364
	2,568,458	2,853,490

Condensed Consolidated Statement of Financial Position

At 30 June 2009

	NOTES	30.6.2009 HK\$'000 (unaudited)	31.12.2008 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	53,309,314	50,318,595
Prepaid lease payments		1,039,622	1,021,098
Mining rights	10	192,831	197,061
Exploration and resources rights		239,723	239,989
Interests in associates		7,872,003	6,381,116
Goodwill		3,207,440	3,207,440
Investments in investee companies		146,571	128,416
Deposit paid for acquisition of subsidiaries		2,095,603	981,418
Deposit paid for investment in an associate		77,942	77,942
Deposit paid for investment in an investee company		52,710	—
Deposit paid for acquisition of property, plant and equipment		782,723	406,311
Deposit paid for acquisition of mining/exploration rights		2,604,322	2,584,496
Deposit paid for land use rights		134,032	125,118
Loan due from an associate	11	567,320	—
Pledged bank deposits		37,201	37,201
Deferred taxation assets		93,356	94,777
		72,452,713	65,800,978
Current assets			
Inventories		1,419,910	1,857,595
Trade receivables, other receivables and prepayments	12	5,635,118	4,796,957
Amounts due from minority shareholders of subsidiaries		11,317	150,379
Amounts due from associates	11	1,479,305	1,292,759
Amounts due from group companies		225,102	144,923
Financial assets at fair value through profit or loss		5,621	2,962
Restricted bank balances		91,462	91,564
Pledged bank deposits		196,162	44,641
Bank balances and cash		5,779,062	5,467,088
		14,843,059	13,848,868
Current liabilities			
Trade payables, other payables and accruals	13	9,321,318	7,976,704
Amounts due to associates		391,535	960,264
Amounts due to group companies		1,372,560	1,607,791
Amounts due to minority shareholders of subsidiaries		499,428	428,534
Taxation payable		82,411	34,099
Bank and other borrowings - repayable within one year	14	13,068,290	9,484,736
Derivative financial instruments	15	28,750	—
		24,764,292	20,492,128
Net current liabilities		(9,921,233)	(6,643,260)
Total assets less current liabilities		62,531,480	59,157,718

Condensed Consolidated Statement of Financial Position

At 30 June 2009

	NOTES	30.6.2009 HK\$'000 (unaudited)	31.12.2008 HK\$'000 (audited)
Non-current liabilities			
Bank and other borrowings - repayable after one year	14	29,018,872	28,186,707
Accrued retirement benefit cost	13	293,151	316,594
Derivative financial instruments	15	298,164	387,265
Deferred taxation liabilities		128,525	106,289
		29,738,712	28,996,855
		32,792,768	30,160,863
Capital and reserves			
Share capital	16	4,243,374	4,212,797
Share premium and reserves		24,997,991	23,002,308
		29,241,365	27,215,105
Minority interests		3,551,403	2,945,758
		32,792,768	30,160,863

The condensed consolidated financial statements on pages 30 to 51 were approved by the Board of Directors and authorised for issue on 24 August 2009 and are signed on its behalf by:

SONG LIN
DIRECTOR

WANG SHUAI TING
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Attributable to the owners of the Company												
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 January 2008	4,140,317	10,157,159	459,022	40,782	—	—	1,797,246	367,058	(102,180)	7,954,048	24,813,452	2,244,105	27,057,557
Exchange differences arising from translation	—	—	—	—	—	—	1,178,904	—	—	—	1,178,904	169,466	1,348,370
Share of changes in translation reserve of associates	—	—	—	—	—	—	337,239	—	—	—	337,239	—	337,239
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	(267,554)	—	(267,554)	—	(267,554)
Profit for the year	—	—	—	—	—	—	—	—	—	1,717,448	1,717,448	218,077	1,935,525
Total comprehensive income for the year	—	—	—	—	—	—	1,516,143	—	(267,554)	1,717,448	2,966,037	387,543	3,353,580
Shares issued upon exercise of options	56,473	157,675	—	—	—	—	—	—	—	—	214,148	—	214,148
Recognition of equity settled share based payments	—	—	—	—	—	—	—	91,337	—	—	91,337	—	91,337
Issue of shares in consideration of acquisition of a subsidiary	16,007	313,733	—	—	—	—	—	—	—	—	329,740	—	329,740
Transfer of share option reserve on exercise of share options	—	103,182	—	—	—	—	—	(103,182)	—	—	—	—	—
Purchase of shares under share award scheme	—	—	—	—	—	(155,340)	—	—	—	—	(155,340)	—	(155,340)
Capital contribution by minority shareholders	—	—	—	—	—	—	—	—	—	—	—	80,602	80,602
Dividends paid to minority shareholders	—	—	—	—	—	—	—	—	—	—	—	(115,932)	(115,932)
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(111,778)	(111,778)
Acquired on acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	461,218	461,218
Dividends paid	—	—	—	—	—	—	—	—	—	(1,044,269)	(1,044,269)	—	(1,044,269)
Transfer of reserves	—	—	77,543	—	—	—	—	—	—	(77,543)	—	—	—
Transfer (Note a)	—	—	—	—	27,315	—	—	—	—	(27,315)	—	—	—
Transfer upon utilisation (Note b)	—	—	—	—	(1,721)	—	—	—	—	1,721	—	—	—
At 31 December 2008	4,212,797	10,731,749	536,565	40,782	25,594	(155,340)	3,313,389	355,213	(369,734)	8,524,090	27,215,105	2,945,758	30,160,863

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Attributable to the owners of the Company												
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
Exchange differences from translation	—	—	—	—	—	—	(50,052)	—	—	—	(50,052)	(875)	(50,927)
Share of changes in translation reserve of associates	—	—	—	—	—	—	(5,754)	—	—	—	(5,754)	—	(5,754)
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	39,689	—	39,689	—	39,689
Profit for the period	—	—	—	—	—	—	—	—	—	2,268,010	2,268,010	317,440	2,585,450
Total comprehensive income for the period	—	—	—	—	—	—	(55,806)	—	39,689	2,268,010	2,251,893	316,565	2,568,458
Shares issued upon exercise of options	30,577	95,619	—	—	—	—	—	—	—	—	126,196	—	126,196
Recognition of equity settled share based payments	—	—	—	—	—	—	—	30,675	—	—	30,675	—	30,675
Transfer of share option reserve on exercise of share options	—	57,566	—	—	—	—	—	(57,566)	—	—	—	—	—
Purchase of shares under share award scheme	—	—	—	—	—	(43,465)	—	—	—	—	(43,465)	—	(43,465)
Capital contribution by minority shareholders	—	—	—	—	—	—	—	—	—	—	—	395,740	395,740
Dividends paid to minority shareholders	—	—	—	—	—	—	—	—	—	—	—	(106,660)	(106,660)
Dividends paid (note 8)	—	—	—	—	—	—	—	—	—	(339,039)	(339,039)	—	(339,039)
Transfer of reserves	—	—	83,491	—	—	—	—	—	—	(83,491)	—	—	—
Transfer (Note a)	—	—	—	—	12,486	—	—	—	—	(12,486)	—	—	—
Transfer upon utilisation (Note b)	—	—	—	—	(9,522)	—	—	—	—	9,522	—	—	—
At 30 June 2009	4,243,374	10,884,934	620,056	40,782	28,558	(198,805)	3,257,583	328,322	(330,045)	10,366,606	29,241,365	3,551,403	32,792,768

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Attributable to the owners of the Company												
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 January 2008	4,140,317	10,157,159	459,022	40,782	—	—	1,797,246	367,058	(102,180)	7,954,048	24,813,452	2,244,105	27,057,557
Exchange differences from translation	—	—	—	—	—	—	1,161,452	—	—	—	1,161,452	177,799	1,339,251
Share of changes in translation reserve of associates	—	—	—	—	—	—	349,199	—	—	—	349,199	—	349,199
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	11,149	—	11,149	—	11,149
Transfer to consolidated income statement in relation to discontinued cash flow hedges	—	—	—	—	—	—	—	—	14,432	—	14,432	—	14,432
Profit for the period	—	—	—	—	—	—	—	—	—	1,005,894	1,005,894	133,565	1,139,459
Total comprehensive income for the period	—	—	—	—	—	—	1,510,651	—	25,581	1,005,894	2,542,126	311,364	2,853,490
Shares issued upon exercise of options	20,698	55,551	—	—	—	—	—	—	—	—	76,249	—	76,249
Recognition of equity settled share based payments	—	—	—	—	—	—	—	49,939	—	—	49,939	—	49,939
Transfer of share option reserve on exercise of share options	—	36,530	—	—	—	—	—	(36,530)	—	—	—	—	—
Capital contribution by minority shareholders	—	—	—	—	—	—	—	—	—	—	—	17,952	17,952
Dividends paid to minority shareholders	—	—	—	—	—	—	—	—	—	—	—	(80,278)	(80,278)
Additions on acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	461,218	461,218
Dividends paid (note 8)	—	—	—	—	—	—	—	—	—	(830,928)	(830,928)	—	(830,928)
Transfer of reserves	—	—	21,992	—	—	—	—	—	—	(21,992)	—	—	—
At 30 June 2008	4,161,015	10,249,240	481,014	40,782	—	—	3,307,897	380,467	(76,599)	8,107,022	26,650,838	2,954,361	29,605,199

Notes:

- (a) Pursuant to regulations in the People's Republic of China ("PRC") relating to the mining industry, the Group is required to transfer an amount to the capital reserve account and such amount is calculated based on the volume of coal ore extracted each year and at the applicable rate per tonne of coal ore. The utilisation of the amount in the capital reserve account will be subjected to the rules in the PRC Companies Law and is not available for distribution to shareholders.
- (b) During the period ended 30 June 2009, amount totalling HK\$9,522,000 (1 January 2008 to 30 June 2008: Nil) has been spent on the relevant assets and expenditure as approved by the PRC government, the corresponding amount was then transferred to retained profits.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2009

	1.1.2009 to 30.6.2009 HK\$'000 (unaudited)	1.1.2008 to 30.6.2008 HK\$'000 (unaudited)
Net cash from operating activities	6,596,662	2,944,050
Net cash used in investing activities		
Dividend received from associates	19,073	276,327
Purchase and deposit paid for acquisition of property, plant and equipment	(5,881,324)	(7,292,453)
Loan advanced to associates	(670,645)	(386,338)
Capital contribution to associates	(41,742)	(125,691)
Acquisition of subsidiaries	—	(999,866)
Deposits paid for acquisition of subsidiaries	(2,340,685)	(1,324,166)
Other investing cash outflows	(196,423)	(103,278)
	(9,111,746)	(9,955,465)
Net cash from financing activities		
New bank and other borrowings raised	16,037,434	9,822,868
(Repayment to) advances from group companies	(96,442)	1,212,539
Repayment to associates	(567,519)	—
Capital contribution from minority shareholders	395,740	17,952
Repayment of bank and other borrowings	(11,593,381)	(4,775,750)
Interest paid	(1,017,316)	(988,004)
Dividend paid	(339,039)	(830,928)
Dividend paid to minority shareholders of subsidiaries	(106,660)	(492,988)
Other financing cash inflows	154,166	76,249
	2,866,983	4,041,938
Net increase (decrease) in cash and cash equivalents	351,899	(2,969,477)
Cash and cash equivalents at beginning of the period	5,467,088	7,887,134
Effect of foreign exchange rate changes	(39,925)	320,987
Cash and cash equivalents at end of the period	5,779,062	5,238,644
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	5,779,062	5,238,644

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group had net current liabilities at 30 June 2009 with short-term bank borrowings which could be renewed on an annual basis at the discretion of the Company within limit approved by banks. The Directors are of the opinion that, taking into account the available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations issued by the HKICPA which are effective for the financial year beginning on 1 January 2009. Except as described below, the accounting policies used in the interim financial information are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2008, included in the annual report of the Group for the year ended 31 December 2008. The adoption of these new standards has resulted in the following changes. The adoption of the other new and revised standards, amendments and interpretations had no material effect on how the results and financial position for the current and prior accounting periods have been prepared and presented.

Presentation of financial statements

In the current period, the Group has adopted HKAS 1 (Revised) "Presentation of financial statements" which has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. The adoption of HKAS 1 (Revised), however, has no impact on the reported results or financial position of the Group.

Segment information

In the current period, the Group has adopted Hong Kong Financial Reporting Standard ("HKFRS") 8 "Operating segments". HKFRS 8 requires the presentation of operating segments in a manner consistent with the internal reports that are regularly reviewed by the Group's chief operating decision maker. HKFRS 8 replaces HKAS 14 "Segment reporting" which required an entity to identify two sets of segments (business and geographical). The adoption of HKFRS 8 has no impact on the measures of the segment results and segment assets and has not resulted in redesignation of the Group's reportable segments.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment of HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and separate financial statements ¹
HKAS 39 (Amendment)	Eligible hedged items ¹
HKFRS 1 (Amendment)	Additional exemption for first-time adopters ³
HKFRS 2 (Amendment)	Group cash-settled share-based payment transaction ³
HKFRS 3 (Revised)	Business combinations ¹
HK(IFRIC*) - INT 17	Distributions of non-cash assets to owners ¹
HK(IFRIC) - INT 18	Transfers of assets from customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009.

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for transfers on or after 1 July 2009.

* IFRIC represents the International Financial Reporting Interpretations Committee.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition dates are on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in a loss of control of a subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In addition to key sources of estimation disclosed in the 2008 Annual Financial Statements, the management had made the following key estimate that has a significant risk of causing material adjustment to the carrying amount of assets and liabilities.

Coal price

Coal cost is a significant component of the operating expense of the Group. Contracts for the coal supply have not been concluded as at 30 June 2009. The management recognised the coal costs, the carrying value of coal and respective payables based on their best estimates, using comparable reference prices. Any changes in such estimates which are necessary upon final conclusion of the coal supply contracts may materially affect the operating expenses, the carrying value of the coal and the relevant payables and will be reflected as changes in estimates in future financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The Group determines its operating segments based on the internal reports reviewed by the Group's chief operating decision maker that are used to make strategic decisions. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The Group is organised into two operating divisions: sales of electricity and coal mining. Segment profit represents the profit earned by each segment without allocation of central administration costs, other income, share of results of associates, finance costs, fair value gain on derivative financial instruments and fair value gain on financial assets at fair value through profit or loss. This is the measure reported to the chief operating decision maker of the Group for the purposes of resource allocation and performance assessment.

Segment information about these operating divisions is presented below.

For the six months ended 30 June 2009

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue				
External sales	13,558,449	433,846	—	13,992,295
Inter-segment sales	—	48,564	(48,564)	—
Total	13,558,449	482,410	(48,564)	13,992,295
Result				
Segment result	3,038,197	84,482	—	3,122,679
Unallocated corporate expenses				(93,945)
Other income				93,125
Share of results of associates				338,411
Finance costs				(749,812)
Fair value gain on derivative financial instruments				20,662
Fair value gain on financial assets at fair value through profit or loss				2,662
Profit before taxation				2,733,782

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

4. SEGMENT INFORMATION (Cont'd)

For the six months ended 30 June 2008

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue				
External sales	11,633,515	510,242	—	12,143,757
Inter-segment sales	—	189,296	(189,296)	—
Total	11,633,515	699,538	(189,296)	12,143,757
Result				
Segment result	1,509,078	144,493	—	1,653,571
Unallocated corporate expenses				(128,081)
Other income				207,917
Share of results of associates				346,840
Finance costs				(875,204)
Fair value gain on derivative financial instruments				32,605
Profit before taxation				1,237,648

5. FINANCE COSTS

	1.1.2009 to 30.6.2009 HK\$'000	1.1.2008 to 30.6.2008 HK\$'000
Interest on bank and other borrowings:		
– wholly repayable within five years	555,889	731,974
– not wholly repayable within five years	348,696	169,850
	904,585	901,824
Less: Interest on specific loans capitalised in property, plant and equipment (Note)	(154,773)	(26,620)
	749,812	875,204

Note: Borrowing costs capitalised during the period arose from funds borrowed specifically for the purpose of obtaining qualifying assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

6. TAXATION

	1.1.2009 to 30.6.2009 HK\$'000	1.1.2008 to 30.6.2008 HK\$'000
The Company and its subsidiaries		
Current tax:		
PRC Enterprise Income Tax	128,713	88,643
Deferred taxation	19,619	9,546
	148,332	98,189

No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong for both years.

PRC Enterprise Income Tax has been calculated based on the estimated assessable profits in accordance with the relevant tax rates applicable to certain subsidiaries in the PRC.

Pursuant to the relevant laws and regulations in the PRC, certain of the Company's PRC subsidiaries are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years. In addition, certain of the Company's PRC subsidiaries are entitled to a tax benefit ("Tax Benefit"), which is calculated as 40% of the current year's purchase of PRC produced plant and equipment for production use. The Tax Benefit is, however, limited to the amount of increase in enterprise income tax for the current year in which the plant and equipment are acquired as compared with the tax amount of the previous year. The portion of the Tax Benefit that is not utilised in the current year can be carried forward for future application for a period of not more than seven years.

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation Regulation, certain subsidiaries of the Company will change the existing tax rates for group entities from 15% and 18% to 25% progressively over 5 years for from 1 January 2008. The deferred tax has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the assets are realised or the liabilities are settled.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	1.1.2009 to 30.6.2009 HK\$'000	1.1.2008 to 30.6.2008 HK\$'000
Depreciation of property, plant and equipment	1,417,216	1,366,646
Less: Depreciation of property, plant and equipment capitalised in construction in progress	(4,072)	(15,131)
	1,413,144	1,351,515
Amortisation of prepaid lease payments	22,030	21,131
Amortisation of mining rights	4,432	3,935
Total depreciation and amortisation	1,439,606	1,376,581
Loss of property, plant and equipment (note)	—	140,351
and after crediting:		
Interest income	36,550	51,408

Note: The loss represents property, plant and equipment written-off during the period ended 30 June 2008 due to damages, net of amount recovered.

8. DIVIDENDS

	1.1.2009 to 30.6.2009 HK\$'000	1.1.2008 to 30.6.2008 HK\$'000
Final dividend paid in respect of the 2008 financial year of HK\$0.08 (2008: final dividend paid in respect of the 2007 financial year of HK\$0.20) per share on 4,237,982,000 shares (2008: 4,170,648,000 shares)	339,039	834,130
Interim dividend declared in respect of the current financial period	280,330	210,139

Subsequent to the end of the financial period, the Board of Directors resolved to declare an interim dividend of HK\$0.06 per share for the six months ended 30 June 2009 (six months ended 30 June 2008: HK\$0.05). The declared interim dividend for 2009 is based on 4,672,166,281 shares in issue at 21 August 2009.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

9. 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:

	1.1.2009 to 30.6.2009 HK\$'000	1.1.2008 to 30.6.2008 HK\$'000
Profit attributable to owners of the Company	2,268,010	1,005,894

	Number of ordinary shares	
	1.1.2009 to 30.6.2009	1.1.2008 to 30.6.2008
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,304,295,133	4,224,263,167
Effect of dilutive potential ordinary shares:		
– share options	107,411,323	81,287,596
– issuable consideration shares for acquisition of subsidiaries	—	16,006,791
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,411,706,456	4,321,557,554

The number of shares for the purpose of calculating basic earnings per share for the period from 1 January 2008 to 30 June 2008 and for the period from 1 January 2009 to 30 June 2009 has been adjusted to reflect the rights issue of shares completed in July 2009.

10. PROPERTY, PLANT AND EQUIPMENT / MINING RIGHTS

During the six months ended 30 June 2009, the Group spent HK\$5,881,324,000 (six months ended 30 June 2008: HK\$7,292,453,000) on construction of buildings, power generating plant and equipment, and acquisition of property, plant and equipment.

During the six months ended 30 June 2009, the Group spent HK\$23,503,000 (six months ended 30 June 2008: HK\$51,321,000) on acquisition of mining rights.

11. LOAN DUE FROM AN ASSOCIATE

The loan due from an associate amounting to HK\$567,320,000 (31 December 2008: nil) is unsecured, carried interest at fixed rate of 5.51% and repayable in 2015.

At 30 June 2009, included in amounts due from associates of HK\$113,464,000 and HK\$113,464,000 are unsecured, carried interest at fixed rate of 7.47% and 6.12%, respectively, and repayable within one year. At 31 December 2008, the amounts due from associates included amounts of HK\$283,975,000, HK\$113,590,000 and HK\$181,744,000 which were unsecured, carried interest at fixed rate of 7.47%, 7.87% and the rate set by People's Bank of China for loan of the same maturity minus 1% per annum, respectively, and repayable within one year. The remaining balance is unsecured, non-interest bearing and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

12. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

Trade receivables are due within 60 days from the date of billing.

The following is an ageing analysis of trade receivables included in trade receivables, other receivables and prepayments at the end of the reporting period:

	30.6.2009	31.12.2008
	HK\$'000	HK\$'000
0 - 30 days	3,115,730	3,102,624
31 - 60 days	218,305	402,209
Over 60 days	273,066	29,635
	3,607,101	3,534,468

13. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The following is an ageing analysis of trade payables included in trade payables, other payables and accruals at the end of the reporting period:

	30.6.2009	31.12.2008
	HK\$'000	HK\$'000
Trade payables:		
0 - 30 days	2,498,410	1,518,018
31 - 60 days	403,212	232,788
Over 60 days	523,069	245,439
	3,424,691	1,996,245

The other payables and accruals include:

Accrued purchases of coal and fuel	1,116,886	355,065
Payables in respect of purchase of property, plant and equipment and construction	1,894,255	3,004,758
Accrued wages	389,827	453,998
Payable in respect of employee settlement cost	485,139	485,660
Other tax payables	149,044	287,620
Provision for restoration, rehabilitation and environmental expenditure	74,805	173,652
Other payables and accruals	1,786,671	1,219,706
	5,896,627	5,980,459

As at 30 June 2009, the classification of the accrued retirement benefit cost in the condensed consolidated statement of financial position has been changed so as to reflect the nature of the accrued retirement benefit cost in a more appropriate manner. In prior periods, the accrued retirement benefit cost was included in trade payables, other payables and accruals. Accordingly, the accrued retirement benefit cost is shown separately in the condensed consolidated statement of financial position both at 30 June 2009 and 31 December 2008 for consistent presentation.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

14. BANK AND OTHER BORROWINGS

During the six months ended 30 June 2009, the Group repaid bank and other borrowings amounting to HK\$11,593,381,000 (six months ended 30 June 2008: HK\$4,775,750,000) and obtained new bank and other borrowings amounting to HK\$16,037,434,000 (six months ended 30 June 2008: HK\$9,822,868,000) which were used as general working capital and for financing the acquisition of property, plant and equipment and subsidiaries.

15. DERIVATIVE FINANCIAL INSTRUMENTS**Derivatives under hedge accounting**

	30.6.2009	31.12.2008
	HK\$'000	HK\$'000
Cash flow hedges - Interest rate swaps:		
– mature within one year	28,750	—
– mature over the year	298,164	387,265
	326,914	387,265

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

15. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)**Cash flow hedges**

The Group uses interest rate swaps (net quarterly settlement) to minimise its exposure to interest expenses of certain of its floating-rate Hong Kong Dollar bank borrowings by swapping floating interest rates to fixed interest rates. The interest rate swaps and the corresponding bank borrowings have the similar terms and the directors of the Company considered that the interest rate swaps are highly effective hedging instruments. Major terms of the interest rate swaps are set out below:

30 June 2009

Notional amount	Maturity	Swaps
HK\$600,000,000	20 May 2010	From HIBOR + 0.39% to 4.18%
HK\$400,000,000	20 May 2010	From HIBOR + 0.39% to 4.10%
HK\$500,000,000	25 October 2012	From HIBOR to 4.52%
HK\$500,000,000	25 October 2012	From HIBOR to 4.48%
HK\$500,000,000	26 October 2012	From HIBOR to 4.48%
HK\$335,000,000	8 November 2012	From HIBOR to 4.29%
HK\$500,000,000	29 October 2012	From HIBOR to 4.415%
HK\$500,000,000	29 October 2012	From HIBOR to 4.38%
HK\$500,000,000	25 October 2012	From HIBOR to 4.50%
HK\$400,000,000	31 December 2012	From HIBOR to 3.97%
HK\$200,000,000	28 February 2013	From HIBOR to 3.36%

31 December 2008

Notional amount	Maturity	Swaps
HK\$600,000,000	20 May 2010	From HIBOR + 0.39% to 4.18%
HK\$400,000,000	20 May 2010	From HIBOR + 0.39% to 4.10%
HK\$500,000,000	25 October 2012	From HIBOR to 4.52%
HK\$500,000,000	25 October 2012	From HIBOR to 4.48%
HK\$500,000,000	26 October 2012	From HIBOR to 4.48%
HK\$335,000,000	8 November 2012	From HIBOR to 4.29%
HK\$500,000,000	29 October 2012	From HIBOR to 4.415%
HK\$500,000,000	29 October 2012	From HIBOR to 4.38%
HK\$500,000,000	25 October 2012	From HIBOR to 4.50%
HK\$400,000,000	31 December 2012	From HIBOR to 3.97%
HK\$200,000,000	28 February 2013	From HIBOR to 3.36%

As at 30 June 2009, the fair value loss from the interest rate swaps under cash flow hedge amounted to HK\$330,045,000 (31 December 2008: HK\$369,734,000) has been deferred in equity and are expected to be released to the consolidated income statement when the hedged interest expense is charged to profit or loss quarterly. Change in fair value of interest rate swaps for ineffective portion, amounting to HK\$20,662,000 (1 January 2008 to 30 June 2008: HK\$32,605,000) was recognised in profit or loss in the current period.

The above derivatives are measured at fair value by reference to the market value provided by the counterparty financial institutions.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

16. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised:		
Balance at 31 December 2008 and 30 June 2009	10,000,000	10,000,000
Issued and fully paid:		
Balance at 31 December 2008 and 1 January 2009	4,212,797	4,212,797
Issue upon exercise of share options	30,577	30,577
Balance at 30 June 2009	4,243,374	4,243,374

On 4 June 2009, the Company announced the rights issues ("Rights Issue") of 424,337,196 rights shares in the proportion of one rights share for every ten shares at HK\$14 per rights share. The subscription price was expressed in Hong Kong dollars. The offer period of the Rights Issue closed for acceptance on 10 July 2009.

The International Accounting Standards Board issued the Exposure Draft relating to Classification of Rights Issues in August 2009. The proposed amendment specifies that a rights issue offered pro rata to all of an entity's existing shareholders on the exercise of which the entity will receive a fixed amount of cash for a fixed number of the entity's own equity instruments is classified as an equity instrument regardless of the currency in which the exercise price is denominated. The management expects the accounting policy changes based on the proposed amendments in the exposure draft will be made and reflected in the next annual financial statements of the Group and hence the Rights Issue has been accounted for as such.

17. SHARE OPTIONS

The Company has share option scheme for eligible Directors of the Company and employees of the Group and other participants. Options granted are exercisable within a period of ten years within which there is a total vesting period of five years. 20% of the share options will be allowed to exercise upon each of the first five anniversary dates. Details of the share options outstanding during the current period are as follows:

	Number of share options
Outstanding at 1 January 2009	177,274,000
Exercised during the period	(30,577,000)
Adjustment as a result of Rights Issue	2,640,582
Outstanding at 30 June 2009	149,337,582

The weighted average closing price of the Company's shares at dates on which the options were exercised during the period was HK\$15.80.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

18. CAPITAL COMMITMENTS

	30.6.2009 HK\$'000	31.12.2008 HK\$'000
Contracted for but not provided in the financial statements		
– Capital expenditure in respect of the additions of property, plant and equipment	20,259,598	13,719,937
– Capital expenditure in respect of acquisition of mining rights	9,192,272	9,225,197
– Capital expenditure in respect of acquisition of prepaid lease payments	19,088	19,109
– Capital expenditure in respect of acquisition of subsidiaries (Note)	3,373,149	2,772,142
– Capital expenditure in respect of acquisition of investment in an associate	601,359	602,207
	33,445,466	26,338,592

Note:

On 20 May 2008, a subsidiary of the Company entered into agreements with China Resources Co., Ltd., an intermediate holding company of the Company and Jiangsu Kunlun Investments Co., Ltd., an independent third party to acquire its respective 60% and 40% equity interest in China Resources Power (Jiangsu) Investment Company Limited for an aggregate consideration of RMB2,513,380,000 (equivalent to approximately HK\$2,854,948,000). Up to 30 June 2009, consideration amounted to RMB1,080,000,000 (equivalent to approximately HK\$1,225,411,000) (31 December 2008: RMB864,000,000 (equivalent to approximately HK\$981,418,000)) had been paid by the Group, with outstanding consideration amounted to RMB1,433,380,000 (equivalent to approximately HK\$1,626,370,000) (31 December 2008: RMB1,649,380,000 (equivalent to approximately HK\$1,873,531,000)). The acquisition of the 40% equity interest was completed before 30 June 2009 and accounted for as acquisition of interests in associates. The relevant consideration paid amounted to RMB1,080,000,000 (equivalent to approximately HK\$1,225,411,000) was transferred from deposits paid for acquisition of subsidiaries to interest in associates. Subsequent to the reporting period, the outstanding consideration is settled and the acquisition of the remaining 60% equity interest is completed in August 2009. The Company is in the process of assessing the fair values of the identifiable assets, liabilities and contingent liabilities of the acquirees, therefore the financial effects of the acquisitions are not presented for the acquisition.

On 21 August 2008, a subsidiary of the Company entered into agreement with Suiyuan Group Co., Ltd., an independent third party, to acquire 100% equity interest in Shenzhen Yihe Property Company Limited and 100% equity interest in Jiangsu Kunlun Investments Company Limited for consideration of RMB238,600,000 (equivalent to approximately HK\$271,026,000) and RMB552,500,000 (equivalent to approximately HK\$627,585,000), respectively. As at 30 June 2009, the consideration was paid in full for the acquisition of Shenzhen Yihe Property Company Limited. No consideration has been paid for the acquisition of Jiangsu Kunlun Investments Company Limited. Such acquisitions have not yet been completed at the date of this report.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

19. RELATED PARTY TRANSACTIONS

(a) During the period, the Group entered into the following significant transactions with related parties:

Name of related party	Relationship	Nature of transactions	1.1.2009 to 30.6.2009 HK\$'000	1.1.2008 to 30.6.2008 HK\$'000
China Resources National Corporation ("CRNC")	Ultimate holding company	Finance costs paid by the Group	139,225	135,363
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	2,016	2,317
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	3,123	2,569
Jiang Su Nanre Power Generation Co., Ltd.	Associate	Interest income received	14,401	—
China Resources (Xuzhou) Electric Power Company Limited	Associate	Interest income received	4,285	—
Nanjing Chemical Industry Park Heat Power Company Limited	Associate	Interest income received	2,689	—
Shangxi Jinrun Co., Ltd.	Associate	Interest expense paid	8,486	—
河南永華能源有限公司	Associate	Purchase of fuel and coal	57,035	—
China Resources (Holdings) Company Limited ("CRH")	Immediate holding company	Consideration paid for acquisition of interest in subsidiaries	—	938,818
		Financial cost paid by the Group	—	2,824
Key management personnel	Employee	Remuneration	4,961	10,256

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

19. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Included in bank and other borrowings are amounts of HK\$3,380,766,000 (31 December 2008: HK\$3,382,837,000) and HK\$ 2,143,665,000 (31 December 2008: HK\$2,144,490,000) lent by CRNC through a bank in PRC ("On-lent Loans"). The On-lent Loans bear interest at 5.09% and 4.05% per annum and are repayable in 2015 and 2021.

Except for disclosed above and in note 11, the amounts due from/to minority shareholders of subsidiaries and amounts due from/to group companies are unsecured, non-interest bearing and repayment on demand.

- (c) Transactions/balances with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group itself is part of a larger group of companies under CRNC which is owned and controlled by the PRC government. Apart from the transactions with CRNC, CRH, and fellow subsidiaries disclosed in (a) above, the Group also conducts business with other state-controlled entities. During the period, the Group entered into the following transactions with other state-controlled entities in the PRC.

	1.1.2009 to 30.6.2009 HK\$'000	1.1.2008 to 30.6.2008 HK\$'000
Sales of electricity	13,054,193	11,030,260
Purchases of fuel		
– coal	3,174,313	3,888,060
– oil and gas	164,533	176,360
Acquisition of property, plant and equipment	810,128	6,135,390
Acquisition of construction materials	66,765	81,108
Subcontracting cost for		
– construction and renovation	325,201	566,408
– maintenance	42,288	21,552

In addition, the Group has certain deposit placements, borrowings and other general bank facilities, with certain banks which are state-controlled entities in its ordinary course of business.

20. POST BALANCE SHEET EVENT

In July 2009, the Company completed the Rights Issue with gross proceeds of approximately HK\$5,941 million, at a subscription price of HK\$14 per rights share on the basis of one rights share for every ten shares held. The subscription money for the Rights Issue payable by China Resources (Holdings) Company Limited of approximately HK\$3,850,000,000 to be set off against debt owing by the Group to China Resources National Corporation with a principal amount of approximately HK\$3,850,000,000 and carrying amount at amortised cost of approximately HK\$3,749,041,000 as at 30 June 2009 (the difference between the principal amount and the carrying amount of the debt of approximately HK\$100,959,000 represents adjustments of finance costs under effective interest method).

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES AND DEBENTURES

Save as disclosed below, as at 30 June 2009, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to the provisions under Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which he would be deemed or taken to have under Sections 344 and 345 of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein:

(A) The Company

Details of shares and outstanding options granted under the Pre-IPO Share Option Scheme and Share Option Scheme in the Company held by the Directors as at 30 June 2009 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Number of nil-paid rights share ⁽¹⁾	Total interests in shares and underlying shares	Long/short position	Percentage of the issued share capital of the Company
Song Lin	Beneficial owner	1,260,000	126,000	1,386,000	Long	0.033%
Wang Shuai Ting	Beneficial owner	3,450,000	345,000	3,795,000	Long	0.089%
Tang Cheng	Beneficial owner	1,998,000	199,800	2,197,800	Long	0.052%
Zhang Shen Wen	Beneficial owner	2,188,000	238,800	2,426,800	Long	0.057%
Wang Xiao Bin	Beneficial owner	2,480,000	248,000	2,728,000	Long	0.064%
Jiang Wei	Beneficial owner	840,000	—	840,000	Long	0.020%
Chen Xiao Ying	Interest In controlled corporations	53,355,969	5,335,596	58,691,565	Long	1.383%
Anthony H. Adams	Beneficial owner	18,000	1,800	19,800	Long	0.0005%

Note:

- (1) The nil-paid rights shares were issued by the Company pursuant to the rights issue of 424,337,196 rights shares at a subscription price of HK\$14.00 per share on the basis of one rights share for every ten shares held on 24 June 2009 (the "Record Date") and offered to shareholders, other than the non-qualifying shareholders, whose names appeared on the register of members of the Company on the Record Date (the "Rights Issue").

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES AND DEBENTURES (Cont'd)**(A) The Company** (Cont'd)

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price ⁽²⁾ (HK\$)	Number of options and underlying shares as at 1 January 2009	Number of options adjusted as a result of the Rights Issue ⁽²⁾	Number of options exercised during the period	Number of options and underlying shares as at 30 June 2009	Percentage of the issued share capital of the Company
Song Lin	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	800,000	14,400	—	814,400	0.019%
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	540,000	9,720	—	549,720	0.013%
Wang Shuai Ting	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	900,000	16,200	—	916,200	0.022%
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	540,000	9,720	—	549,720	0.013%
Tang Cheng	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	600,000	—	(600,000)	—	—
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	360,000	2,160	(240,000)	122,160	0.003%
Zhang Shen Wen	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	240,000	4,320	—	244,320	0.006%
Wang Xiao Bin	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	560,000	10,080	—	570,080	0.013%
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	360,000	6,480	—	366,480	0.009%
Jiang Wei	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	200,000	3,600	—	203,600	0.005%
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	360,000	6,480	—	366,480	0.009%
Anthony H. Adams	Beneficial owner	18 Nov 2005	17 Nov 2015	4.641	200,000	3,600	—	203,600	0.005%
Wu Jing Ru	Beneficial owner	18 Nov 2005	17 Nov 2015	4.641	200,000	3,600	—	203,600	0.005%
Chen Ji Min	Beneficial owner	30 Mar 2007	29 Mar 2017	12.210	200,000	3,600	—	203,600	0.005%
Ma Chiu-Cheung, Andrew	Beneficial owner	30 Mar 2007	29 Mar 2017	12.210	200,000	3,600	—	203,600	0.005%

Note:

(2) Number of options and exercise price were adjusted immediately after ex-entitlement to the Rights Issue.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES AND DEBENTURES (Cont'd)**(B) China Resources Enterprise, Limited**

China Resources Enterprise, Limited ("CRE"), a fellow subsidiary of the Company, has a share option scheme to subscribe for the shares in CRE. Details of shares and outstanding options in CRE held by the Directors as at 30 June 2009 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CRE
Song Lin	Beneficial owner	1,600,000	Long	0.067%
Jiang Wei	Beneficial owner	240,000	Long	0.010%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2009	Number of options exercised during the period	Number of options and underlying shares as at 30 June 2009	Percentage of the issued share capital of CRE
Zhang Shen Wen	Beneficial owner	5 Mar 2002	4 Mar 2012	7.35	20,000	—	20,000	0.001%

(C) China Resources Gas Group Limited

China Resources Gas Group Limited ("CR Gas") is a fellow subsidiary of the Company. Details of shares in CR Gas held by the Directors as at 30 June 2009 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Gas
Wang Shuai Ting	Beneficial owner	54,000	Long	0.004%
Tang Cheng	Beneficial owner	1,000	Long	0.0001%
Zhang Shen Wen	Beneficial owner	6,000	Long	0.0004%

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES AND DEBENTURES (Cont'd)**(D) China Resources Land Limited**

China Resources Land Limited ("CR Land"), a fellow subsidiary of the Company, has a share option scheme to subscribe for the shares in CR Land. Details of shares and outstanding options in CR Land held by the Directors as at 30 June 2009 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Land
Wang Shuai Ting	Beneficial owner	200,000	Long	0.004%
Zhang Shen Wen	Beneficial owner	40,000	Long	0.001%
Jiang Wei	Beneficial owner	892,000	Long	0.018%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2009	Number of options exercised during the period	Number of options and underlying shares as at 30 June 2009	Percentage of the issued share capital of CR Land
Song Lin	Beneficial owner	1 Jun 2005	31 May 2015	1.23	900,000	—	900,000	0.018%
Wang Shuai Ting	Beneficial owner	4 Mar 2002	31 Jan 2012	1.59	540,000	—	540,000	0.011%
Zhang Shen Wen	Beneficial owner	4 Mar 2002	31 Jan 2012	1.59	60,000	(60,000)	—	—

(E) China Resources Microelectronics Limited

China Resources Microelectronics Limited ("CRM") is a fellow subsidiary of the Company. Details of shares in CRM held by the Directors as at 30 June 2009 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CRM
Song Lin	Beneficial owner	1,245,533	Long	0.021%
Wang Shuai Ting	Beneficial owner	972,000	Long	0.017%
Tang Cheng	Beneficial owner	2,000	Long	0.00003%
Zhang Shen Wen	Beneficial owner	108,000	Long	0.002%
Jiang Wei	Beneficial owner	537,614	Long	0.009%

Disclosure of Interests

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 30 June 2009, the Directors or chief executive of the Company were not aware of any other persons (other than a Director or chief executive, whose interests are disclosed in the section headed "Directors' Interests and Short Positions in Securities and Debentures" above) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register to be kept pursuant to Section 336 of the SFO:

Name of shareholder ⁽¹⁾	Capacity	Number of issued ordinary shares held	Number of underwritten nil-paid rights shares ⁽²⁾	Total Interests in shares and underlying shares ⁽²⁾	Long/short position	Percentage of the issued share capital of the Company ⁽²⁾
China Resources (Holdings) Company Limited ("CRH")	Beneficial owner	2,750,000,000	432,269,896	3,182,269,896	Long	74.99%
CRC Bluesky Limited	Interest of a controlled corporation	2,750,000,000	432,269,896	3,182,269,896	Long	74.99%
China Resources Co., Limited ("CRL")	Interest of a controlled corporation	2,750,000,000	432,269,896	3,182,269,896	Long	74.99%
China Resources National Corporation ("CRNC")	Interest of a controlled corporation	2,750,000,000	432,269,896	3,182,269,896	Long	74.99%

Note:

- (1) CRH is a 100% subsidiary of CRC Bluesky Limited, which is in turn owned as to 100% by CRL, which is in turn held as to 99.98% by CRNC. Each of CRNC, CRL and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in the share capital of the Company as those of CRH.
- (2) CRH and the Company entered into an underwriting agreement on 4 June 2009. CRH, being the underwriter of the Rights Issue, agreed to underwrite not less than 423,798,196 new shares and not more than 432,269,896 new shares to be issued under the Rights Issue. The Rights Issue was over-subscribed and became unconditional on 14 July 2009. Accordingly, the obligations of CRH under the underwriting agreement in respect of underwritten rights shares have been fully discharged. As at the date of this report, the shareholding interests of shares of CRH and its associates represented 64.81% of the total issued shares of the Company.

Disclosure of Interests

SHARE OPTIONS

(A) Pre-IPO Share Option Scheme

Movement of the options under the Pre-IPO Share Option Scheme during the period ended 30 June 2009 is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2009	Number of options adjusted as a result of the Rights Issue ⁽¹⁾	Number of options lapsed or cancelled during the period	Number of options exercised during the period ⁽²⁾	Number of options outstanding as at 30 June 2009 ⁽³⁾	Date of expiry	Exercise price ⁽¹⁾ (HK\$)
Name of Director								
Song Lin	6 Oct 2003	800,000	14,400	—	—	814,400	5 Oct 2013	2.750
Wang Shuai Ting	6 Oct 2003	900,000	16,200	—	—	916,200	5 Oct 2013	2.750
Tang Cheng	6 Oct 2003	600,000	—	—	(600,000)	—	5 Oct 2013	2.750
Wang Xiao Bin	6 Oct 2003	560,000	10,080	—	—	570,080	5 Oct 2013	2.750
Jiang Wei	6 Oct 2003	200,000	3,600	—	—	203,600	5 Oct 2013	2.750
Aggregate total of employees	6 Oct 2003	21,680,000	220,194	—	(9,449,000)	12,451,194	5 Oct 2013	2.750
Aggregate total of other participants	6 Oct 2003	21,358,000	355,788	—	(1,592,000)	20,121,788	5 Oct 2013	2.750
		46,098,000	620,262	—	(11,641,000)	35,077,262		

Note:

- (1) Number of options and exercise price were adjusted immediately after ex-entitlement to the Rights Issue.
- (2) The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$16.09.
- (3) Each option has a 10-year exercise period within which there is a total vesting period of five years. Commencing from the first, second, third, fourth and fifth anniversaries of the date of grant of an option, the relevant grantee may exercise up to 20%, 40%, 60%, 80% and 100% respectively of the shares comprised in his or her option.

Disclosure of Interests

SHARE OPTIONS (Cont'd)**(B) Share Option Scheme**

Movement of the options under the Share Option Scheme during the period ended 30 June 2009 is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2009	Number of options adjusted as a result of the Rights Issue ⁽¹⁾	Number of options reclassified during the period	Number of options exercised during the period ⁽²⁾	Number of options outstanding as at 30 June 2009 ⁽³⁾	Date of expiry	Exercise price ⁽¹⁾ (HK\$)
Name of Director								
Song Lin	18 Mar 2005	540,000	9,720	—	—	549,720	17 Mar 2015	3.919
Wang Shuai Ting	18 Mar 2005	540,000	9,720	—	—	549,720	17 Mar 2015	3.919
Tang Cheng	18 Mar 2005	360,000	2,160	—	(240,000)	122,160	17 Mar 2015	3.919
Zhang Shen Wen	18 Mar 2005	240,000	4,320	—	—	244,320	17 Mar 2015	3.919
Wang Xiao Bin	18 Mar 2005	360,000	6,480	—	—	366,480	17 Mar 2015	3.919
Jiang Wei	18 Mar 2005	360,000	6,480	—	—	366,480	17 Mar 2015	3.919
Anthony H. Adams	18 Nov 2005	200,000	3,600	—	—	203,600	17 Nov 2015	4.641
Wu Jing Ru	18 Nov 2005	200,000	3,600	—	—	203,600	17 Nov 2015	4.641
Chen Ji Min	30 Mar 2007	200,000	3,600	—	—	203,600	29 Mar 2017	12.210
Ma Chiu-Cheung, Andrew	30 Mar 2007	200,000	3,600	—	—	203,600	29 Mar 2017	12.210
Aggregate total of employees								
	1 Sep 2004	8,770,000	164,340	4,300,000	(3,940,000)	9,294,340	31 Aug 2014	4.175
	18 Mar 2005	13,800,000	198,720	—	(2,760,000)	11,238,720	17 Mar 2015	3.919
	18 Nov 2005	38,040,000	698,580	9,750,000	(8,980,000)	39,508,580	17 Nov 2015	4.641
	5 Sep 2006	23,120,000	386,640	—	(1,640,000)	21,866,640	4 Sep 2016	6.925
	30 Mar 2007	24,236,000	424,440	—	(656,000)	24,004,440	29 Mar 2017	12.210
Aggregate total of other participants								
	1 Sep 2004	4,300,000	—	(4,300,000)	—	—	31 Aug 2014	4.175
	18 Mar 2005	5,960,000	94,320	—	(720,000)	5,334,320	17 Mar 2015	3.919
	18 Nov 2005	9,750,000	—	(9,750,000)	—	—	17 Nov 2015	4.641
		131,176,000	2,020,320	—	(18,936,000)	114,260,320		

Notes:

- (1) Number of options and exercise price were adjusted immediately after ex-entitlement to the Rights Issue.
- (2) The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$15.94.
- (3) Each option has a 10-year exercise period within which there is a total vesting period of five years. Commencing from the first, second, third, fourth and fifth anniversaries of the date of grant of an option, the relevant grantee may exercise up to 20%, 40%, 60%, 80% and 100% respectively of the shares comprised in his or her option.
- (4) No option was granted, cancelled or lapsed under the Share Option Scheme during the period.

Detailed terms of the Pre-IPO Share Option Scheme and Share Option Scheme were disclosed in the 2008 Annual Report.

Disclosure of Interests

RESTRICTED SHARE AWARD SCHEME

As an incentive to retain and encourage the employees for the continual operation and development of the Group, on 25 April 2008 (the "Adoption Date"), the Board resolved to adopt the Restricted Share Award Scheme (the "Scheme") and the Company appointed BOCI-Prudential Trustee Limited as trustee to this Scheme (the "Trustee"). Pursuant to the Scheme, Company's shares (the "Shares") may be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the selected employees until such Shares are vested with the selected employees in accordance with the provisions of the Scheme. The Scheme does not constitute a share option scheme pursuant to chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The Board will implement the Scheme in accordance with the terms of the Scheme, including the provision of necessary funds to the Trustee for purchase of Shares up to 2% of issued share capital of the Company as at the Adoption Date (i.e. 4,150,021,178 Shares). The Scheme shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years unless terminated at the discretion of the board of Directors at an earlier date.

For the six months ended 30 June 2009, the Trustee purchased a total of 2,556,000 Shares, representing 0.06% of the issued share capital of the Company as at the Adoption Date, from the market at a consideration of approximately HK\$44,306,000 (including transaction costs).

Up to 30 June 2009, the Trustee purchased accumulatively a total of 13,136,000 Shares since the Adoption Date, representing 0.32% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of approximately HK\$199,735,000 (including transaction costs). As at the date of this report, the purchased Shares have been held in trust by the Trustee on behalf of the Company for selected employees.

Corporate Governance and Other Information

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2009.

MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the six months ended 30 June 2009.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Saved as disclosed under section headed "Restricted Share Award Scheme" on page 59 of this report, the Company and its subsidiaries did not purchase, sell or redeem any securities of the Company during the six months ended 30 June 2009.

AUDITORS AND AUDIT COMMITTEE

The interim report for the six months ended 30 June 2009 have been reviewed by Deloitte Touche Tohmatsu and the Audit Committee set up in compliance with Rule 3.21 of the Listing Rules. All of the four Audit Committee members are appointed from the independent non-executive Directors, with the Chairman of the Audit Committee having appropriate professional qualifications and experience in financial matters, including experience in review of financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules and has appointed four independent non-executive directors including one with related financial management expertise.

Corporate Information

Chairman	Song Lin
Vice Chairman and Chief Executive Officer	Wang Shuai Ting
Executive Directors	Song Lin Wang Shuai Ting Tang Cheng Zhang Shen Wen Wang Xiao Bin
Non-Executive Directors	Jiang Wei Chen Xiao Ying
Independent Non-Executive Directors	Anthony H. Adams Wu Jing Ru Chen Ji Min Ma Chiu-Cheung, Andrew
Company Secretary	Wang Xiao Bin
Auditors	Deloitte Touche Tohmatsu
Legal Advisor	Morrison & Foerster
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
Registered Office	Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. General Line: (852) 2593 7530 Facsimile: (852) 2593 7531

Information for Investors

SHARE LISTING AND STOCK CODE

The Company's shares are listed on The Stock Exchange of Hong Kong Limited. The stock code is 836.

FINANCIAL DIARY

Six-month financial period end	30 June 2009
Announcement of interim results	24 August 2009
Last day to register for interim dividend	11 September 2009
Book close	14 September 2009 to 18 September 2009
Payment of interim dividend	5 October 2009

SHAREHOLDER ENQUIRIES

For inquires about share transfer and registration, please contact the Company's Share Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong.
Telephone: (852) 2862 8628
Facsimile: (852) 2865 0990

For inquires from investors and securities analysts, please contact:

Investor Relations Department
China Resources Power Holdings Company Limited
Room 2001-2005, 20th Floor, China Resources Building,
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General line: (852) 2593 7530
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OUR WEBSITE

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